Audioboom Group plc

Annual Report
& Financial Statements

Overview

Audioboom Group plc ("Audioboom") is the leading spoken-word audio on-demand mobile platform – a mobile, web and connected device platform for the very best spoken-word content in news, current affairs, business, entertainment and sports – see www.audioboom.com

We operate a digital, on-demand, streaming audio platform enabling the creation, broadcast and consumption of audio across multiple global media outlets. We work with some of the biggest names in broadcasting across sport, entertainment and current affairs to bring their content to millions of listeners worldwide via Facebook, Twitter and other media platforms.

The technology allows our partners to embed playlists onto their sites and apps, use our mobile apps and functionality as listen again players and re-syndicate their content around the web.

Audioboom also allows the monetisation of audio via the dynamic insertion of pre and post roll advertising into content as a user is listening, allowing contemporary advertising selection, depending on content genre and geographic location of the user.

Audioboom has over 2,300 content partners, including the BBC, Telegraph, Guardian, CBS, Sky Sports, Premier League, Southern Cross Austereo, Reuters, CNBC, Universal and Fox.

Audioboom is using this platform to create the world's first aggregated audio content syndication and advertising network.

Contents

Company registration number:	85292
Registered office:	PO Box 264 JP Morgan House Grenville Street St Helier Jersey JE4 8TQ
Directors:	Malcolm Wall (Non-executive Chairman) Robert Proctor (Chief Executive Officer) Simon Cole (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:	Arden Partners plc 125 Old Broad Street London EC2N 1AR
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

I am very pleased to present my first Chairman's Statement, having joined the Board in October 2014 towards the end of the period under review in this Annual Report. Given those timings I feel it is wholly appropriate that in the Chief Executive's Report on the following pages, Rob Proctor provides you with an overview of trading and financial performance during the period while I focus on the key matter of corporate governance. However, I would like to reinforce Rob's message that 2014 was all about adding substantially greater numbers of quality content partners and further building the registered user base – these were our two key performance indicators for the period and both showed dramatic increases. Our financial results were in line with expectations. While the Company maintained a keen eye on cost control, there was less focus on revenue generation as we all acknowledge that with these initial core building blocks in place, significant revenue generation and growth is the next chapter in our story as the strategy described in Rob's report is implemented.

I am a strong believer that good corporate governance supports a Company's long term success. Constantly improving corporate governance is fundamentally about the culture and effectiveness of the governance model and not merely a box-ticking exercise. As Chairman my primary responsibility is the delivery of that model, including running an effective Board and determining where responsibility lies within the Company for the delivery of key outputs. Good corporate governance involves having the appropriate structures for establishing and articulating the Board's chosen strategy, while at the same time establishing the appetite for risk in its delivery. It also involves monitoring the performance of the Company's management in delivering on that strategy and within that risk profile.

Elsewhere in this Annual Report you can read about the Company's strategy, the delivery thereof and the management of the key identified risks that arise out of this. We have also set out the key elements to the corporate governance structures currently in place in your Company. Since taking office I have sought to work with my colleagues on the Board and our professional advisers to build on the governance structure that I inherited while always recognising that we must not stifle the entrepreneurial spirit that is so fundamental to the Company's success story to date and into the future. We held a Strategy Day in November where a number of management and staff presented to the Board with regards to their respective areas of expertise and responsibility, and the non-executive Directors were able to discuss, challenge and develop their own understanding while also drawing on their own experience in different fields to provide guidance and support. The Board now meets every two months and governance is the first item on every agenda.

I shall continue to review the composition of the Board to ensure there is an appropriate balance of functional and sector skills and experience for the next stage of the Company's growth and development and to ensure that the Board works effectively together as a unit. In addition, and although not required by law or the Company's articles, I have proposed that all Directors stand for annual re-election at the Company's AGM, starting this year.

I would like to welcome new shareholders to the Company during the period as well as thanking many of the existing holders who invested further in the October funding round. This leaves the Company well placed to execute on its established strategy in the year ahead. A key aspect of good corporate governance is how a company communicates with its shareholders. Again, we are making inroads in this area and are particularly cognisant of the need to ensure that ALL shareholders, not just the big institutions on investor roadshows, have the opportunity to meet with and hear first-hand from management. To this end, all investors were given an opportunity to attend a results presentation by Rob and, as ever, all shareholders are of course welcome to attend the Company's AGM which will be held this year on 22 April 2015. 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 Rob, his management team and all the staff at Audioboom for their fantastic efforts in 2014 as everyone played their part in a demanding yet very successful period in the Company's young life. The Board of Directors are looking forward to the remainder of 2015 and beyond with considerable optimism.

Malcolm Wall
Chairman
20 February 2015

Chief Executive's Report

I am delighted to provide an overview of trading for the 11 month period ended 30 November 2014 and a summary of our results for that period. These are the first set of final results published since our admission to AIM in May 2014 and already, in a short period of time, we have made a great deal of progress in the business. Audioboom is now well funded for future growth, we have continued to grow our registered user base, as well as rapidly increasing the number of high quality content partners that use our platform. We have executed on our strategy for long term revenue growth through the creation of the world's first aggregated audio content syndication and advertising network.

Strategy and Key Performance Indicators ('KPIs')

The whole Audioboom concept is centred around the increasing consumer demand for a new way to listen to digital audio content. Gone are the days of listening by appointment or consumers sitting through hours of content to pick out the parts they want. What consumers want is to choose the best bits of audio content, from the best content producers, and listen to these in short, snappy and interesting audio pieces that can be easily shared via social media. We have deliberately moved the business away from perceived 'low value' user generated content to a high-quality, professional content provider making Audioboom the 'go to' platform for the best spoken-word audio in the world.

The near term focus of the business has to be the achievement of a critical mass of active registered users and increasing the partnerships we have with the very best audio content providers. As announced in September 2014 we launched our free iOS Audioboom app and have recently released an updated improved version. We expect to launch our new app on Android shortly and to begin our full marketing campaign to encourage the take-up of these apps. As a result, in the current financial year we will focus on driving the number of app downloads.

We believe that the delivery of these KPIs will have a direct impact on our ability to generate significant shareholder value and we have listed them below:

- Number of registered users
- Number of content partners
- Number of app downloads (from 2015)

We intend to update the market on a quarterly basis on these KPIs which will provide a better guide of progress than revenue in the short and medium term.

However, our long term model for the business is to derive advertising revenues by inserting advertisements directly into the content file in-stream as the user is playing it. In addition, we will seek ways to generate additional revenues through affiliate partnerships. In line with expectations, and as we've always made clear, significant revenue generation is a longer term goal, and we expect to report more substantial revenue growth from the third quarter of 2015 onwards.

Operational Review

As mentioned above, this financial period has seen great progress for the Company. In terms of our key performance indicators we have delivered impressive growth over the 12 months to the period end. At the end of November 2014, Audioboom had 3.14m registered users, a 64% increase (as at Nov 2013: 1.92m). The split of "listens" is currently c. 39% UK, 31% USA, 10% Australia and 20% ROW, which reflects the global appeal of Audioboom and the wide spread of content hosted.

At the same time we have increased the number of content partners from 297 by the end of November 2013, to over 2,000 at the period end. As announced through the year, we have signed agreements with a number of major content providers including Essel Group, as well as Sky News Radio, Barclays Bank, Beggars Group, Global Radio Group, Magic FM, Ladbrokes, TIME magazine and Vauxhall Football. These complement our existing agreements with high quality names such as the BBC, Telegraph, Guardian, CBS, Sky Sports, Premier League, Southern Cross Austereo, Reuters, CNBC, Universal and Fox.

In September, we announced the launch of our new free iOS Audioboom app and the rebranding of the business as Audioboom (previously Audioboo). Despite minimal marketing we have already seen the number of app downloads reach over 500,000 to date, ahead of management expectations. The download figures reflect the very early stages of the launch, but we expect these to increase considerably in 2015 following the formal launch of our marketing campaign and also the launch of the Android app, which we expect very shortly.

We announced in July the appointment of talkSPORT Limited as our exclusive UK sales partner for sport related advertising for media campaigns marketed directly to sports fans using the Audioboom platform.

Our expansion plans continue to move ahead with our team in New York growing from one to five people. Last month we opened a new production studio in London where we can create and curate new, exclusive content for the platform. The studio will house a five-strong team for news and content creation. We continue to develop a Hispanic version of our app, website and content and look forward to updating shareholders when this is launched.

Chief Executive's Report

(continued)

£8m fundraising to accelerate growth

In October 2014 we announced that we raised £8m (gross) from new and existing institutional and other shareholders through an equity placing, with Directors themselves subscribing for 820,000 shares. The funds are being used to accelerate the growth of the business as shown in the developments above. The proposed use of funds outlined at the time of the fundraising included:

- global roll-out of the Audioboom app
- acceleration of the expansion of the New York and Australian offices
- development of a Hispanic version of the app to expand into the South and North American markets
- expansion of the content curation team
- creation of an aggregated audio advertising network

All of the above are underway. The cash resources will allow for the on-going running costs and enable the growth of the business until advertising and other revenue becomes significant. Your Board will ensure that expenditure is controlled and well directed.

The business is now well funded and has quickly established itself as one of the UK's largest digital media platforms and we are confident in Audioboom's ability to generate long term value for shareholders.

Financial Results

Due to the acquisition by Audioboom (formerly One Delta plc) of Audioboom Limited (formerly Audioboo Limited), which completed on 20 May 2014, being classed as a reverse acquisition, the comparative numbers in these accounts are those of Audioboom Limited only, which the Directors believe makes a more meaningful and useful comparison. Audioboom's year end is 30 November and so the results cover 11 months whereas the comparative numbers are for the 12 months to 31 December 2013.

During the 11 months to November 2014, Audioboom focused on continuing to grow its registered user-base and increase the number of content partners using its platform. Therefore, in line with expectations, the Group generated minimal revenues of £51,000 (2013: £45,000) and recorded an adjusted EBITDA loss (adjusted for share based payments and exceptional items) of £2.12m (2013: £1.53m). The total exceptional items of £1.36m consist of a non-cash accounting adjustment of £1.29m and costs of £72,000 (mainly professional fees) recognised in relation to the reverse acquisition of Audioboom Limited.

The Company raised £7.7m net of expenses in October 2014 through an equity placing to fund the accelerated growth of the business. Whilst cash controls remain tight within the business, the Company will use these funds to invest in future growth and as a result net cash used in operating activities increased to £2.38m (2013: £1.49m). Audioboom finished the period well-funded with cash reserves of £8.87m (as at 31 December 2013: £0.02m).

A more detailed review and explanation of certain of these items is included in the Financial Review section which follows this Report.

Board and Management

Following the reverse acquisition, re-admission to AIM and the successful fundraise at the end of the period a number of Board changes took place to provide the Executive team with the advice and support needed to take Audioboom to the next level. In October 2014, the Board appointed both Malcolm Wall, as non-executive Chairman, and Jason Mackay, as a non-executive Director. Malcolm's background in global media, digital and technology will be very helpful, as will his plc and corporate governance experience, and Jason Mackay has extensive experience in the financial markets including 11 years at UBS and Morgan Stanley and most recently as a Managing Director in Morgan Stanley's equity business.

At the same time Roger Maddock stood down from his role as Chairman, although he remains on the Board as a non-executive Director, and Rodger Sargent stood down from the Board. In addition, following a successful transition to the new non-executive Directors, Brian Southward also stood down. On behalf of the Board I would like to thank Rodger and Brian for their contribution and I know they remain firm supporters of the business. We also added Michael Cooper to the Board as a non-executive Director in June 2014 and we are very pleased to have his insights from the world of global media planning and buying.

To further augment our Executive team, the Board is in the process of seeking to recruit a Chief Financial Officer and we will update shareholders when this process concludes.

Post-period end events

Our focus on revenue generation in 2015 and the establishment of the world's only aggregated audio content syndication and advertising network was reinforced by the completion of two media sales deals with Global Radio in the UK and AdLarge Media in the US. These deals complement the existing relationship with talkSPORT that we announced last year. Global Radio will directly represent Audioboom's inventory across news, current affairs, politics and business, to all of the major media planning and buying agencies in the UK. AdLarge Media will connect national advertisers with consumers on nationally distributed audio-on-demand inventory via the Audioboom platform. The development of these commercial relationships has been encouraging and we expect to see the first campaigns launch either side of the Atlantic in the first half of the current financial year.

Following the year end we announced a number of deals that will generate revenues through affiliate partnerships. The first of these was Audible, a subsidiary of Amazon.com, with over 1,500,000 hours of content, including digital audiobooks and audio versions of magazines and newspapers. Audioboom will receive a payment for every user that registers with Audible having listened to a free sample of an audiobook on Audioboom, as well as an on-going percentage of retail sales from that user.

In addition, we announced two deals last month which also have the potential to generate long-term revenues for the Company. The partnership agreement with Nobex will allow 20,000 radio stations in the United States, and 75 other countries around the world, to make on-demand and listen-again audio content available via the Nobex mobile app platform. Whilst Audioboom will pay Nobex a referral fee for every radio station that opens an Audioboom account, revenues are likely to be generated through display and audio ads inserted around on-demand plays. Once the referral fee has been recouped, Nobex will pay Audioboom a fixed percentage of revenues generated through the on-demand audio usage via the Nobex app.

Our other agreement was with African mobile content aggregator Cloud Africa and this will see the Audioboom app either pre-loaded onto new handsets, or offered to current mobile contract users as a branded service with revenues shared from data package purchases to use the service as well as other advertising and branding opportunities.

Outlook

I am delighted to report that along with the news mentioned above we have had a very successful start to 2015 and continue to trade in line with expectations. Already this year the number of registered users has risen to c. 3.4m and we have now have over 2,300 content partners.

We believe that Audioboom is ideally positioned to benefit from the growth in digital audio content and demand for radio-like streaming services and that our establishment of an aggregated audio content syndication and advertising network, as well as the deals with affiliate partnerships, will generate robust long-term revenues.

We continue to attract premium and household names to our platform by actively building our content partnerships and are determined to become the world's 'go-to' online destination for audio dedicated to the spoken-word. We expect to announce a number of new agreements throughout the year with a number of high profile brands to provide even more exciting audio content for our users.

The announcement of a major new content deal with alternative celebrity, comedian and political activist Russell Brand illustrates our commitment to producing unique, compelling, bite-sized audio content available exclusively on the Audioboom platform. This will be launched in tandem with a proactive marketing campaign headed up by Russell Brand himself. We expect this marketing push to significantly increase Audioboom's profile and to have a positive impact on the number of app downloads and registered users, as will the launch of our new app for Android devices which we expect very shortly.

Finally, I would like to put on record my thanks to our shareholders and our staff for their support over the period and look forward to the future with great optimism. I have every confidence that we will make Audioboom a global success and I look forward to updating shareholders as we progress.

Rob Proctor
Chief Executive Officer
20 February 2015

Financial Review

This review covers the consolidated results of Audioboom Group plc (formerly One Delta plc), which went through a reverse acquisition with Audioboom Limited (formerly Audioboo Limited) on 20 May 2014. The Statement of Comprehensive Income consists of 11 months of Audioboom Limited, from 1 January 2014, and 6 months and 11 days of Audioboom Group plc, from 20 May 2014. The comparative 2013 figures are for Audioboom Limited only.

In the period to 30 November 2014, Audioboom revenues increased by 13% to £51,000 (2013: £45,000), mainly driven by an increase in advertising revenues which grew to £25,000 (2013: £2,000). Subscription revenues fell to £22,000 (2013: £39,000) as the Group moved its strategy away from user generated content to forming relationships with content partners. Gross profit increased by 48% to £44,000 (2013: £29,000), as the result of higher cost of sales in 2013 as the Group incurred costs seeking new revenue streams. Underlying administrative expenses increased by 37% to £2.16m (2013: £1.58m) as the business continued to implement its growth strategy, together with the additional corporate and governance costs of being a company whose shares are traded on AIM.

Adjusted results

Adjusted EBITDA (which excludes share based payment charges, taxation, depreciation of tangible assets, amortisation of intangible assets and exceptional items) showed a loss of £2.11m (2013: loss of £1.53m). The pre-exceptional operating loss widened by 36% to £2.12m (2013: loss of £1.55m).

Adjusting and exceptional items

The Group took a charge of £413,000 (2013: £nil) which related to share based payments including the issue of shares, options and warrants to Directors and employees. The Group had exceptional items of £1.36m during the period: adjustment on acquisition of £1.29m and costs of £72,000 (mainly professional fees) were recognised in relation to the acquisition of Audioboom Limited. There were no exceptional items in the year to 31 December 2013.

Statutory result

A reconciliation of the statutory loss for the period of £3.83m (2013: £1.49m loss) to the pre-exceptional operating loss and pre-exceptional EBITDA is shown below:

	2014 £'000	2013 £'000
Statutory loss for the period	**(3,826)**	(1,491)
Exceptionals		
Adjustment on acquisition	**1,291**	-
Acquisition costs	**72**	-
Share based payments	**413**	-
Taxation	**(48)**	(70)
Interest	**(19)**	10
Adjusted operating loss	**(2,117)**	(1,551)
Depreciation	**8**	9
Amortisation	**4**	9
Adjusted EBITDA	**(2,105)**	(1,533)

Reported earnings per share showed a loss of 1.17 pence per share (2013: loss of 0.85 pence).

Cash and cash flow

In the 11 months to 30 November 2014 the Group had a cash inflow of £8.86m (2013: £230,000 outflow) including a cash outflow of £2.43m from operating activities (2013: £1.56m outflow). £3.19m was generated from investing activities (2013: £4,000 outflow). £150,000 was received as a loan (2013: £501,000 convertible loan), and the Group received a total of £7.9m from the issue of shares (2013: £765,000). At 30 November 2014, the Group had cash in the bank of £8.87m (2013: £22,000).

Dividend

Due to the Group being in the start-up phase, the Board of Directors have decided not to pay an interim or final 2014 dividend (2013: £nil) and to use the cash to continue with the growth strategy.

ON BEHALF OF THE BOARD

Rob Proctor
Chief Executive Officer
20 February 2015

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 content providers and registered users 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 either on their website (if content embedded there) or through revenue share with Audioboom if published on its website and app.
Continued growth and retention of user base	Success of the Group's strategy relies heavily on the on-going growth in registered users of the platform. There can be no assurance that the Group will maintain its success in this area.	A major marketing campaign to raise awareness of the platform is underway. In addition new apps for mobile devices are now available and this will drive an increase in registered users, as will the continued growth in quality content providers who may bring their own base of subscribers or users to the platform.
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 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 has poor user numbers, low volume of site visits as well as other factors.	On-going growth in quality content providers, which in turn attracts greater numbers of registered users, 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, and numbers of registered users, 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 20 February 2015 and was signed on its behalf by:

Rob Proctor
Chief Executive Officer

Board of Directors

	Malcolm Wall Chairman	Rob Proctor Chief Executive Officer	Simon Cole 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. He is currently working with Pinewood Studios to develop their Chinese interests and he is an advisor to the Abu Dhabi Media Zone Authority	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.	Simon founded Unique Broadcasting in 1989 in partnership with Tim Blackmore, having pioneered the market for national sponsored programmes whilst at Piccadilly Radio, where he was Head of Programmes. He is currently CEO of 7Digital Group plc, a digital music and radio services platform. Simon has been awarded a fellowship of the Radio Academy.
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 in May 2014.	Simon joined the Board on the completion of the reverse acquisition in May 2014.
External appointments	Malcolm is a non-executive director of the international film fund, Image Nation, Chairman of Dock 10 (the Media City production facility) and non-executive director of Eagle Eye Solutions Group plc, a leading digital consumer engagement provider.	None	Simon is the CEO of 7Digital Group plc
Committee memberships	None	None	Simon chairs the Board's remuneration committee
Independence	The Board consider Malcolm to be an independent Director.	Executive – non-independent	Non-independent. Simon is the CEO of 7Digital Group plc, the Company's largest shareholder with c. 10% of the issued share capital.

	Michael Cooper Non-executive Director	Jason Mackay Non-executive Director	Roger Maddock Non-executive Director
Background and experience	Michael is the CEO of phd, a global media planning and buying agency with headquarters in London, specialising in strategic communications planning and industry thought-leadership. Prior to phd, 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 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.	Despite his length of tenure, the Board consider Roger to be an independent Director on the basis that the Board, management, strategy and shareholders are all materially different following the reverse acquisition to those in place during his prior period in office.

There were a number of changes to the composition of the Board during the year. 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 2014.

Results and dividends

The consolidated statement of comprehensive income for the period is set out on page 21. 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 10 - 11.

	30 November 2014		31 December 2013	
	Ordinary shares of no par value	**Share options**	Ordinary shares of 1p each	Share options
Simon Cole (appointed 20 May)	**2,100,000**	**–**	–	–
Mike Cooper (appointed 11 June)	**545,454**	**–**	–	–
Roger King (resigned 20 May)	**n/a**	**n/a**	–	–
Jason Mackay (appointed 13 Oct)	**360,000**	**–**	–	–
Roger Maddock	**5,513,556**	**–**	–	–
Rob Proctor (appointed 20 May)	**320,000**	**27,630,741**	–	–
Rodger Sargent (appointed 20 May, resigned 13 Oct)	**n/a**	**n/a**	–	–
Brian Southward (appointed 11 June)*	**545,454**	**–**	–	–
Malcolm Wall (appointed 13 Oct)	**200,000**	**–**	–	–

*Resigned since period end (17 Dec)

The Company has established an EMI option scheme and an "unapproved" share option scheme pursuant to which the CEO 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

There are a number of performance conditions relating to the financial periods ending 30 November 2014 and 30 November 2015 attached to these options. These options were all granted during the year and no options 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 2014:

	Number	Exercise price	Earliest exercise date	Latest exercise date
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

*50% unconditional, 50% conditional on performance criteria

Directors' Remuneration

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

	11 months to 30 November 2014			12 months to 31 December 2013
	Salary/fees £'000	**Bonus £'000**	**Total emoluments £'000**	Total emoluments £'000
Current Directors:				
Simon Cole (non-executive)[1]	**16**	**–**	**16**	–
Mike Cooper (non-executive)[2]	**14**	**–**	**14**	–
Jason Mackay (non-executive)[3]	**–**	**–**	**–**	–
Roger Maddock (non-executive)[4]	**–**	**–**	**–**	–
Rob Proctor	**119**	**70**	**189**	142
Malcolm Wall (non-executive Chairman)[5]	**5**	**–**	**5**	–
Past Directors:				
Roger King (non-executive)[6]	**–**	**–**	**–**	–
Rodger Sargent (non-executive)[7]	**30**	**–**	**30**	–
Brian Southward (non-executive)[8]	**14**	**–**	**14**	–
	198	**70**	**268**	142

(1) S Cole's fee for the year was settled in full through the issuance of ordinary shares in the Company, on the day of appointment, at the prevailing price. The total value of shares issued was £30,000.

(2) M Cooper's fee for the year was settled in full through the issuance of ordinary shares in the Company, on the day of appointment, at the prevailing price. The total value of shares issued was £30,000.

(3) J Mackay does not take a fee. He was granted warrants to subscribe for 6,000,000 ordinary shares in the Company at an exercise price of 12.5p with an exercise window of 13 October 2015 to 13 October 2018 subject to performance conditions.

(4) R Maddock has waived his fee for the period. He received £21,000 in shares during the period which related to the period prior to the merger.

(5) M Wall's fee for the year was settled in full through the issuance of ordinary shares in the Company, post year end, at the prevailing price. The total value of shares issued was £35,000.

(6) R King resigned prior to the merger.

(7) R Sargents's fee for the year was settled in full through the issuance of ordinary shares in the Company, on the day of appointment, at the prevailing price. The total value of shares issued was £30,000.

(8) B Southward's fee for the year was settled in full through the issuance of ordinary shares in the Company, on the day of appointment, at the prevailing price. The total value of shares issued was £30,000.

Report of the Directors
(continued)

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 (2013: 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.

Substantial shareholdings

As at 30 November 2014 the Company was aware of the following interests in 3% or more of its issued voting share capital:

Shareholder	% holding
7Digital Group plc*	10.89%
Slovar Limited	8.23%
Forest Nominees Limited (Acc. GC1)/Courtney Investments	3.45%
Lynchwood Nominees Limited (Acc. 2006420)	3.44%

* Simon Cole, a non-executive Director, is Chief Executive Officer of 7Digital Group plc

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 on-going basis and they are summarised in note 21 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 Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current available working capital and working capital facilities for the next 12 months. 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.

Statement of Directors' Responsibility

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
20 February 2015
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. During the year the Board 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).

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 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. During the period the Board reviewed the provision of the external audit function in light of the change in the Group's ongoing size and structure following the reverse acquisition. Following a competitive tender the Board appointed haysmacintyre as auditors.

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.

Corporate Governance Report
(continued)

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 (currently only the CEO) comprise a combination of annual salary, annual performance bonus and share options with performance criteria. Remuneration for non-executive Directors 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.

The members of the Remuneration Committee are Simon Cole (Chairman) and Michael Cooper.

The Chief Executive Officer and the Chairman 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 meetings held subsequent to the completion of the acquisition of Audioboom Limited on 20 May 2014 (at which date the Board was reconstituted) and prior to the period end. During this period the full Board dealt with certain matters that would ordinarily be dealt with by the Audit Committee or the Remuneration Committee.

	Number of meetings	Number attended
Simon Cole	3	2
Mike Cooper	3	1
Jason Mackay	–	–
Roger Maddock	3	3
Rob Proctor	3	3
Rodger Sargent	3	3
Brian Southward	3	3
Malcolm Wall	–	–

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.

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 2014 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 Statement of Directors' Responsibilities set out on page 15, 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 2014 and of the group's loss for the period 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.

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

Consolidated Statement of Comprehensive Income

Period ended 30 November 2014

	Notes	11 months to 30 Nov 2014 £'000	12 months to 31 Dec 2013 restated [1] £'000
Continuing operations			
Revenue	2	**51**	45
Cost of sales		**(7)**	(16)
Gross profit		**44**	29
Administrative expenses	4	**(3,937)**	(1,580)
Adjusted operating loss		**(2,117)**	(1,551)
– Share based payments	20	**(413)**	–
– Exceptional items	3	**(1,363)**	–
Operating loss		**(3,893)**	(1,551)
Interest	7	**19**	(10)
Loss before tax		**(3,874)**	(1,561)
Taxation on continuing operations	8	**48**	70
Loss for the financial period		**(3,826)**	(1,491)
Attributable to			
Equity shareholders		**(3,825)**	(1,491)
Non-controlling interest	12	**(1)**	–
Loss for the financial period		**(3,826)**	(1,491)
Other comprehensive income			
Foreign currency translation difference		**(20)**	18
Total comprehensive income for the period		**(3,846)**	(1,473)
Loss per share			
From continuing operations			
Basic and diluted	9	**(1.17) pence**	(0.85) pence

[1] For treatment of restated 2013 figures, refer to Note 1 on page 25.

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

Consolidated Statement of Financial Position

30 November 2014

	Notes	At 30 Nov 2014 £'000	At 31 Dec 2013 restated £'000
Assets			
Non-current assets			
Intangible assets	10	**1**	7
Property, plant and equipment	11	**36**	9
		37	16
Current assets			
Trade and other receivables	13	**343**	146
Cash and cash equivalents		**8,867**	22
		9,210	168
Total assets		**9,247**	184
Current liabilities			
Trade and other payables	14	**(379)**	(126)
		(379)	(126)
Net current assets		**8,831**	42
Net assets		**8,868**	58
Equity			
Share capital	15	**–**	38
Share premium	15	**20,132**	2,888
Convertible loan		**–**	691
Issue cost reserve	16	**(1,309)**	–
Foreign exchange translation reserve	16	**(26)**	18
Reverse acquisition reserve	16	**(2,159)**	–
Retained earnings	17	**(7,769)**	(3,577)
Equity attributable to owners of the Group		**8,869**	58
Non-controlling interest		**(1)**	–
Total equity		**8,868**	58

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 21 were approved and authorised for issue by the Board of Directors on 20 February 2015 and were signed on its behalf by:

Rob Proctor
Chief Executive Officer

Consolidated Cash Flow Statement

Period ended 30 November 2014

	Notes	11 months ended 30 Nov 2014 £'000	12 months ended 31 Dec 2013 restated £'000
Loss from continuing operations		(3,826)	(1,491)
Loss for the period		(3,826)	(1,491)
Adjustments for:			
Taxation		(48)	(70)
Interest		(19)	10
Amortisation of intangible assets		4	9
Adjustment on acquisition		1,291	–
Depreciation of fixed assets		8	9
Share based payments		428	–
Increase in trade and other receivables		(167)	(45)
(Decrease)/increase in trade and other payables		(74)	1
Foreign exchange (gain)/loss		(30)	18
Cash flows from operating activities		(2,433)	(1,559)
Taxation		48	70
Net interest		3	(3)
Net cash used in operating activities		(2,382)	(1,492)
Investing activities			
Purchase of property, plant and equipment	11	(35)	(4)
Acquisition costs	3	(4)	–
Acquisition of subsidiary	3	3,229	–
Net cash generated from/(used in) investing activities		3,190	(4)
Financing activities			
Loan received		150	–
Convertible loan received		–	501
Proceeds from issue of ordinary share capital		7,898	765
Net cash generated from financing activities		8,048	1,266
Net increase/(decrease) in cash and cash equivalents		8,856	(230)
Cash and cash equivalents at beginning of period		22	252
Effect of foreign exchange rate changes		(11)	–
Cash and cash equivalents at end of period		8,867	22

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

Consolidated Statement of Changes in Equity

Period ended 30 November 2014

	Notes	Share capital	Share premium	Convertible loan	Other reserves (note 16)	Retained earnings	**Total**	Non-controlling interest	**Total equity**
		£'000	£'000	£'000	£'000	£'000	**£'000**	£'000	**£'000**
At 1 January 2013 (restated)		8	2,148	189	–	(2,086)	**259**	–	**259**
Loss for the period		–	–	–	–	(1,491)	**(1,491)**	–	**(1,491)**
Issue of shares		30	740	–	–	–	**770**	–	**770**
Issue of convertible loan		–	–	502	–	–	**502**	–	**502**
Other comprehensive income		–	–	–	18	–	**18**	–	**18**
At 1 January 2014 (restated)		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	3	–	8,120	–	(453)	–	**7,667**	–	**7,667**
Equity-settled share-based payments	20	–	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	–	(3,4934)	(7,769)	**8,869**	(1)	**8,868**

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

Notes

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 Company is not required to present parent company information.

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 eleven months to 30 November 2014. During the period Audioboom Group plc (formerly One Delta plc) completed the acquisition of Audioboom Limited (formerly Audioboo Limited). The Directors determined that the transaction was akin to a reverse acquisition as per IFRS 3, Business Combinations. However, in order to fall under the category of a Business Combination under IFRS3, the purchase needs to be of a business. The Directors have determined that One Delta plc did not constitute a business. Therefore the transaction did not appear to fall under the scope of IFRS3.

In the absence of a Standard that specifically applies to this transaction the Interpretations Committee observed in their IFRIC of March 2013 that such transactions have some features of a reverse acquisition under IFRS 3. Consequently, it is appropriate to apply by analogy, in accordance with paragraphs 10–12 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the guidance in paragraphs B19–B27 of IFRS 3 for reverse acquisitions. Application of the reverse acquisitions guidance by analogy results in the non-listed operating entity being identified as the accounting acquirer, and the listed non-operating entity being identified as the accounting acquiree. The Interpretations Committee noted that in applying the reverse acquisition guidance in paragraph B20 of IFRS 3 by analogy, the accounting acquirer is deemed to have issued shares to obtain control of the acquiree. Therefore for accounting purposes Audioboom Limited should account as if it purchased Audioboom Group plc (formerly One Delta plc). However, as no business has been acquired, any difference between the fair value of the assets acquired and the fair value of the shares issued should not be recognised as goodwill, but should be written off to the income statement, in accordance with IFRS 3.

Therefore the results contained herein treat Audioboom Limited as the acquiring company and the historical comparatives are the comparatives of Audioboom Limited, rather than of Audioboom Group plc. Audioboom Limited had a 31 December year end whereas Audioboom Group plc, and now Audioboom Limited, have a 30 November year end. Consequently, the Statement of Comprehensive Income consists of 11 months of Audioboom Limited, from 1 January 2014, and 6 months and 11 days of Audioboom Group plc, from 20 May 2014.

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

The following new and amended IFRSs have been adopted during the year:

- Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities
- Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities – Transition Guidance
- Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)
- IFRIC 21 Levies

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

Notes
(continued)

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 2014. 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 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 2017)*
- IFRS 9: Financial Instruments (effective 1 January 2018)*

* 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 9. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review on page 6. In addition note 21 to the financial statement includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

The financial statements at 30 November 2014 show that the Group generated an adjusted operating loss for the period of £2.13m (2013: £1.56m), and with cash used in operating activities of £2.4m (2013: £1.49m) and a net increase in cash and cash equivalents of £8.86m in the year (2013: decrease of £230,000). The Group balance sheet also showed cash reserves at 30 November 2014 of £8.87m (2013: £22,000).

During the year One Delta plc completed the reverse acquisition of Audioboom Limited and the Group was renamed Audioboom Group plc. As part of this process the listed company had completed a subscription on 17 March 2014 which raised a total of £3.49m. Following the transaction the Group raised a further £8.00m on 1 October 2014 to fund the combined business and to support the growth strategy. The Directors note that the business is at an early stage of development which requires investment. This new funding means that the business has a strong balance sheet and funding position going forward.

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 Group's forecasts for the combined Group, including due consideration of the continued operating losses of the Group, and projections, 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 and are satisfied that revised operating strategies could be adopted 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 where value is material, or on sign up where value is immaterial.
- 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.

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.

Critical accounting judgements and key areas of estimation uncertainty

Acquisition accounting

The Group underwent a significant transaction in the period, whereby Audioboom Group plc (formerly One Delta plc) purchased the entire share capital of Audioboom Limited (formerly Audioboo Limited). The transaction has been accounted for as a reverse acquisition. The details of the accounting in relation to this transaction can be found in note 3. It is noted that the decision to account for the transaction as a reverse acquisition, as opposed to a standard acquisition under IFRS3, is a significant accounting judgement.

Notes
(continued)

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.

The fair value 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.

Forecasting

The Group prepares medium-term forecasts based on Board approved budgets and 3-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

	2014 £'000	2013 restated £'000
Subscription	22	39
Advertising	25	2
Content sales	3	4
Sale of products	1	-
	51	45

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 one reportable segment – provision of services – and categorises all revenue from operations to the segment.

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

	2014 £'000	2013 restated £'000
United Kingdom	22	39
Europe	18	2
Rest of World	11	4
	51	45

3. Acquisition

On 20 May 2014, One Delta plc acquired Audioboom Limited (formerly Audioboo Limited), and subsequently changed its name to Audioboom Group plc. On a legal basis the transaction was an acquisition by Audioboom Group plc (formerly One Delta plc) of Audioboom Limited. However, from an accounting and AIM Rules basis, the transaction was a reverse acquisition.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Book value £'000	Fair value adjustments £'000	**Fair value £'000**
Cash	3,229	–	**3,229**
Investment	105	(105)	**–**
Loan to Audioboom Limited	150	–	**150**
Accounts receivable	2	–	**2**
Intangible asset	30	(30)	**–**
Accounts payable	(366)	–	**(366)**
Stock	1	(1)	**–**
VAT control	21	(21)	**–**
Payroll control	1	–	**1**
Taxation	(17)	–	**(17)**
	3,156	(157)	**2,999**
Premium over net assets acquired			**1,291**
Total consideration			**4,290**

The consideration of £4.29m was deemed to have been satisfied by the issue of 285,974,355 ordinary shares of Audioboom Group plc at a deemed value of £0.015 per share. The difference between the total consideration and the fair value of the assets purchased was taken to the statement of comprehensive income and has been classified as an exceptional item. The Directors believe that this value, if it had been allowable to be capitalised as a goodwill balance under IFRS, would have represented the goodwill relating to the AIM listing of One Delta plc. The acquisition of the subsidiary recognised in the cash flow is in respect to the cash acquired along with the cancellation of a £150,000 pre-acquisition loan between One Delta plc and Audioboom Limited. The Group incurred costs related to the acquisition which have been classified as exceptional due to the size and one-off nature of these costs.

	2014 £'000	2013 £'000
Premium over net assets acquired	**1,291**	–
Acquisition costs	**72**	–
	1,363	–

Notes
(continued)

4. Operating loss for the period

Operating loss for the period has been arrived at after charging/(crediting) the following:

	2014 £'000	2013 restated £'000
Net foreign exchange (gain)/losses	(30)	31
Depreciation of property, plant & equipment	8	9
Amortisation of intangible assets	4	9
Operating lease payments – land and buildings	41	28
Research and development	–	294
Staff costs	1,131	820

5. Auditor's remuneration

Audit services	2014 £'000	2013 restated £'000
Fees payable to the Company auditor for the audit of the parent company and consolidated annual accounts	10	–
The audit of the Company's subsidiaries pursuant to legislation	12	5
Non-audit services		
Tax compliance and advisory services	4	–
	26	5

The audit in 2014 was completed by haysmacintyre who were appointed as auditors following a competitive tender. The audit fee in 2013 relates to Audioboom Limited only and was conducted by Hazelwoods LLP. The audit fee for One Delta plc in 2013 was £21,950 and was conducted by Crowe Clark Whitehill LLP.

6. Staff costs

	2014 No.	2013 restated No.
Number of production, editorial and sales staff	4	5
Number of management and administrative staff	14	10
	18	15

	2014 £'000	2013 restated £'000
Wages and salaries	1,041	786
Social security costs	90	34
	1,131	820

Details of Directors' remuneration are set out in the Report of the Directors on page 13.

7. Interest

	2014 £'000	2013 restated £'000
Bank interest received	**20**	–
Bank interest paid	**–**	(3)
Accrued interest	**(1)**	(7)
	19	(10)

8. Tax

Current tax (charge)/credit

No liability to UK corporation tax arose on ordinary activities for the period ended 30 November 2014 nor for the year ended 31 December 2013. The tax credit for both 2014 and 2013 arose in respect of research and development tax credit.

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:

	11 months to 30 Nov 2014 £'000	12 months to 31 Dec 2013 restated £'000
Loss on ordinary activities before tax	**(3,874)**	(1,561)
Tax at UK corporation tax rate of 21.6% (2013: 23.25%)	**(837)**	(363)
Tax effect of expenses that are not deductible in determining taxable profit	**352**	(37)
Income not taxable for tax purposes	**(10)**	–
Accelerated capital allowances	**(4)**	1
Tax losses used	**–**	102
Foreign tax losses not taxed in the UK	**79**	91
Unrelieved tax losses	**420**	263
Enhanced research and development relief	**–**	(57)
Research and development tax credit	**48**	70
Tax credit and effective tax rate for the year	**48**	70

The Group has carried forward UK losses amounting to £4.3m, as of 30 November 2014 (2013: £1.1m). As the timing and extent of taxable profits are uncertain, the deferred tax asset £0.86m (2013: £0.47m) arising on these losses has not been recognised in the financial statements.

9. 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.

IAS33 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.

The 2013 calculation of EPS has been restated.

Notes
(continued)

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 Nov 2014	
Basic and diluted EPS	**£'000**	**Thousand**	**Pence**
Loss attributable to shareholders:			
– Continuing and discontinued operations	**(3,825)**	**326,118**	**(1.17)**
		31 Dec 2013	
Basic and diluted EPS	£'000	Thousand	Pence
Loss attributable to shareholders:			
– Continuing and discontinued operations	(1,491)	174,538	(0.85)

10. Intangibles

	Software £'000
Cost	
At Jan 2012	28
Additions	8
At 31 Dec 2012	36
At 31 Dec 2013	36
At 30 Nov 2014	36
Amortisation	
At Jan 2012	10
Charge for the year	11
At 31 Dec 2012	21
Charge for the year	9
At 31 Dec 2013	30
Charge for the period	4
At 30 Nov 2014	35
Net book value	
At 30 Nov 2014	**1**
At 31 Dec 2013	6

11. Property, plant and equipment

	Furniture & equipment £'000	Computers £'000	Technical £'000	Total £'000
Cost				
At 1 Jan 2012	2	16	–	18
Additions	1	10	–	11
At 31 Dec 2012	3	26	–	29
Additions	–	4	–	4
Disposals	–	(1)	–	(1)
At 31 Dec 2013	3	29	–	32
Additions	13	21	1	35
At 30 Nov 2014	16	50	1	67
Depreciation				
At 1 Jan 2012	1	7	–	8
Charge for year	–	6	–	6
At 31 Dec 2012	1	13	–	14
Charge for year	1	8	–	9
At 31 Dec 2013	2	21	–	23
Charge for period	1	7	–	8
At 30 Nov 2014	3	28	–	31
Net book value				
At 30 November 2014	**13**	**22**	**1**	**36**
At 31 December 2013	1	8	–	9

12. 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%
Audioboo Inc	Delaware, United States of America	Ordinary	100%
One Delta Limited	England and Wales	Ordinary	94.7%
Fusion Delta Limited	Jersey	Ordinary	100%

All companies are directly held, with the exception of Audioboo Inc, which is held through Audioboom Limited.

During the period, One Delta Limited posted a post-acquisition loss of £11,330 resulting in a non-controlling interest of £600 loss. One Delta Limited held £14,758 in net assets at year end resulting in a non-controlling interest of £782.

Notes
(continued)

13. Trade and other receivables

	2014 £'000	2013 restated £'000
Amounts receivable for the sale of goods and services	**32**	2
Allowance for doubtful debts	**–**	–
Net receivables	**32**	2
Other debtors	**203**	134
Prepayments and accrued income	**108**	10
	343	146

In other receivables, £nil (2013: £71,000) represents amounts due from HMRC in relation to a R&D tax credit.

The average credit period taken on sales of goods and services is 20 days (2013: 33 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 (2013: £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 debtors are amounts totalling £93,000 (2013: £nil) due from current and former Directors. These amounts relate to personal tax liabilities that arose as a result of the individuals taking shares in lieu of their fees for the period. The individual details are disclosed in the Directors' remuneration table in the Report of the Directors.

14. Trade and other payables

	2014 £'000	2013 restated £'000
Trade payables	**113**	34
Other taxes and social security	**71**	30
Accrued costs	**187**	57
Deferred income	**–**	5
Other payables	**7**	–
	378	126

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 31 days (2013: 59 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.

15. Stated capital account

	No. of shares	Share capital £	Share premium £
Allotted, called up and fully paid			
Audioboom Limited			
At 1 January 2013			
"A" Ordinary shares at 1p each	795,205	7,952	
"A" Ordinary shares subscription at 1p each	2,924,188	29,242	
"C" Ordinary shares subscription at 1p each	41,650	417	
"D" Ordinary shares subscription at 1p each	14,197	142	
At 31 December 2013	**3,775,240**	**37,752**	
Audioboom Group plc			
At 1 December 2013	3,775,240	37,752	
Reverse acquisition adjustment	(3,775,240)	(37,752)	
Legal parent opening share capital	31,574,356	-	5,406,942
At 1 December 2013 (restated)	**31,574,356**	**–**	**5,406,942**
Shares issued in the period			
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**

All issued share capital is fully paid up. All ordinary shares have nil par value.

Notes
(continued)

16. Other capital reserves

Nature and purpose of reserves

	Issue cost reserve £'000	Reverse acquisition reserve £'000	Foreign exchange translation reserve £'000	**Other capital reserves £'000**
At 1 January 2013	–	–	–	**–**
Other comprehensive income	–	–	18	**18**
At 1 January 2014	–	–	18	**18**
Acquisition of subsidiary	(856)	(2,159)	–	**(3,015)**
Issue of equity	(453)	–	–	**(453)**
Other comprehensive income	–	–	(44)	**(44)**
At 30 Nov 2014	(1,309)	(2,159)	(26)	**(3,494)**

Foreign exchange translation reserve

The foreign exchange translation reserve is used to record exchange differences 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.

17. Retained earnings

	2014 £'000	2013 £'000
Retained earnings	**(7,769)**	(3,577)
Balance at the beginning of the year	**(3,577)**	(2,086)
Net loss attributable to members of the Company	**(3,825)**	(1,491)
Acquisition of subsidiary	**(706)**	–
Credit to equity for equity-settled share-based payments	**339**	–
Balance at end of year	**(7,769)**	(3,577)

18. Operating lease arrangements

The Group as lessee

	2014 £'000	2013 £'000
Minimum lease payments under operating leases recognised as an expense in the year	**41**	28

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:

	2014 £'000	2013 £'000
Within one year	**36**	23
	36	23

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

19. 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 £28,820 (2013: £26,012) by The New Unique Broadcasting Company, a company associated with Mr S A Cole, a director of the Group. Transactions were in respect of expense recharges and accounting services provided. At 30 November 2014, £7,200 (2013: £1,922) was owed by the Group to The New Unique Broadcasting Company.

During the period, the Group recharged £40,000 (2013: £nil) to SONR News, a company associated with Mr R Sargent, who served as a director of the Group during the period. Transactions were in respect of development recharges and were netted against associated costs in the administrative expenses line in the Statement of Comprehensive Income. At 30 November 2014, £24,000 (2013: £nil) was owed to the Group by SONR News.

During the period, the Group was charged £46,890 (2013: nil) by Anglo Saxon Trust Ltd, a company associated with Roger King, who served as a director of the Group during the period. Transactions were in respect of administration, accountancy services and secretarial services. At 30 November 2014, £nil (2013: £nil) was owed to Anglo Saxon Trust Ltd.

Remuneration of key management personnel

The remuneration of the executive Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures:

	2014 £'000	2013 restated £'000
Short- term employment benefits	**189**	177
Post-employment benefits	**–**	–
	189	177

Notes
(continued)

20. 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:

	2014		2013	
	Number of share options	**Weighted average exercise price (£)**	Number of share options	Weighted average exercise price (£)
Outstanding at beginning of period	–	–	–	–
Granted during the period	**32,235,865**	**0.015**	–	–
Forfeited during the period	–	–	–	–
Exercised during the period	–	–	–	–
Expired during the period	–	–	–	–
Outstanding at end of period	**32,235,865**		–	
Exercisable at end of period	–		–	

The options outstanding at 30 November 2014 had a weighted average exercise price of 1.5p, and a weighted average remaining contractual life of 9 years. The inputs into the Black-Scholes model are as follows:

	2014	2013
Weighted average share price	**4.2p**	n/a
Weighted average exercise price	**1.5p**	n/a
Expected volatility	**100%**	n/a
Expected life	**1 to 2 years**	n/a
Risk-free rate	**5%**	n/a
Expected dividend yield	**0%**	n/a

Expected volatility was determined by assessing the movements of the share price since the readmission in May 2014. The Group recognised total expenses of £334,000 related to equity-settled share-based payment transactions in 2014 (2013: £nil).

	2014	2013 restated
	£'000	£'000
Share option charge	**334**	–
Equity-settled shares	**79**	–
	413	–

Equity-settled shares relate to annual Director fees. Due to the timing of the issue of shares as compared to the period of service, the actual shares issued in the period do not equate to the charge taken in the accounts, with some amounts being accrued as shares to be issued (£5,000) and some amounts prepaid for future Director services (£46,000). The total value of equity issued to Directors was £141,000.

The Group currently have outstanding share warrants for a total of 25,348,384 shares with a weighted average exercise price of 4.2p. 344,688 of the warrants were exercisable at period end, and the balance will become exercisable within 1 year.

Total number of instruments over equity (including both share options and warrants) outstanding at period end was 57,584,249 of which 344,688 were exercisable.

21. 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 15 to 17. 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

	2014	2013 restated
	£'000	£'000
Financial assets		
Cash and cash equivalents	**8,867**	22
Loan and receivables	**225**	128
Financial liabilities		
Amortised cost	**(376)**	(121)

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 2014 would increase by £6,000 (2013: £nil). 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

Notes
(continued)

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.

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.

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 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 Hilton London Tower Bridge (More London Suite), 5 More London Place, Tooley Street, London SE1 2BY on Wednesday 22 April 2015 at 12:00 noon to consider and, if thought fit, pass the following resolutions. Resolutions 1 to 10 will be proposed as ordinary resolutions and Resolutions 11 and 12 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 2014 together with the report of the auditors thereon.
2. To re-elect Simon Cole 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 rule 4.3 of the Company's share option scheme as adopted on 19 May 2014 be amended by the deletion of the phrase "10%" and its replacement with "15%".
10. 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 177,493,847 Ordinary Shares, being approximately one third of the current issued share capital of the Company. The authority conferred on the Directors under this Resolution 10 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.
11. That, subject to the passing of Resolution 10, 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 53,301,456 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.

Notice of Annual General Meeting
(continued)

12. 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:

    12.1 the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 79,898,882 (being approximately 14.99% of the share capital of the Company in issue as at the date of this document);

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

    12.3 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;

    12.4 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;

    12.5 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;

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

    12.7 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
JP Morgan House
Grenville Street
St Helier,
Jersey JE4 8TQ

Date: 24 March 2015

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 12:00 noon on 20 April 2015 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 12:00 noon on 20 April 2015.

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.

Notice of Annual General Meeting
(continued)

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 12:00 noon on 20 April 2015.

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 22 April 2015 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.

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 533,014,557 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 533,014,557.

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:

Increasing limit on Company's share option scheme (Resolution 9 – ordinary resolution)

The Company adopted a new share option scheme at the time of the acquisition of Audioboom Limited and the re-admission to AIM for the purposes of attracting, incentivising and retaining management and employees. The scheme was established with an aggregate limit such that no further awards would be made if the total options awarded under the scheme exceeded 10% of the ordinary shares in issue at the time of the award. This limit may be amended with the approval of shareholders. As the aggregate number of awards made or pending is approaching the 10% limit, Resolution 9 will be proposed as an ordinary resolution to increase the limit to 15%. This will provide the Directors with flexibility to make further awards which they believe remains an important tool for the ongoing recruitment, incentivising and retention of key staff, particularly when salaries are kept under tight control. It is anticipated that any such awards would predominantly be made to prospective new management and key employee personnel.

Authority of Directors to allot shares (Resolution 10 – 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 10 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 177,493,847 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 2016 or, if earlier, 18 months following the Resolution being passed.

Disapplication of pre-emption rights (Resolution 11 – special resolution)

If the Directors wish to exercise the authority under Resolution 10 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 11 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 53,301,456 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 2016 or, if earlier, 18 months following the Resolution being passed.

Authority for the Company to purchase its own shares (Resolution 12 – 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 79,898,882 ordinary shares. The authority would expire at the conclusion of the 2016 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, Kent 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.

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