Audioboom Group plc

Annual Report
& Financial Statements

audioBoom

Overview

Audioboom is the leading spoken-word audio platform for hosting, distributing and monetising content. Audioboom works with 2,400 active broadcasters, content creators and podcasters around the world – including Cumulus, the BBC, The Telegraph, Sky Sports, the Premier League, Associated Press, The Sun, NBC Sports Radio, Undisclosed, Global and Bauer – hosting over 7,400 content channels.

Audioboom's hosting and distribution platform allows partners to embed, share via social channels and re-syndicate their content. Audioboom content currently receives 40 million listens per month, and growing. Additionally, Audioboom works with its partners to monetise their audio via live in-reads, the dynamic insertion of pre and post roll audio adverts, and video ads.

Contents

Company registration number:	85292
Registered office:	PO Box 264 Forum 4 Grenville Street St Helier Jersey JE4 8TQ
Directors:	Malcolm Wall (non-executive Chairman) Robert Proctor (Chief Executive Officer) Nicholas Candy (non-executive Director) Michael Cooper (non-executive Director) Jason Mackay (non-executive Director) Roger Maddock (non-executive Director)
Company secretary:	AST Secretaries Limited
Nominated adviser and broker:	Liberum Capital Ltd Ropemaker Place 25 Ropemaker Street London EC2Y 9LY
Solicitors:	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Registrars:	Capita Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT
Auditors:	haysmacintyre 26 Red Lion Square London WC1R 4AG

Chairman's Statement

The year under review was one of steady but important progress for Audioboom. The Group's focus turned fully to commercialising its market leading software as a service (SaaS) platform and the monetisation of this asset through advertising revenue share agreements. Growth in our revenue will result from growth in listens which are driven by quality content. I am pleased to report that we delivered strong growth, at least 60%, in both content partner channels and listens in the period – our two main KPIs.

Although overall revenue in the year was lower than anticipated, the reported upturn in revenue growth reported in Q4 2015 continued into Q1 of the new financial year. The Board and management's efforts are concentrated solely on revenue generation in 2016 and I am confident that our strategy and business model will deliver in the year, with revenues accelerating in 2017 and beyond.

In my first Chairman's Statement last year, I focused on the importance of good corporate governance. We made considerable progress in this area in 2015, assisted in large part by the recruitment of our new Chief Financial Officer, David McDonagh. David has been instrumental in improving internal policies, reporting and controls, as well as successfully tightening expenditure. My non-executive Board colleagues and I recently undertook a review of the Board's effectiveness and management's performance and we continue to monitor these areas closely. I am very pleased that the Group has recently secured the services of two new commercial directors, one in the UK and one in the US. As well as strengthening the depth of our management, most importantly, these are crucial roles in the monetisation of the Audioboom platform.

I would like to welcome new shareholders to the Company, as well as thanking existing holders for their continuing support. As ever, all shareholders will be welcomed at the AGM, which is being held on 4 May 2016. The Notice of AGM is at the back of this document. My colleagues and I look forward to welcoming you there.

Finally I would like to thank the management team and all the staff at Audioboom for their commitment and hard work during the year. We could not have made the progress we have, without their considerable efforts.

The Board and I look forward to updating shareholders on the Group's progress throughout the year and look forward to 2016 and beyond with optimism.

Malcolm Wall
Chairman
7 March 2016

Chief Executive's Report

Our Strategy

Over the last three years, Audioboom has developed an audio, cloud-based, software as a service (SaaS) platform, which enables the creation, broadcast and syndication of digital audio content across multiple devices, networks and geographies.

Using this platform, it is our vision to become the world's leading B2B advertising and digital audio content distribution company.

Business model

Our business model is based, principally, on entering into advertising revenue share agreements with content creators (principally broadcasters and publishers) using the Audioboom platform to embed audio content across their own websites, mobile apps and other distribution channels, such as Facebook and Twitter. Each piece of audio provides an opportunity to place traditional audio or video ads at the beginning, middle and end of the content (pre, mid and post roll advertising).

Working with the content partner, third parties and/or programmatic advertising exchanges (described further below), Audioboom will seek to secure advertising to place on its inventory of audio content on the Audioboom platform. It will share the proceeds of such advertising with the content creator on a pre-agreed revenue share basis. Revenue will be driven by the number of listens to the particular content and the CPM rate at which the advertising is secured. The CPM is the cost per thousand listens that the advertiser is willing to pay. CPMs may differ according to the type and length of content, the target audience and whether the advert is pre, mid or post roll.

In-read advertising, where the presenter promotes a product or brand during the broadcast, also presents a significant medium-term opportunity at typically much higher CPMs.

What's behind our strategy?

To date, only two key traditional media industries, print and television, have been disrupted by the consumer's move to digital and mobile content and consumption with companies like BuzzFeed, The Huffington Post, Netflix, YouTube and Amazon capitalising on the rapid shift in advertising spend from traditional channels to digital platforms.

Radio/audio, Audioboom's market, is the last of the three traditional advertising media genres to be disrupted.

In the UK and US, around 90% of the adult population still listen to radio and advertisers spend billions each year to reach them. However, like print and television, the consumer's listening experience is rapidly shifting from linear streams (i.e. traditional radio listening) to digital podcasts and on-demand audio consumed via the mobile phone, allowing advertisers to reach more specific audiences and making targeted listens a highly valued commodity.

Audioboom has a first mover advantage in the commercialisation of spoken word content; our SaaS platform has been under development for three years, we work with a large volume of the world's most prominent broadcasters and publishers and our ad serving solutions are leading edge, with over £10 million having been invested thus far. We believe the Company is, therefore, well positioned to exploit this opportunity and build a highly scalable audio advertising network.

KPIs

Our KPIs have evolved to reflect the strategic shift in the Group's business model from its early focus on the consumer app to a more scalable advertising/distribution model. Content partners and listens are the most accurate indicators of potential revenue – quality content drives listens, which ultimately generates advertising revenue.

The Board's focus is firmly on revenue generation in 2016 and these KPIs will provide a critical measure of the Group's revenue potential.

Operational Review

Audioboom made considerable progress in 2015, as measured by our KPIs and new partnership initiatives.

Content partners

At the year ended 30 November 2015, the number of content channels was 6,862, an increase of 60% on the prior year (2014: 4,293). This improvement reflected growth not only in the increased number of content partners but also the scale of these partners, with many establishing multiple channels for different genres and geographic regions.

Active content partners (a partner that has posted new content to the platform on one or more channels during the quarter) totalled 2,400 at the end of Q4. A number of major new content providers signed up to the platform during the year, including Cumulus, Yahoo! Sports, News International (The Sun and The Times), EMI, UTV, Radio X, Associated Press,

Chief Executive's Report
(continued)

BBC Hindi, NBA Podcasts, US Open Tennis, Cricket Australia, Australian Rugby Union, the All Blacks, the ATP Tour, The Wimbledon Tennis Championships, Baseball America, FIFA Women's World Cup, the Netball World Cup, Newcastle United and West Ham United. These partners complement our existing agreements with the BBC, The Telegraph, Sky Sports, the Premier League, NBC Sports Radio, Global and Bauer.

Listens

The number of listens (being the number of times users consume Audioboom hosted content via embeddable content players on third party websites or apps, on Audioboom's own website or apps, or via other distribution channels) is a key metric for the business, as it is the sole driver of advertising revenue. Total listens in the year under review exceeded 300 million – an increase of 66% on the prior year (2014: 180 million). Total lifetime listens of Audioboom content since inception exceeded 700 million at the year end.

The geographical split on listens is currently circa 70% USA, 10% UK, 5% Australia and 15% Rest of the World, reflecting the global appeal and the spread of content hosted.

Marketing

Earlier in the financial year, we focused resources on building the Audioboom consumer proposition, with an updated website, a consumer marketing campaign headed up with exclusive Russell Brand podcast material and the launch of new iOS and Android apps. Registered users increased 46% over the year from 3.1 million to 4.6 million and new app installations totalled 2.6 million.

This marketing was successful in its key aim of raising the profile of the Audioboom brand. However, as previously highlighted, the consumer platform is not the primary focus for the business and financial, technical and human resources have been refocused to drive B2B platform adoption by key content partners to ensure that we remain the hosting and distribution platform of choice for the world's leading content creators. The vast majority of listens are generated through our distributed network – Audioboom embedded media players in third party websites and apps and other distribution channels.

New Partners

Cumulus

The most important strategic development of 2015 was the execution of an advertising revenue share agreement with Cumulus Media Holdings, Inc. ("Cumulus"), the second largest radio group in the USA. We believe this deal is key to a step-change in our rate of revenue growth and supports our long-term goal of significant revenue and profit generation. This gives us excellent coverage of the US market, which we see as our core focus for 2016 and an increasingly significant contributor to our growth plans.

Cumulus is using our SaaS platform to provide on-demand creative, hosting, broadcasting and advertising tools for its radio network, encompassing over 450 stations, over 100 nationally syndicated shows and over 240 million unique listeners. Cumulus can then monetise this digital on-demand content through the sale of pre-roll and post-roll video, audio and display advertising, as well as in-read native advertising for high profile podcasts. Audioboom is already benefitting from this deal, through an increase in monthly listens and a share of advertising revenues but we expect to see further significant growth from this key relationship throughout 2016 and beyond.

As part of our deal with Cumulus, we will redeploy members of our UK content acquisition and account management team from the UK to our USA office in New York. They have previously visited many of the major and mid-size market radio stations, creating dedicated channels for each station and show, integrating their audio output into the stations' Twitter, Facebook and Apple iTunes feeds and running detailed training sessions for programme producers and podcast creators. The physical redeployment on a more permanent basis will see our overall UK headcount reduce and our USA headcount increase, allowing us to better utilise our resources, whilst reducing our overall staffing costs.

As previously reported, our progress with Cumulus was slowed by the appointment of a new Chief Executive in September 2015. However, I am pleased to report that their new CEO, Mary Berner, is totally focused on 'digitising' the Cumulus operations and Audioboom remains their key platform for achieving this transformation, which clearly bodes well for the Company.

Other partners

A number of other major deals were agreed during the year which the Company expect to be revenue generating directly or indirectly (via increased listens and advertising opportunities) in the future.

Audioboom became the global provider and delivery platform for audio content for Aupeo (Panasonic Automotive of North America). We will create, curate and seamlessly deliver UK, US, Australian and European news, sport, comedy and entertainment audio content directly into the Personal Radio by AUPEO! – an in-car 'infotainment' platform.

During the period we also signed a revenue referral agreement with Audible, a popular subsidiary of Amazon.com, and entered into a partnership agreement with Nobex Radio to make on-demand and listen again functionality available to radio stations utilising the Nobex mobile app platform.

Our expansion into African markets is developing well under our agreement with mobile content aggregator Cloud Africa. Under this deal the first mobile network operator to roll-out branded audio services using Audioboom will be MTN Group, starting with an initial launch in Nigeria before making the service more widely available across Africa. Revenues from this arrangement will be generated via a mixture of shared earnings from data packages purchased by mobile subscribers to use the service and various advertising and branding opportunities.

Overseas expansion

The USA remains the major focus for Audioboom, attested by our partnership with Cumulus. US based users accounted for 70% of listens at the year end, compared with approximately 15% a year earlier. We have expanded the team from one to eight people in New York in the year and we expect this to continue to be our strongest region for revenue growth throughout 2016.

India represents a huge opportunity for Audioboom with 684 million mobile phone users, some 236 million of these owning smart phones. We have recruited a country manager and commercial director for this key territory, in response to the increasing demand for our services in this region and in readiness for our recently announced partnership with Eros International, detailed below.

With around 45 million Spanish speakers in the US alone, this is an important market for Audioboom. We continue to develop a Hispanic version of our app, which we believe will accelerate our penetration of these key South and North American markets.

Direct vs programmatic advertising

The key to the success of Audioboom is the IT automation of the buying process for ads. Programmatic ad platforms use algorithms to seek and match ad opportunities to users automatically, based on criteria determined by the advertiser, rather than people physically identifying and valuing ad spots on a network. The programmatic model is well understood and mature in the browser, display and video ad markets but it is an emerging market for audio advertising.

To date, the slow pace of progress in programmatically integrating audio inventory applicable to the on-demand audio format, typically a video or dedicated audio ad, has been reflected in the lower than expected revenue ramp at Audioboom. Established media sales networks have found it challenging integrating with on-demand, as the volume of inventory required to create scale for media agencies has not been available. However the latest research in the USA (Edison and NPR) shows that 30% of all radio listening is now on-demand rather than linear broadcast or streamed and, as we have seen with newspapers and TV, when the consumers move to digital platforms then the media agencies and their advertisers follow. This shift is driving investment in programmatic integration technologies.

Audioboom believes that it is now well positioned to take advantage of the shift from broadcast advertising revenues to digital advertising revenues and revenue generation from programmatic ads is expected to ramp significantly in H2 of 2016.

Audioboom currently has two key advertising partnerships:

- Audio platform – DAX Global, owners of Heart, Capital, Capital XTRA, Classic FM, Smooth, LBC, Radio X and Gold broadcasting to 24 million listeners each week, who have developed an audio advertising platform integrated with demand side platforms and trading desks. Further platform partners are being sought.
- Programmatic – Audioboom is working with four programmatic advertising exchanges – WideOrbit, A2X, LiveRail and United Media.

Additionally, Audioboom is now starting the technical integration with some of the world's biggest media agencies such as Havas, OMD and WPP/Xaxis and the more of these the Company has, the greater the 'fill' capability, geographical

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reach and the bigger the opportunity to generate consistent and growing revenues.

Financial Results

The comparative numbers in these accounts cover an 11 month period to 30 November 2014 whereas the period under review is the 12 month period to 30 November 2015. This is due to changes to the accounting period end date brought about by the reverse acquisition of One Delta plc by Audioboom Limited in May 2014. The comparative numbers comprise those of Audioboom Limited (prior to the reverse acquisition) and Audioboom Group plc (subsequent to the acquisition).

Revenue increased to £192,000 (2014: £51,000), resulting in an underlying operating loss, adjusted for the non-cash accounting treatment of share based payments, of £5.69m (2014: £2.12m). This reflects the ongoing costs of growing the business, prior to any significant advertising revenue ramp up, and increased marketing costs. It is important to note that revenue in the period was heavily back-ended with Q4 generating more than double the previous three quarters, as the pace of revenue growth picked up.

Net cash used in operating activities increased to £5.72m (2014: £2.38m) as the proceeds of an £8m placing in October 2014 were invested in developing the business. Cash management remains tight and a key focus within the business, particularly given the slower than originally anticipated growth in revenue. Cash burn was reduced towards the year end as the Company reduced its marketing spend relating to the consumer products, website and apps, and the targeting of registered users, in line with its strategic focus on the B2B platform. This reduced cash burn continues and our net cash position is also being augmented by increasing revenue. Audioboom finished the year with cash reserves of £3.13m.

Team

The expansion of our team has continued as planned. Staff numbers increased from 18 employees at the beginning of the year to 38 at the year end, reflecting our international expansion, increased technical development resources and the growth of our in-house content curation team.

Nick Candy was appointed as a non-executive Director in April 2015, having demonstrated his commitment and support as a significant shareholder in the business.

In May 2015, we appointed David McDonagh as Chief Financial Officer. He joined us from WideOrbit, a leader in premium broadcast technology and the largest sell-side processor of premium advertising in the world. WideOrbit is a key partner of Audioboom and David's background and contacts have accelerated our advertising capabilities from a technical stand point. As we progress into revenue generation, David's skills in strategic and operational financial management will be essential and I am very pleased to have him on the team.

In September 2015, Simon Cole stepped down as a non-executive Director. This followed the sale by 7Digital Group plc (of which Simon is the CEO) of its 10 per cent stake in the Company.

Since the year end, our management team has been strengthened with the appointment of a UK commercial director with significant experience in media and radio advertising sales. Given the importance of the US market, we have recently appointed a US commercial director who will start in April.

Post-period end events

Since the year end, we have announced two significant new partnerships, which we expect to increase the reach and distribution of the content on our platform materially, which, in turn, should positively impact advertising revenue generation in the future:

Eros

In January 2016, we announced the signing of a binding Heads of Terms with a subsidiary of Eros International Plc ("Eros"), a leading global company in the Indian film and entertainment industry, in respect of Eros Now, Eros' digital OTT platform. Eros will partner with Audioboom for its upcoming launch in India and Eros Now's 30 million registered mobile users will be equipped with access to exclusive Audioboom local and global on-demand content and podcasts in addition to other spoken-word content on the Audioboom platform. Eros will provide Audioboom with access to the very best of Bollywood acting talent for the creation and distribution of exclusive spoken-word audio content for the Indian market and beyond. Audioboom will be responsible for all audio content curation (music and spoken word), ad sales and ad campaign delivery within the audio section of the Eros Now mobile and web applications. Eros and Audioboom will operate an advertising revenue share arrangement.

Google Play

In February 2015, we announced that Audioboom has been selected as one of 11 podcast/spoken-word content partners for the new look Google Play application in the US. Audioboom is the only non-US based content partner to be selected by Google Play and its content will be available within the updated Google Play app. Content provided for Google Play under this arrangement will initially only be available to Google Play users in the USA, who access the service via a dedicated app burnt onto Android devices. The increased reach that Google Play provides will make Audioboom a more attractive host to existing and prospective content partners.

Outlook

I am pleased to report that the Company has made a promising start to 2016. The Board are confident of revenue growth throughout 2016, accelerating in 2017 and beyond.

Record quarterly listens of 105 million for Q1 show the increase in quantity and quality of our content partners and the expanding reach and distribution of Audioboom's platform. 543 new content channels were added in the first three months of the new financial year, taking the total to over 7,400. Despite being a short month, February set a new monthly record for listens of almost 40 million and the Board is very confident that this upward trend will continue and accelerate over time.

Our focus in 2016 is firmly on the USA and India, monetisation, improving our platform functionality and consolidating our position as a leading B2B advertising and digital audio content distribution company.

Rob Proctor
Chief Executive Officer
7 March 2016

Q & A with the CEO

Rob Proctor

1 What is on-demand audio?

On-demand audio or podcasting, you can use either expression, is basically audio that's being delivered digitally. Because it's digital you can listen to it anytime. So it's not a linear broadcast. It's there when you want it and to be consumed how you want to.

For radio the implication is both good and bad. Fewer and fewer people are listening to linear broadcast radio. But actually more and more people are listening to audio, on-demand on their mobile phone.

2 How does Audioboom fit into the audio market?

Anybody that's creating audio (including, but not limited to, radio stations) and wants that audio listened to digitally needs a technology stack that sits in the middle - you need somewhere to be able to record it, edit it, upload it and store it, but also then syndicate it, share it and broadcast it digitally. Audioboom IS that technology stack that allows broadcasters to take their audio and make it digital.

3 Why do radio stations and content owners use Audioboom?

Stations and content owners use Audioboom in order to create the content stack that's required - that's everything from recording, to editing, to distribution through embed players, to automatically sending out to Twitter and to Facebook. Moreover, they then want to monetise, so you want to put some pre roll adverts on it, some post roll adverts on it, maybe even a mid-roll advert inserted into it. All of that requires a lot of technology and if you were to build it today you could, but it would probably cost you a couple of million pounds and it would probably take you six to nine months to do so. Then within two months it would be obsolete again because the transcodes change, iOS changes and Android changes.

We work with content creators and we can get them online within five minutes. You could spend nine months building a product, then find it becomes obsolete and have to employ a team of seven or eight engineers in order to keep it updated all the time. Or you could use us for free.

4 How important to advertisers is on-demand audio?

For a long time, radio stations have sold advertising to media agencies based on survey figures. With RAJAR, for example, the survey figures will show that 2,000 people listen to a particular station. These figures are then extrapolated out to something like 10 million listeners.

In a digital world, where all of the consumption is now happening on mobile, media planner buyers want to buy against empirical data. All of our on-demand audio is delivered digitally, we have all of the data on it. Media agencies more and more only want to buy against empirical data.

5 What is Audioboom's revenue model?

We have a technology stack. All of our content partners use that technology stack for free. But we also have the media rights to the pre-roll and post-roll, wherever that media then gets distributed - be that on Facebook, Twitter, iTunes or back on a content partner website. We work truly in partnership with our content creators. So we revenue share back all the pre-roll and post-roll revenues with our content partners.

6 What competition do you have?

Here in the UK we see competition really around pure podcasting. Some smaller companies, some startups, have come into the market basically just to sell and rep the inventory from other people's podcasts that already exist. We do that as well but actually we're that technology stack between radio and content creators and on-demand audio. So it's not just podcasting for us, it's about all of the on-demand audio space.

In the UK we pretty much stand alone in that. Actually globally we stand alone in that as well. There are other people that make podcasts. There are some people that might have an embed player. Other people might have an app that allows you to record audio on a mobile phone. Some people have got ad servers. But if you are a content partner looking to go digital, you need all of those things. So to get it from one partner, like Audioboom, is obviously the ideal solution. We are the only company that can give you that globally.

Principal Risks and Uncertainties

The Board and management regularly review and monitor the key risks involved in running and operating the business. The future success of the Group is dependent on the Board's ability to implement its strategy. The model for the future development of the Group is reliant on its ability to achieve a critical mass of quality content providers and its ability to derive advertising revenue from agencies and users of advertising who want to access the audience for Audioboom's services. The table below sets out a number of the material risks together with relevant mitigating factors:

Risk	Description	Mitigation
Retention/ attraction of key staff	The Group is highly dependent on key members of the management team. Their services cannot be guaranteed and the loss of their services may have a material adverse effect on the Group's performance. There can be no assurance that the Group will be able to attract and retain all personnel necessary for the future development and operation of the business.	The Board will continue to ensure that the management team are appropriately incentivised and that there is scope to appropriately incentivise new key personnel where required. Audioboom operates a share option scheme which enables employees to become defacto 'owners' of the business and to benefit from continued growth in the Company.
Continued growth in content partners	Success of the Group's strategy relies heavily on the on-going growth in securing global quality content partners to the platform. There can be no assurance that the Group will maintain its success in this area.	Content partners are incentivised to use the Audioboom platform in a number of ways – they expand the audience for their content; they save on cost of developing, hosting and updating their own platform; and it provides potential monetisation of the content through advertising.
Ability to monetise the advertising opportunity	Success of the Group's strategy relies heavily on its ability to monetise the advertising opportunity. The ability to generate advertising revenue from social and digital media sites is now well established as major companies operating in this space have built up revenues from advertisers who value access to the user groups that are regular visitors to these sites. There can be no assurance that the Group will be successful in building these revenues if it is exposed to greater competition or suffers lower growth in listens on the platform as well as other factors.	On-going growth in quality content providers, which in turn attracts greater numbers of listens, should allow the Group to create the world's first aggregated audio content syndication and advertising network. While it is still at an early stage, the Group has commenced the monetising of its advertising opportunity and is working with advertising partners in the UK and the US to build revenues.
Competition	Technologies used by the Group may have a shorter commercial life than anticipated due to the invention or development of more successful technology or applications by competitors who may have greater financial, marketing, operational and technological resources than the Group.	The Group has a significant element of "first mover advantage" in terms of on-going growth in the quantity and quality of global content partners using its platform. It also strives to continually innovate in terms of its technology, products and services.

Risk	Description	Mitigation
IT infrastructure	Audioboom's platform is hosted externally by Amazon. The Group cannot guarantee that there will not be any disruption in the availability or performance of the platform, or the terms on which it is made available, which could have a material adverse effect on the Group and its business and prospects.	The Amazon cloud infrastructure and distributed content system ensures that many multiple copies of the entire Group's web architecture, mobile applications and growing content library are distributed across multiple nodes of the content distribution network. This ensures that if one node were to fail, then the Group's architecture and content could still be accessed by users via other nodes in the network.
Content	Audioboom provides a platform for third party content. Some of the content may be unsuitable, illegal or defamatory and as such there is a risk that claims may be made against the Group. Audioboom is a provider rather than a publisher and as such should not be liable for content. If, however, Audioboom is held to have published the offending content, that could have a material adverse effect on the Group.	"Safeharbour" regulations should mitigate the risk in the case of Audioboom acting as provider and not publisher. In cases where Audioboom may have greater involvement in the publishing of content, Audioboom will take reasonable steps around editorial control of content. Audioboom's terms and conditions also give it unlimited rights to remove content, remove content channels and block users to ensure that it is able to maintain a controlled environment for consumers to access appropriate content.

The Strategic Report was approved by the Board of Directors on 7 March 2016 and was signed on its behalf by:

Rob Proctor
Chief Executive Officer

Board of Directors

	Malcolm Wall Chairman	Rob Proctor Chief Executive Officer	Nick Candy Non-executive Director
Background and experience	Malcolm has worked across the media spectrum in the UK and overseas. He has been CEO, Content at Virgin Media, CEO of Abu Dhabi Media, COO of UBM plc and held a number of senior roles within ITV companies.	Prior to joining Audioboom in September 2012, Rob was COO of US social media platform Reality Digital, Inc. for four years, with clients such as Sony Pictures, YouTube, MTV and ITV. He was also Senior Vice President International for Adify Corporation, a US provider of online advertising to networks and advertising agencies. From 1996 to 2001, he was founder and CEO at Simply Internet Limited which he grew to be one of the world's largest public internet access companies employing over 700 people.	Nick is the co-founder and Chief Executive Officer of Candy & Candy Limited, one of the world's foremost luxury real estate designers, whose projects include One Hyde Park in London.
Date of appointment	Malcolm joined the Board and became Chairman in October 2014.	Rob joined the Board as CEO on the completion of the reverse acquisition of Audioboom Limited in May 2014.	Nick joined the Board in April 2015.
External appointments	Malcolm is the Chairman of Disciple Media Ltd, Imaginarium Ltd and Dock 10 (the Media City production facility). He is a non-executive director of the international film fund, Image Nation, and of Eagle Eye Solutions Group plc, a leading digital consumer engagement provider.	None	Nick holds a number of other directorships, both within the Candy group of companies and externally.
Committee memberships	Malcolm is acting Chair of the Remuneration Committee	None	None
Independence	The Board consider Malcolm to be an independent Director.	Executive – non-independent	Non-independent. Nick has an interest in 7.6% of the Company's issued shares.

	Michael Cooper Non-executive Director	Jason Mackay Non-executive Director	Roger Maddock Non-executive Director
Background and experience	Michael is the CEO of PHD Worldwide, a global media planning and buying agency with headquarters in London, specialising in strategic communications planning and industry thought-leadership. Prior to PHD Worldwide, Michael worked at CNBC and at Saatchi & Saatchi in both London and Asia Pacific.	Jason has extensive experience in the financial markets having worked for 11 years at UBS and Morgan Stanley, most recently as a Managing Director in Morgan Stanley's equity business. Jason was also co-head of hedge fund GLG's UK equity business for 7 years, responsible for managing $3bn of assets. Over the last 4 years Jason has founded several property businesses and invested in and helped numerous small companies.	Roger has worked in the finance industry in Jersey since 1981, specialising in fund administration. He was a partner in a local chartered accountancy practice and a director of Worthy Trust Company Limited until it was sold to Allied Irish Banks (CI) Limited in 1999 where he was a director of that bank's trust and fund administration companies until 2001. He was the Managing Director of Equitilink International Management Limited and a director of several of the underlying funds of the group. Roger has remained on the Board in order that the Company can comply with Jersey regulatory requirements.
Date of appointment	Michael joined the Board in June 2014.	Jason joined the Board in October 2014.	Roger joined the Board on the Company's incorporation (originally as The Off-Plan Fund Limited) in April 2003.
External appointments	Michael is the CEO of PHD Worldwide and a Trustee of Alzheimer's Research UK.	Jason holds a number of other directorships, principally in property businesses.	Roger holds a number of directorships of fund management and investment companies.
Committee memberships	Michael serves on the Board's remuneration committee.	Jason serves on the Board's audit committee.	Roger chairs the Board's audit committee.
Independence	The Board consider Michael to be an independent Director.	The Board consider Jason to be an independent Director.	Due to his length of tenure, Roger is not automatically considered to be an independent Director. Therefore the Board has reviewed his status and considered the fact that the strategy and shareholders of Audioboom are materially different following its 2014 reverse acquisition. Following this review the Board consider Roger to continue to exercise independence as a Director.

All Directors shall retire at the AGM and all Directors shall put themselves forward for re-election.

Report of the Directors

The Directors present their report together with the audited financial statements for the period ended 30 November 2015.

Results and dividends

The consolidated statement of comprehensive income for the period is set out on page 23. No dividend has been declared or is proposed for the period.

Directors and their interests

The Directors who served during the year are set out below, together with their beneficial interests in the ordinary shares of the Company. Biographical details are included on pages 12 - 13.

	30 November 2015		30 November 2014	
	Ordinary shares of no par value	**Share options**	Ordinary shares of no par value	Share options
Nick Candy (appointed 2 Apr 2015)	**40,820,000**	**–**	n/a	n/a
Simon Cole (resigned 22 Sep 2015)	**n/a**	**n/a**	2,100,000	–
Mike Cooper	**545,454**	**–**	545,454	–
Jason Mackay	**360,000**	**–**	360,000	–
Roger Maddock	**5,513,556**	**–**	5,513,556	–
Rob Proctor	**416,153**	**27,630,741**	320,000	27,630,741
Brian Southward (resigned 17 Dec 2014)	**n/a**	**n/a**	545,454	–
Malcolm Wall	**480,000**	**–**	200,000	–

The Company has established an EMI option scheme and an "unapproved" share option scheme pursuant to which the CEO, the CFO and other members of staff have been or may be granted share options. Options granted under this scheme may have a vesting schedule and/or performance conditions attached. The number, exercise price and earliest and latest dates of exercise of options over ordinary shares in the Company held by Directors at the end of the year were as follows:

	Share options	**Exercise price (pence)**	**Earliest exercise date**	**Latest exercise date**
Rob Proctor	27,630,741	1.5p	n/a	20 May 2024

At the date of this report, 75 per cent of those options had vested and the balance remain subject to revenue-linked performance conditions. No options were granted to Directors during the year and no options granted to Directors were exercised, lapsed or forfeited during the year.

The following Directors had a beneficial interest in warrants to subscribe for ordinary shares at 30 November 2015:

	Number	Exercise price	Earliest exercise date	Latest exercise date
Nick Candy	12,000,000	8.375p	2 Apr 2016	2 Apr 2019
Jason Mackay	6,000,000	12.5p	13 Oct 2015	13 Oct 2018
Rob Proctor	1,000,000	1.5p	20 May 2015	20 May 2017

Directors' remuneration (audited)

The following table shows emoluments paid to Directors during the financial year:

	12 months to 30 November 2015			11 months to 30 November 2014
	Salary/fees £'000	**Bonus £'000**	**Total emoluments £'000**	Total emoluments £'000
Current Directors:				
Nick Candy (non-executive)[1]	**60**	**–**	**60**	n/a
Mike Cooper (non-executive)[2]	**30**	**–**	**30**	14
Jason Mackay (non-executive)[1]	**60**	**–**	**60**	–
Roger Maddock (non-executive)	**30**	**–**	**30**	–
Rob Proctor	**130**	**58**	**188**	189
Malcolm Wall (non-executive Chairman)[2]	**35**	**–**	**35**	5
Past Directors:				
Simon Cole (non-executive)[2]	**30**	**–**	**30**	16
Brian Southward (non-executive)[3]	**16**	**–**	**16**	14
Others	**n/a**	**n/a**	**n/a**	30
	391	**58**	**449**	268

(1) no fees paid in cash – warrants to subscribe for shares granted in lieu of fees (see above).

(2) fees settled partly by issue of shares (in prior year) and part cash.

(3) fee settled by issue of shares (in prior year).

It is anticipated that future Directors' fees will be paid in cash.

There were no pension contributions or benefits in kind made to Directors during the period (2014: nil).

Service contracts

The Chief Executive Officer has entered into a service contract with the Group that is terminable by either party on not less than 6 months' prior notice. The non-executive Directors have entered into service contracts with the Group that are terminable by either party on not less than 3 months' prior notice.

Pensions and private healthcare

There are no pension or private healthcare arrangements in place for Directors.

Report of the Directors
(continued)

Substantial shareholdings

At the date of this report, the Company was aware of the following interests in 3% or more of its issued voting share capital:

Shareholder	% holding
Slovar Limited	8.2%
Nick Candy (Director)	7.6%
Barclayshare Nominees Limited	4.3%
Hargreaves Lansdown (Nominees) Limited (Acc. HLNOM)	4.1%
CGWL Nominees Limited (Acc. GC1)	4.0%
UBS Private Banking Nominees Limited (Acc. Mainpool)	3.8%
HSBC Global Custody (UK) Nominee Limited (Acc. 885016)	3.7%
Lynchwood Nominees Limited (Acc. 2006420)	3.1%

Employee involvement

The Group's policy is to encourage involvement at all levels, as it believes this is essential for the success of the business. Employees are encouraged to present their views and suggestions in respect of the Group's performance and policies.

Financial risk management objectives and policies

The Group's financial instruments comprise cash, liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The Directors review the policies for managing each of these risks on an ongoing basis and they are summarised in note 20 to the financial statements. These policies have remained unchanged from previous years.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. The Board's forecasts for the combined Group, including due consideration of the continued operating losses, projected increase in revenues and decreasing cash-burn of the Group (and taking account of reasonably possible changes in trading performance), indicate that the Group has sufficient cash available to continue in operational existence throughout the December 2015 – November 2017 forecast period and beyond. The Board has considered various alternative operating strategies should these be necessary in the light of actual trading performance not matching the Group's forecasts and are satisfied that such revised operating strategies could be adopted, and/or additional financing could be secured, if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer term strategic objectives, successfully. Therefore the Directors consider the going concern basis appropriate.

Directors' indemnity and insurance

Pursuant to the Company's articles of association, the Company has granted an indemnity to its Directors and officers under which the Company will indemnify them, subject to the relevant article, against all costs, charges, losses and liabilities incurred by them in the performance of their duties. The Company has also arranged directors' and officers' liability insurance.

Directors' Responsibility Statement

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

Company law requires the Directors to prepare Group financial statements for each financial year.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable IFRS as adopted by the EU; 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 Companies (Jersey) Law 1991. 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

haysmacintyre offer themselves for reappointment as auditors in accordance with section 113 of the Companies (Jersey) Law 1991.

ON BEHALF OF THE BOARD

Rob Proctor
Chief Executive Officer
7 March 2016
Company registration no: 85292 (Jersey)

Corporate Governance Report

Role of the Board and management

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall management and corporate governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

From time to time the Board may delegate or entrust to any Director holding executive office (including the CEO) such of its powers, authorities and discretions for such time and on such terms as it thinks fit. The Board had adopted a "Delegation of Board authority" which establishes those matters which it is considered appropriate remain within the overall control of the Board (or its committees) and those which are delegated to the CEO (or onwards as appropriate). In addition to overall Group strategy, the Board approves the annual budget and retains control over corporate activity (mergers, acquisitions, joint ventures, material disposals and investments) and material contract and financing decisions (over and above set value/credit-risk limits). The delegation policy was reviewed during the year.

Management's role is to implement the strategic plan established by the Board and to work within the corporate governance and internal control parameters established by the Board.

Role of Chairman and Chief Executive Officer

There is a clear division of responsibilities between the running of the Board and the executive responsible for the Group's business.

The Chairman is responsible for leadership of the Board, ensuring its effectiveness and setting the agenda for Board meetings. Once strategic objectives have been agreed by the Board, it is the Chief Executive Officer's responsibility to ensure they are delivered upon and consistently to be accountable to the Board. The day to day operations of the Group are managed by the Chief Executive Officer and his management team.

Board processes

The full Board meet six times per year and at any other time as may be necessary to address any specific significant matters that may arise.

The agenda for Board meetings is prepared in conjunction with the Chairman. Submissions are circulated in advance and for regular Board meetings will include operational and financial updates together with papers relating to specific agenda items.

Management prepare monthly finance reports which allow the Board to assess the Company's activities and review its performance. Members of management are regularly involved in Board discussions and Directors have other opportunities for contact with a wider group of employees.

To assist in the execution of its responsibilities, the Board has established an Audit Committee and a Remuneration Committee (which can also sit as a Nominations Committee where required) and a framework for the management of the consolidated entity including a system of internal control.

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. This includes financial, operational and compliance controls and risk-management systems. The Board has reviewed the effectiveness of the system of internal control during the year. Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Composition of the Board

The Board currently comprises six Directors. The number and/or composition may be changed where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

The composition of the Board is determined using the following principles:

- a majority of the Board should be non-executive Directors,
- the role of Chairman is to be filled by a non-executive Director,
- the Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities,
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter Directors are subject to re-election every year.

The Company Secretary is a Jersey based professional services company in order to conform with Jersey requirements. The Board has therefore appointed a corporate and governance consultant to assist and advise it in respect of its responsibilities and best practice. The consultant attends all Board and committee meetings (which are held in the UK) in which he effectively carries out a number of the duties and responsibilities of a company secretary.

Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned is either not present or does not take part in discussions and voting at the meeting whilst the item is considered.

Independent professional advice and access to Company information

Each Director has the right of access to all relevant Company information and to the Company's management and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of any advice received by the Director is to be made available to all other members of the Board.

Committees

Audit Committee

The role of the Audit Committee is documented in its Terms of Reference which were reviewed and adopted by the Board in April 2014.

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities for financial reporting, corporate control and risk management. Its objectives are:

- to increase shareholder confidence and to ensure the credibility and objectivity of published financial information;
- to assist the Board in meeting its financial reporting responsibilities;
- to assist the Board in ensuring the effectiveness of the Company's internal accounting and financial controls;
- to strengthen the independent position of the Company's external auditors by providing channels of communication between them and the non-executive Directors; and
- to review the performance of the Company's external auditing functions.

The members of the Audit Committee are Roger Maddock (Chairman) and Jason Mackay.

The external auditors, the Chief Executive Officer, the Chief Financial Officer, the Chairman and members of the internal finance function may be invited to Audit Committee meetings at the discretion of the Committee. The Committee plans to meet at least twice during the year.

The Audit Committee reviews the performance of the external auditors on an annual basis and plans to meet with them during the year as required to discuss audit planning, any potential changes in accounting policies or related accounting issues, any issues arising from the half year review or full year audit and any other special matters or investigations deemed necessary by the Board.

Corporate Governance Report
(continued)

The agenda for Audit Committee meetings is prepared in conjunction with the Chairman of the Committee. Submissions are circulated in advance and may include drafts of interim and annual financial statements, related papers from management, audit planning and key issues memoranda from the external auditors, and papers relating to specific agenda items.

Remuneration Committee

The role of the Remuneration Committee is documented in its Terms of Reference which were reviewed and adopted by the Board of Directors in April 2014.

The objectives of the Remuneration Committee are:

- to ensure that the Company's directors and senior executives are fairly rewarded for their individual contributions to the Company's overall performance by determining their pay and other remuneration;
- to demonstrate to all shareholders that the general policy relating to and actual remuneration of individual senior executives of the Company is set by a committee of the Board members who have no personal interest in the outcome of the decisions and who will give due regard to the interests of the shareholders and to the financial and commercial health of the Company.

The Remuneration Committee intends that its policy and practice should align with and support the implementation of the Company's strategy and effective risk management for the long term. The policy is intended to motivate the right behaviours and to ensure that any risk created by the remuneration structure is acceptable to the Committee and within the risk appetite of the Board and its strategy.

The remuneration package for executive Directors comprise a combination of annual salary, annual performance bonus and share options with performance criteria. Remuneration for non-executive Directors typically consists of an annual fee. There is no additional fee for serving on Board committees and non-executive Directors are not entitled to bonuses or participation in the share option scheme. Certain non-executive Directors were paid their annual fee by way of a grant of warrants to subscribe for shares in the Group. The committee has independently assessed the number of warrants to be issued in return for the fair value of the consideration of the services provided by these non-executive Directors.

The members of the Remuneration Committee are Malcolm Wall (Acting Chairman) and Michael Cooper. Simon Cole was Chairman of the Committee until his resignation from the Board in September 2015. Malcolm Wall joined the Committee as Acting Chairman from that point.

The Chief Executive Officer may be invited to Remuneration Committee meetings at the discretion of the Committee. The Committee plans to meet at least twice during the year.

The agenda for Remuneration Committee meetings is prepared in conjunction with the Chairman of the Committee. Submissions are circulated in advance and may include remuneration benchmark surveys and best practice guidelines together with papers relating to specific agenda items.

Where required the Remuneration Committee may also sit as the Nominations Committee. However the role of the Nominations Committee may also be fulfilled by the full Board. The objectives of such Committee are:

- to ensure that the Company has a formal and transparent procedure for the appointment of new executive and non-executive Directors to the Board;
- to ensure that the Company reviews the balance and effectiveness of the Board and the senior executive management team, identifying the skills and experience needed for the next stage in the Company's development and those individuals who might best provide them, including appropriate succession plans and considering possible internal candidates for future Board roles.

Directors’ attendance record

The following table provides details of attendance by Directors at Board and Committee meetings held during the period.

	Board		Audit Committee		Remuneration Committee	
	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended
Nick Candy	6	3*	–	–	–	–
Simon Cole	8	7	–	–	1	1
Mike Cooper	9	5	–	–	2	2
Jason Mackay	9	7	2	2	–	-
Roger Maddock	9	9	2	2	–	-
Rob Proctor	9	9	–	–	–	-
Brian Southward	0	0	–	–	–	–
Malcolm Wall	9	9	–	–	1	1

*includes attendance by alternate director

The role of shareholders

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- the release of announcements, trading updates and interim and annual financial statements through the Regulatory News Service and on the Company's website,
- the full annual financial report is sent to all registered shareholders,
- proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders, and
- notices of all meetings of shareholders are sent to all registered shareholders.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as separate resolutions. The Notice of Annual General Meeting is included at the end of this document.

The Company's auditors are also invited to attend the Annual General Meeting and are available for discussion in relation to the Company's financial statements.

Strategic Report
Governance
Financial Statements
Notice of AGM
Glossary

Independent Auditor's Report to the Shareholders of Audioboom Group plc

We have audited the group financial statements of Audioboom Group plc (the "company") for the period ended 30 November 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibility Statement set out on pages 16 and 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our audit.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 November 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU;
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's ability to continue as a going concern having reviewed working capital projections. The position indicates the existence of material uncertainty which may cast doubt about the group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company; or
- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Ian Cliffe (Senior Statutory Auditor)
for and on behalf of haysmacintyre
26 Red Lion Square
London WC1R 4AG
7 March 2016

Consolidated Statement of Comprehensive Income

Year ended 30 November 2015

	Notes	12 months to 30 Nov 2015 £'000	11 months to 30 Nov 2014 £'000
Continuing operations			
Revenue	2	**192**	51
Cost of sales		**(510)**	(7)
Gross (loss)/profit		**(318)**	44
Administrative expenses		**(7,150)**	(3,937)
Adjusted operating loss		**(5,687)**	(2,117)
– Share based payments	19	**(1,781)**	(413)
– Exceptional items – acquisition premium and costs		**–**	(1,363)
Operating loss	3	**(7,468)**	(3,893)
Finance income	6	47	19
Loss before tax		**(7,421)**	(3,874)
Taxation on continuing operations	7	**146**	48
Loss for the financial period		**(7,275)**	(3,826)
Attributable to			
Equity shareholders		**(7,274)**	(3,825)
Non-controlling interest	11	**(1)**	(1)
Loss for the financial period		**(7,275)**	(3,826)
Other comprehensive income			
Foreign currency translation difference		**(23)**	(20)
Total comprehensive income for the period		**(7,298)**	(3,846)
Loss per share			
from continuing operations			
Basic and diluted	8	**(1.37) pence**	(1.17) pence

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

30 November 2015

	Notes	As at 30 Nov 2015 £'000	As at 30 Nov 2014 £'000
Assets			
Non-current assets			
Intangible assets	9	–	1
Property, plant and equipment	10	**59**	36
		59	37
Current assets			
Trade and other receivables	12	**755**	343
Cash and cash equivalents		**3,125**	8,867
		3,880	9,210
Total assets		**3,939**	9,247
Current liabilities			
Trade and other payables	13	**(547)**	(379)
Net current assets		**3,333**	8,831
Net assets		**3,392**	8,868
Equity			
Share capital	14	–	–
Share premium	14	**20,206**	20,132
Issue cost reserve	15	**(1,309)**	(1,309)
Foreign exchange translation reserve	15	**(49)**	(26)
Reverse acquisition reserve	15	**(2,159)**	(2,159)
Retained earnings	16	**(13,297)**	(7,769)
Equity attributable to owners of the Group		**3,392**	8,869
Non-controlling interest		–	(1)
Total equity		**3,392**	8,868

The accompanying accounting policies and notes form an integral part of these financial statements.

These financial statements for Audioboom Group plc (Jersey company registration number 85292), which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity and related Notes 1 to 20 were approved and authorised for issue by the Board of Directors on 7 March 2016 and were signed on its behalf by:

Rob Proctor
Chief Executive Officer

Consolidated Cash Flow Statement

Year ended 30 November 2015

	Notes	12 months to 30 Nov 2015 £'000	11 months to 30 Nov 2014 £'000
Loss from continuing operations		**(7,275)**	(3,826)
Loss for the period		**(7,275)**	(3,826)
Adjustments for:			
Taxation		**(146)**	(48)
Interest receivable		**(47)**	(19)
Amortisation of intangible assets		–	4
Adjustment on acquisition		–	1,291
Depreciation of fixed assets		**23**	8
Share based payments		**1,781**	428
Increase in trade and other receivables		**(412)**	(167)
Increase/(decrease) in trade and other payables		**147**	(74)
Foreign exchange loss/(gain)		**14**	(30)
Cash flows from operating activities		**(5,915)**	(2,433)
Taxation		**146**	48
Net interest receivable		**47**	3
Net cash used in operating activities		**(5,722)**	(2,382)
Investing activities			
Purchase of property, plant and equipment	10	**(45)**	(35)
Acquisition costs		–	(4)
Acquisition of subsidiary		–	3,229
Net cash (used in)/generated from investing activities		**(45)**	3,190
Financing activities			
Loan received		–	150
Proceeds from issue of ordinary share capital		**39**	7,898
Net cash generated from financing activities		**39**	8,048
Net (decrease)/increase in cash and cash equivalents		**(5,728)**	8,856
Cash and cash equivalents beginning of period		**8,867**	22
Effect of foreign exchange rate changes		**(14)**	(11)
Cash and cash equivalents at end of period		**3,125**	8,867

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 November 2015

	Notes	Share capital £'000	Share premium £'000	Convertible loan £'000	Other reserves £'000	Retained earnings £'000	**Total £'000**	Non-controlling interest £'000	**Total equity £'000**
At 1 January 2014		38	2,888	691	18	(3,577)	**58**	–	**58**
Loss for the period		–	–	–	–	(3,825)	**(3,825)**	–	**(3,825)**
Acquisition of subsidiary		(38)	8,983	(691)	(3,015)	(706)	**4,533**	–	**4,533**
Issue of shares		–	8,120	–	(453)	–	**7,667**	–	**7,667**
Equity-settled share-based payments		–	141	–	–	339	**480**	–	**480**
Other comprehensive income		–	–	–	(44)	–	**(44)**	–	**(44)**
Adjustment arising from change in non-controlling interest		–	–	–	–	–	–	(1)	**(1)**
At 30 November 2014		–	20,132	–	(3,494)	(7,769)	**8,869**	(1)	**8,868**
Loss for the period		–	–	–	–	(7,274)	**(7,274)**	–	**(7,274)**
Issue of shares	14	–	39	–	–	–	**39**	–	**39**
Equity-settled share-based payments	14	–	35	–	–	1,746	**1,781**	–	**1,781**
Other comprehensive income		–	–	–	(23)	–	**(23)**	–	**(23)**
Adjustment arising from change in non-controlling interest		–	–	–	–	–	–	1	**1**
At 30 November 2015		–	20,206	–	(3,517)	(13,297)	**3,392**	–	**3,392**

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes
For the financial year ended 30 November 2015

1. Accounting policies

General information and basis of preparation

Audioboom Group plc is incorporated in Jersey under the Companies (Jersey) Law 1991. The Company's shares are traded on the Alternative Investment Market of the London Stock Exchange ("AIM"). The address of the registered office is given on page 1. The Company is required under AIM rule 19 to provide shareholders with audited consolidated financial statements.

The Group prepares its consolidated financial statements in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. The consolidated financial statements have been prepared in accordance with and in compliance with the Companies (Jersey) Law 1991, an amendment to which means separate parent company financial statements are not required.

The consolidated financial statements are for the twelve months to 30 November 2015. The comparative period provided in these financial statements is for the 11 months to 30 November 2014. This is due to the 31 December year end that had been used by Audioboom Limited, which was acquired by the Company during 2014. These comparative numbers reflect the financial performance of Audioboom Limited (prior to the acquisition) and Audioboom Group plc (subsequent to the acquisition).

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The principal accounting policies set out below have been consistently applied to all the periods presented in these financial statements, except as stated below.

New standards and interpretations

There were no material changes in the financial statements as a result of adopting new or revised accounting standards during the year.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for the Group's accounting periods beginning on or after 1 October 2015. The new pronouncements are listed below:

- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016)*
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016)*
- Amendments to IAS 16 and IAS 41: Bearer Plants (effective 1 January 2016)*
- Amendments to IAS 27: Equity Method in Separate Financial Statements (effective 1 January 2016)*
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective 1 January 2016)*
- Amendments to IAS 1: Disclosure Initiative (effective 1 January 2016)*
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2017)*
- Amendments to IAS 7: Disclosure Initiative (Effective 1 January 2017)*
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (effective 1 January 2016)*
- IFRS 15: Revenue from Contracts with Customers (effective 1 January 2018)*

Notes
(continued)

- IFRS 9: Financial Instruments (effective 1 January 2018)*
- IFRS 16: Leases (effective 1 January 2019)*

* Not yet endorsed for use in the EU

Key accounting policies

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 11. The financial statements at 30 November 2015 show that the Group generated an adjusted operating loss for the period of £5.69 million (2014: £2.12 million), with cash used in operating activities of £5.72 million (2014: £2.38 million) and a net decrease in cash and cash equivalents of £5.73 million in the year (2014: increase of £8.86 million). The Group balance sheet also showed cash reserves at 30 November 2015 of £3.13 million (2014: £8.87 million).

The Board has concluded that no matters have come to its attention which suggest that the Group will not be able to maintain its current terms of trade with customers and suppliers. The Board's December 2015 – November 2017 forecasts for the combined Group, including due consideration of the continued operating losses, projected increase in revenues and decreasing cash-burn of the Group, and taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient cash available to continue in operational existence throughout the forecast period and beyond. The Board has considered various alternative operating strategies should these be necessary in the light of actual trading performance not matching the Group's forecasts and are satisfied that such revised operating strategies could be adopted, and/or additional financing could be secured, if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer term strategic objectives, successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue

Revenue represents amounts receivable for goods and services provided in the normal course of business, and excludes intra-group sales, Value Added Tax and trade discounts. Revenue comprises:

- Sale of subscription: the value of goods and services is recognised across the period of subscription.
- Sale of advertising: the value of goods and services is recognised on broadcast.
- Sale of programmes and content: the value of goods and services supplied is recognised on delivery of content.
- Sponsorship income: the value of goods and services is recognised over the time period to which it relates.

Exceptional items

Exceptional items are those items the Group considers to be non-recurring or material in nature that should be brought to the reader's attention in understanding the Group's financial performance.

Foreign currency

For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit and loss for the year.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average monthly rate of exchange ruling at the date of the transaction, unless exchange rates fluctuate significantly during that month, in which case the exchange rates at the date of transactions are used.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are between 3 and 5 years.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group are obligated to incur when the asset is acquired, if applicable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised over three years on a straight line basis.

Critical accounting judgements and key areas of estimation uncertainty

Share based compensation

The Group issues equity settled share based payments to certain Directors and employees, which have included grants of shares, warrants and options in the current year. Equity settled share based payments are measured at fair value at the date of grant, with the charge being recognised within the statement of comprehensive income over the period of service to which the grant relates.

Notes
(continued)

The fair value of share options is measured using a Black-Scholes framework. The Directors have used judgement in the calculation of the fair values of the share based compensation which has been granted during the period, and different assumptions in the model would change the financial result of the business.

Where warrants have been issued in return for the provision of services, those warrants have been valued at the date of grant by reference to the fair value of the consideration of the services provided.

Forecasting

The Group prepares medium-term forecasts based on Board approved budgets and 2-year financial models. These are used to support judgements in the preparation of the Group's financial statements including the decision on whether to recognise deferred tax assets and for the Group's going concern assessment.

2. Revenue

	2015 £'000	2014 £'000
Subscription	**26**	22
Advertising	**166**	29
	192	51

Geographical information

The Group's operations are located in the United Kingdom. The main assets of the Group, cash and cash equivalents, are held in Jersey.

The Group currently has two reportable revenue streams, however, the Directors consider that the Group operates as one segment and as such, there is no separation of income, expenditure and sections of the balance sheet for the purposes of segmental reporting.

The Group's revenue from external customers by geographical location is detailed below:

	2015 £'000	2014 £'000
United Kingdom	**117**	22
Europe	**14**	18
USA	**61**	11
	192	51

3. Operating loss

	2015 £'000	2014 £'000
Operating loss for the period has been arrived at after charging/(crediting) the following:		
Net foreign exchange losses/(gain)	**14**	(30)
Depreciation of property, plant & equipment	**23**	8
Amortisation of intangible assets	**1**	4
Operating lease payments – land and buildings	**61**	41
Research & development	**45**	–
Staff costs (refer to note 5 for detail)	**3,949**	1,465

4. Auditor's remuneration

	2015 £'000	2014 £'000
Audit services		
Fees payable to the Company auditor for the audit of the parent company and consolidated annual accounts	**10**	10
The audit of the Company's subsidiaries pursuant to legislation	**14**	12
Non-audit services		
Tax compliance and advisory services	**7**	4
	31	26

5. Staff costs

	2015 Number	2014 Number
Number of production, editorial and sales staff	**7**	4
Number of management and administrative staff	**28**	14
	35	18

	£'000	£'000
Wages and salaries	**1,954**	1,041
Social security costs	**206**	90
Pension	**8**	–
Share based payments	**1,781**	334
	3,949	1,465

Details of Directors' remuneration are set out in the Report of the Directors on page 15.

Notes
(continued)

6. Finance income

	2015 £'000	2014 £'000
Bank interest received	**45**	20
Bank interest paid	**–**	–
Accrued interest	**2**	(1)
	47	19

7. Tax

Current tax (charge)/credit

No liability to UK corporation tax arose on ordinary activities for the year ended 30 November 2015 nor for the period ended 30 November 2014. The tax credit for both 2015 and 2014 arose in respect of research and development.

Tax reconciliation

The taxation credit on the loss for the period differs from the amount computed by applying the corporation tax rate to the loss before tax for the following reasons:

	12 months to 30 Nov 2015 £'000	11 months to 30 Nov 2014 £'000
Loss on ordinary activities before tax	**(7,468)**	(3,874)
Tax at UK corporation tax rate of 20.33% (2014: 21.6%)	**(1,517)**	(837)
Tax effect of expenses that are not deductible in determining taxable profit	**28**	263
Effect of share based payments	**362**	89
Income not taxable for tax purposes	**(9)**	(10)
Additional deduction for R&D purposes	**(41)**	(48)
Accelerated capital allowances	**5**	(4)
Adjustment to tax charge in respect of prior periods	**(40)**	–
Foreign tax losses not taxed in the UK	**122**	79
Unrelieved tax losses	**873**	420
Adjustment to closing deferred tax rates	**71**	–
Tax credit and effective tax rate for the year	**(146)**	(48)

The Group has carried forward UK losses amounting to £8.0m as of 30 November 2015 (2014: £4.3m). As the timing and extent of taxable profits are uncertain, the deferred tax asset of £1.44m. (2014: £0.86m) arising on these losses has not been recognised in the financial statements.

8. Loss per share

Basic earnings per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share. For a loss-making company with outstanding share options, net loss per share would be decreased by the exercise of options. Therefore, as per IAS33:36 the antidilutive potential ordinary shares are disregarded in the calculation of diluted EPS.

Reconciliation of the loss and weighted average number of shares used in the calculation are set out below:

	Loss	Weighted average number of shares	Per share amount
		30 November 2015	
	£'000	**Thousand**	**Pence**
Basic and diluted EPS			
Loss attributable to shareholders:			
– Continuing and discontinued operations	**(7,274)**	**533,960**	**(1.37)**
		30 November 2014	
	£'000	Thousand	Pence
Basic and diluted EPS			
Loss attributable to shareholders:			
– Continuing and discontinued operations	(3,825)	326,118	(1.17)

9. Intangible assets

	Software £'000
Cost	
At 30 November 2014	36
Additions	–
At 30 November 2015	36
Amortisation	
At 30 November 2014	35
Charge for the year	1
At 30 November 2015	36
Net book value	
At 30 November 2015	**–**
At 30 November 2014	1

Notes
(continued)

10. Property, plant and equipment

	Furniture & equipment £'000	Computers £'000	Technical £'000	Total £'000
Cost				
At 30 November 2014	16	50	1	67
Additions	7	38	1	46
At 30 November 2015	23	88	2	113
Depreciation				
At 30 November 2014	3	28	–	31
Charge for the period	4	18	1	23
At 30 November 2015	7	46	1	54
Net book value				
At 30 November 2015	**16**	**42**	**1**	**59**
At 30 November 2014	13	22	1	36

11. Subsidiaries

Audioboom Group plc holds more than 20% of the share capital of the following companies:

	Country of Incorporation	Class of Shares	% held by parent
Audioboom Limited	England and Wales	Ordinary	100%
Audioboom Inc	Delaware, United States of America	Ordinary	100%
One Delta Limited	England and Wales	Ordinary	94.7%
Audioboom Pty Limited	Australia	Ordinary	100%

One Delta Ltd is directly held whereas Audioboom Inc and Audioboom Pty Limited, which was incorporated in November 2015, are held through Audioboom Limited.

12. Trade and other receivables

	2015 £'000	2014 £'000
Amounts receivable for the sale of goods and services	**40**	32
Allowance for doubtful debts	**–**	–
Net receivables	**40**	32
Other receivables	**382**	203
Prepayments and accrued income	**333**	108
	755	343

In other receivables, £201,688 (2014: £91,610) represents amounts due from HMRC in relation to VAT and £155,429 (2014: £48,182) due in relation to the R&D tax credit.

The average credit period taken on sales of goods and services is 35 days (2014: 20 days). No interest is charged on receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience and likelihood of recovery as assessed by the Directors.

Included in the Group's trade receivable balance are debtors with a carrying amount of £nil (2014: £nil) which are past due at the reporting date.

The Directors consider that the carrying amount of trade receivables approximates to their fair value.

Included within prepayments are amounts totalling £240,000 (2014: £nil) for advance payment in relation to content deals with Spore Ltd.

13. Trade and other payables

	2015 £'000	2014 £'000
Trade payables	**220**	113
Other taxes and social security	**78**	71
Accrued costs	**222**	188
Deferred income	**–**	–
Other payables	**27**	7
	547	379

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 22 days (2014: 31 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Notes
(continued)

14. Stated capital account

	Ordinary Shares No.	Share Capital £	Share premium £
At 1 December 2013	**31,574,356**	–	5,406,942
Shares issued by legal parent prior to reverse acquisition at 1.5p each	254,399,999	–	3,816,000
Shares issued by legal parent on reverse acquisition	174,537,998	–	2,618,070
Shares issued at 1.5p each	6,000,000	–	90,000
Shares issued at 5.5p each	1,090,908	–	60,000
Shares issued at 12.5p each	65,131,296	–	8,141,412
At 30 November 2014	**532,734,557**	**–**	**20,132,424**
Shares issued in the period			
Shares issued at 1.5p each	2,615,782	–	39,237
Shares issued at 12.5p each	280,000	–	35,000
At 30 November 2015	**535,630,339**	**–**	**20,206,661**

There is no authorised share capital and all shares rank *pari passu*. All issued share capital is fully paid up. All ordinary shares have nil par value.

On 17 December 2014 the Company issued 280,000 new ordinary shares to Malcolm Wall, a Director, pursuant to his terms of appointment and in lieu of his first year's director's fee. The shares had a deemed issue price of 12.5p per share being based on the total assessed fair valuation of the consideration for his fees.

During the year, a total of 2,615,782 warrants to subscribe for ordinary shares were exercised with an exercise price of 1.5p per share.

15. Other capital reserves

	Issue cost reserve £'000	Reverse acquisition reserve £'000	Foreign exchange translations reserve £'000	Other capital reserves £'000
At 1 December 2014	(1,309)	(2,159)	(26)	(3,494)
Other comprehensive income	–	–	(23)	(23)
At 30 November 2015	**(1,309)**	**(2,159)**	**(49)**	**(3,517)**

Foreign exchange translation reserve

The foreign exchange translation reserve is used to record exchange difference arising from the translation of the final statements of foreign operations.

Reverse acquisition reserve

The reverse acquisition reserve relates to the reverse acquisition of Audioboom Limited by Audioboom Group plc on 20 May 2014.

Issue cost reserve

The issue cost reserve arose from expenses incurred on share issues.

16. Retained earnings

	2015 £'000	2014 £'000
Retained earnings	**(13,298)**	(7,769)
Balance at the beginning of the year	**(7,769)**	(3,577)
Net loss attributable to members of the Company	**(7,274)**	(3,825)
Acquisition of subsidiary	**–**	(706)
Credit to equity for equity-settled share-based payments	**1,746**	339
Balance at end of year	**(13,297)**	(7,769)

17. Operating lease arrangements

The Group as lessee	2015 £'000	2014 £'000
Minimum lease payments under operating leases recognised as an expense in the year	**62**	41

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Over one year and less than five years	**98**	41

Operating lease payments represent rentals payable by the Group for its office properties. Property leases are negotiated for an average term of 1 year.

Notes
(continued)

18. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

During the period, the Group was charged £26,000 (2014: £28,820) by The New Unique Broadcasting Company, a company associated with Mr S A Cole, a Director of the Group at the relevant time. Transactions were in respect of expense recharges and accounting services provided. At 30 November 2015, £960 (2014: £7,200) was owed by the Group to The New Unique Broadcasting Company.

Remuneration of key management personnel

The remuneration of key management personnel of the Group (not including Directors) is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2015 £'000	2014 £'000
Short-term employment benefits	**92**	–
Post-employment benefits	**–**	–
	92	–

19. Share-based payments

The Company has share option schemes for employees of the Group. Options are exercisable at the price agreed at the time of the issue of the share option. The vesting period and/or the performance conditions vary between employees. If the options remain unexercised after a period of 10 years from date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest. Details of the share options granted during the year are as follows:

	2015		2014	
	Number of share options	**Weighted average exercise price (£)**	Number of share options	Weighted average exercise price (£)
Outstanding at beginning of period	**32,235,865**	**0.015**	–	–
Granted during the period	**20,090,265**	**0.026**	32,235,865	0.015
Forfeited during the period	**(3,667,099)**	**0.015**	–	–
Exercised during the period	**–**	**–**	–	–
Expired during the period	**–**	**–**	–	–
Outstanding at end of period	**48,659,031**		32,235,865	
Exercisable at end of period	**28,398,261**		–	

The options outstanding at 30 November 2015 had a weighted average exercise price of 2.0p, and a weighted average remaining contractual life of 9 years. The inputs into the Black-Scholes model are as follows:

	2015	2014
Weighted average share price	**4.4p**	4.2p
Weighted average exercise price	**2.0p**	1.5p
Expected volatility	**85%**	100%
Expected life	**1 to 2 years**	1 to 2 years
Risk-free rate	**0.5%**	5%
Expected dividend yield	**0%**	0%

Expected volatility was determined by assessing the movements of the share price since the readmission to AIM in May 2014. The Group recognised total expenses of £1,781,000 related to equity-settled share-based payment transactions in 2015 (2014: £413,000).

	2015 £'000	2014 £'000
Share option charge	**1,626**	334
Equity-settled shares	**35**	79
Warrant charge	**120**	–
	1,781	413

Equity-settled shares relate to Director fees. The total value of equity issued to Directors during the year was £35,000.

The Group currently have outstanding share warrants for a total of 58,804,102 shares with a weighted average exercise price of 8.6p. 22,732,602 of the warrants were exercisable at period end, and the balance will become exercisable within 1 year.

The value ascribed to warrants is based on the Directors' assessment of the fair value of the consideration of services provided to the Group by those to whom warrants have been granted. This valuation has been made by reference to similar services by other suppliers.

The total number of instruments over equity (including both share options and warrants) outstanding at the period end was 107,463,133, of which 51,130,863 were exercisable.

Notes
(continued)

20. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 14 to 16. The Group does not have any external borrowings, does not have access to committed borrowing facilities, and is not subject to externally imposed capital requirements.

Categories of financial instruments

	2015	2014
	£'000	£'000
Financial assets		
Trade and other receivables	**755**	343
Cash and cash equivalents	**3,125**	8,867
Financial liabilities at amortised cost		
Trade and other payables	**325**	192
Accruals	**222**	187

The carrying amounts of financial assets and financial liabilities recorded at amortised cost approximates to their fair values.

Financial and market risk management objectives

It is, and has been throughout the year under review, the Group's policy not to use or trade in derivative financial instruments. The Group's financial instruments comprise its cash and cash equivalents and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of the financial assets and liabilities is to provide finance for the Group's operations in the year.

Currency risk management

The Group has limited exposure to foreign currency risk; thus the main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing these risks and they are summarised below. These policies have remained unchanged throughout the year under review.

Interest rate risk management

The Group's policy is to ensure that it maximises the interest income on surplus cash. This involves placing cash in a mix of fixed rate and floating rate short-term deposits. There is no prescribed ratio of fixed to floating rate.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance sheet date. For floating rate cash deposits, the analysis is prepared using the average of the amount of cash at each month-end throughout the year.

If interest rates had been 0.5% lower and all other variables were held constant, the Group's loss and impact on equity for the period ended 30 November 2015 would increase by £23,000 (2014: £6,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate deposits. Management consider the sensitivity to be reasonable. The Group's sensitivity to interest rates has increased during the current period mainly due to the increase in the cash balance.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities after assessing credit quality using independent rating agencies and if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit risk on liquid funds is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, which is net impairment losses, represents the Group's maximum exposure to credit risk. Please refer to note 12 for more detail on trade receivables collection period.

Liquidity risk management

The Group's policy throughout the year has been to ensure continuity of funds. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Please refer to note 13 for more detail on trade payables payment period.

Liquidity and interest risk tables

All financial liabilities are non-interest bearing and fall due within one month.

Fair value of financial instruments

The fair value of other non-derivative financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Notice of Annual General Meeting

Audioboom Group plc

(incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 85292)

Notice is given that the annual general meeting of the members of the Company will be held at 29 Cloth Fair, London EC1A 7NN on Wednesday 4 May 2016 at 12:00 noon to consider and, if thought fit, pass the following resolutions. Resolutions 1 to 9 will be proposed as ordinary resolutions and Resolutions 10 and 11 will be proposed as special resolutions.

ORDINARY BUSINESS

1. To receive and adopt the Report of the Directors and the audited accounts of the Company for the period ended 30 November 2015 together with the report of the auditors thereon.

2. To re-elect Nicholas Candy who retires at the meeting and who, being eligible, offers himself for re-election as a director of the Company (each a **Director** and together the **Directors**).

3. To re-elect Michael Cooper who retires at the meeting and who, being eligible, offers himself for re-election as a Director.

4. To re-elect Jason Mackay who retires at the meeting and who, being eligible, offers himself for re-election as a Director.

5. To re-elect Roger Maddock who retires at the meeting and who, being eligible, offers himself for re-election as a Director.

6. To re-elect Robert Proctor who retires at the meeting and who, being eligible, offers himself for re-election as a Director.

7. To re-elect Malcolm Wall who retires at the meeting and who, being eligible, offers himself for re-election as a Director.

8. To re-appoint haysmacintyre as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

9. That the Directors be and they are hereby generally and unconditionally authorised in accordance with Article 6.2 of the Articles of Association of the Company (**Articles**) to exercise all the powers of the Company to allot ordinary shares of no par value in the capital of the Company (**Ordinary Shares**) and to grant rights to subscribe for, or to convert any security into, Ordinary Shares up to a maximum of 178,543,440 Ordinary Shares, being approximately one third of the current issued share capital of the Company. The authority conferred on the Directors under this Resolution 9 shall expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted or rights to subscribe for, or to convert any security into, Ordinary Shares to be granted after such expiry and the Directors may allot Ordinary Shares or grant rights to subscribe for, or to convert any security into, Ordinary Shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

10. That, subject to the passing of Resolution 9, the Directors be and they are hereby empowered pursuant to Article 6.7 of the Articles to allot equity securities (within the meaning of Article 6.6) for cash or otherwise pursuant to the authority conferred by Resolution 9, as if Article 6.3 did not apply to any such allotment, provided that this power, shall be limited to the allotment of equity securities consisting of, or the right to subscribe for, or convert any security into shares in the Company, up to a maximum of 53,563,034 Ordinary Shares, being approximately 10% of the current issued share capital of the Company, and this authority shall expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the passing of this Resolution, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

11. That the Company be and is hereby generally and unconditionally authorised to make one or more market purchases of Ordinary Shares pursuant to Article 57 of the Companies (Jersey) Law 1991 as amended (the **Law**) provided that:

11.1 the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 80,290,980 (being approximately 14.99 % of the share capital of the Company in issue as at the date of this document);

11.2 the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 1 pence;

11.3 the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which any Ordinary Share is contracted to be purchased by the Company;

11.4 the Directors can, prior to each such purchase, make the solvency statement required by the Law and fulfil all other requirements of the Law in relation to purchases of a company's own shares;

11.5 this authority will expire at the conclusion of the next annual general meeting of the Company held after the date on which this resolution is passed or, if earlier, 18 months after that date;

11.6 this authority shall only be capable of variation, revocation or renewal by special resolution of the Company; and

11.7 the Company may make a contract or contracts to purchase Ordinary Shares under this authority before this authority expires which will or may be executed and completed wholly or partly after its or their expiration and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts after its or their expiration.

By order of the Board

AST Secretaries Limited
Company Secretary

Registered office:
PO Box 264
Forum 4
Grenville Street
St Helier,
Jersey JE4 8TQ

Date: 14 April 2016

Notice of Annual General Meeting
(continued)

Notes

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend and (on a poll) vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

2. Under Jersey law a special resolution requires a two-thirds rather than three-quarters majority of those voting at the meeting in person or by proxy to vote in favour of the resolution.

3. Pursuant to Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has specified that only those members registered on the register of members of the Company at 12 noon on 2 May 2016 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after this time will be disregarded in determining the rights of any person to attend and vote at the meeting.

4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.

5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact Capita Asset Services. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.

6. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.

7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution.

8. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.

9. To appoint a proxy using the proxy form, it must be:

   9.1 completed and signed;

   9.2 sent or delivered to Capita Asset Services PXS1, 34 Beckenham Road, Beckenham Kent BR3 4ZF; and

   9.3 received no later than 12 noon on 2 May 2016.

10. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

11. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

12. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

Changing proxy instructions

13. To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.

14. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company.

15. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

16. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

17. The revocation notice must be received by the Company no later than 12 noon on 2 May 2016.

18. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 19 below, your proxy appointment will remain valid.

19. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

CREST

20. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held at 12.00 noon on 2 May 2016 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

21. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

22. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Notice of Annual General Meeting
(continued)

23. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Total voting rights

24. As at 5.00 p.m. on the date immediately prior to the posting of this notice, the Company's issued share capital comprised 535,630,339 ordinary shares of no par value. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the date immediately prior to the posting of this notice is 535,630,339.

Communication

25. Except as provided above, members who have general queries about the meeting should contact Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU.

Explanatory Information for the Resolutions

The following explanatory information is provided by way of background to the special business of the meeting:

Authority of Directors to allot shares (Resolution 9 – ordinary resolution)

The authority given to the Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting pursuant to the Company's articles of association. The authority granted at the Company's last Annual General Meeting is due to expire at this year's Annual General Meeting.

Accordingly, Resolution 9 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares up to a maximum of 178,543,440 ordinary shares. This represents approximately one third of the current total issued ordinary share capital of the Company, in accordance with current guidelines. This authority will expire immediately following the Annual General Meeting in 2017 or, if earlier, 18 months following the Resolution being passed.

Disapplication of pre-emption rights (Resolution 10 – special resolution)

If the Directors wish to exercise the authority under Resolution 9 and offer shares for cash, the Company's articles of association require that, unless shareholders have given specific authority for the waiver of the contractual pre-emption rights, the new shares be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings. The authority granted at the Company's last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution 10 would authorise the Directors to disapply the contractual pre-emption provisions.

This would provide the Directors with a degree of flexibility to act in the best interests of the Company by allotting shares for cash to persons other than pro rata to existing shareholders up to a maximum of 53,563,034 ordinary shares. This represents approximately 10% of the current total issued ordinary share capital of the Company, in accordance with market practice. This authority will expire immediately following the Annual General Meeting in 2017 or, if earlier, 18 months following the Resolution being passed.

Authority for the Company to purchase its own shares (Resolution 11 – special resolution)

The Company's articles of association and the Companies (Jersey) Law 1991 permit the purchase by the Company of its own shares subject to shareholders' prior approval being obtained.

This Resolution is to authorise the Company to buy back up to 80,290,980 ordinary shares. The authority would expire at the conclusion of the 2017 Annual General Meeting or, if earlier, 18 months following the Resolution being passed.

The Resolution specifies the maximum number of Ordinary Shares which may be purchased (representing 14.99 per cent of the Company's issued share capital) and the maximum and minimum prices at which they may be bought, reflecting the requirements of the Companies (Jersey) Law 1991.

The Board has no present intention of exercising this power and the granting of this authority should not be taken to imply that any ordinary shares will be purchased. No purchase of ordinary shares will be made unless the Board considers it to be in the best interests of all shareholders.

Action to be taken

You will find enclosed a Form of Proxy for use at the Annual General Meeting. Please complete, sign and return the enclosed form as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the Annual General Meeting. Forms of Proxy should be returned so as to be received by Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF as soon as possible and in any event no later than 48 hours before the time appointed for holding the Annual General Meeting.

Recommendation

Your Directors consider that all the Resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all the Resolutions, as they intend to do in respect of their own beneficial holdings.

Glossary of Terms

- **Active content partners** – a content partner that has posted new content to the platform on one or more channels during the previous quarter.
- **Content channels** – a feed of audio content uploaded by partners, podcasters and broadcasters.
- **Content curation** – the process of sorting through considerable amounts of audio to select the best quality pieces.
- **Content partners** – third party brands, broadcasters, publishers and producers etc who post content to the platform.
- **CPM** – cost per thousand listens that the advertiser is willing to pay.
- **DAX Global** – an audio advertising platform developed by Global and integrated with demand side platforms and trading desks.
- **Demand side platform** – a system that allows buyers of digital advertising inventory to manage multiple ad exchanges through one interface.
- **Display advertising** – advertising on the internet, utilising web, text or video.
- **Direct advertising** – the process by which people physically identify and value appropriate ad spots on a network.
- **Distributed network** – embedded media players in third party websites, apps and other distribution channels.
- **Distribution platform** – a system in which content is delivered to various mediums.
- **Dynamic insertion** – the ability to provide targeted advertising that can be changed based on various criteria upon delivery to the end user.
- **Embeddable content** – media which can be seeded onto a third party website.
- **Embedded media player/embedded content player** – a website player which pulls in audio or video from another site where the content was originally hosted. For example, a radio station or newspaper website may host an Audioboom embedded media player, which plays audio sourced from the Audioboom website.
- **Fill capability** – the ability to advertise against all inventory.
- **KPIs** – key performance indicators.
- **Linear broadcast** – traditional scheduled, programming. With linear broadcasting, the listener or viewer has no autonomy (beyond changing stations or channels) over the content they listen to or watch.
- **Listens** – the number of times users consume Audioboom hosted content via embeddable content players on third party websites or apps, on Audioboom's own website or apps, or via other distribution channels (such as iTunes).
- **Live in-reads/in-read advertising** – an advertisement that is read 'live' within the content by the host.
- **Mid-roll advertising** – an advertising format that features during a break within the content.
- **Native advertising** – paid advertising which mirrors the style and function of the platform on which it is hosted.
- **On-demand** – making content available to an audience, so that they can listen or watch at a time of their choosing.
- **OTT** – over-the-top; the delivery of content via an internet connection without the need for a multiple-system operator, such as a cable television provider or a digital radio broadcaster, to distribute.

GLOSSARY

- **Podcast** – an audio programme or show, available in a digital file format, which can be downloaded from the internet and listened to on a computer, phone or audio player.
- **Pre-roll advertising** – an advertising format that features before the content has begun.
- **Post-roll advertising** – an advertising format that features after the content has ended.
- **Programmatic advertising** – the ability to automatically purchase advertising.
- **Programmatic ad platforms** – platforms which use algorithms to seek and match ad opportunities to users automatically, based on criteria determined by the advertiser.
- **SaaS** – software as a service.
- **Streaming** – watching or listening to content, over an internet connection and as it happens.

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