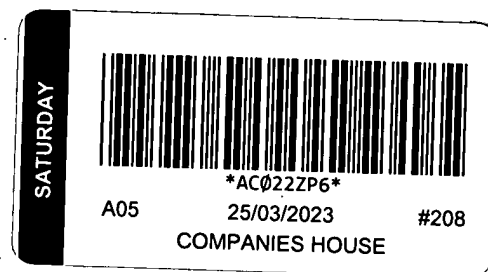


Registered number: 07013326

# AUDIOBOOM LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



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**AUDIOBOOM LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Brad Clarke
<b>Registered number</b>	07013326
<b>Registered office</b>	2-6 Boundary Row London SE1 8HP
<b>Independent auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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**AUDIOBOOM LIMITED**

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## AUDIOBOOM LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Strategy

Audioboom powers podcasting. Our platform connects the world's best podcast creators with advertisers, and then distributes it to audiences globally. We are an indispensable component in podcasting's 3-sided marketplace of audience, advertiser and creator. Each is important to the successful growth of the medium individually – but they require Audioboom at the centre to connect them all, to ensure they operate effectively and to extract maximum value for all.

Our business model is built on three core beliefs:

1. Podcasting is a creator medium, with low barriers to entry and an open ecosystem in which the authentic voices of independent producers will be successful
2. Podcasting is an advertising supported medium, which has none of the historic limitations of other media that require audiences to pay directly for content
3. Podcasting is a distributed media form in which maximum value is only possible when content is available for consumption across all listening points

The Audioboom platform is fully scalable. Today it handles more than 8,000 content channels, 5,000+ advertisers, and receives more than 130 million episode downloads monthly by a unique audience of more than 34 million. With minimal additional investment, the platform could handle exponentially more podcast channels, advertising campaigns and listeners.

Audioboom's growth strategy continues to focus on the expansion of the content we platform, and the development of tools and products to optimise the value of that content.

Audioboom has developed two clearly differentiated advertising products to support this content growth:

- Premium Advertising in which leading podcast hosts endorse products and brands to their engaged audience natively within their shows. These ads drive actions in the form of attributable product sales or awareness. This advertising product is highly effective – the combination of trusted influencers, engaged audiences, Audioboom's best-practice coaching for ad execution, and third-party attribution data – and enables campaigns to be sold at a premium price point. Our Premium ad product – sold exclusively by our in-house sales teams in the UK and the US – is a key driver of revenue for the business.
- Showcase, an automated tech-driven marketplace launched in 2021, is focused on optimising revenue by monetising back catalogue content and unfilled premium inventory via Dynamic Ad Insertion (DAI). Our ad tech consolidates this large volume of advertising inventory and exposes it to a portfolio of demand channels which include international monetisation partners, a self-serve campaign booking platform, and a programmatic ecosystem of more than 40 established demand side platforms (DSPs) used by the biggest advertising buyers in the world. 2022 was a very successful year for Showcase – more than 4 billion advertising impressions were made available in the marketplace, it delivered more than 70% revenue growth year on year.

#### Operating Review

##### Key Performance Indicators

1. Average monthly brand advertiser count of 5,257 in 2022, up 60% on 2021 (3,278)

Brand advertiser count measures Audioboom's active customers across our advertising product and, given the significant increase in Showcase revenue in 2022, this KPI (and comparable period) now includes those brands

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

advertising on Showcase. Key drivers of this KPI growth include: addition of new content genres to widen brand appeal; development of relationships with new brands and agencies; overall market growth and expansion of brands advertising in podcasts; optimal campaign performance with agency campaigns resulting in new agency clients being added.

**2. e-CPM (revenue per 1,000 downloads) in 2022 increased 3% to £41.99 (2021: £40.77)**

e-CPM is a measure of the value we extract from every 1,000 downloads on the platform, and how we optimise the supply of available advertising inventory. Growth drivers for this KPI include: increasing fill rates; increasing pricing; increased use of AdRip inventory creation tool; contracting of back-fill inventory in new and renewal partnership agreements. e-CPM was negatively impacted during the second half of 2022 by the downturn in the advertising market, having reached a record single-month performance in May 2022.

**3. Average monthly downloads in 2022 up 19% to 117.1 million (98.2 million in 2021)**

Global monthly downloads is an industry standard metric. It is a measure for the scale of our platform, and enables accurate comparisons to be drawn with our competitors. This data point is measured using the Interactive Advertising Bureau's most recent Podcast Measurement Standard and is verified by Triton Digital – a leader in audio measurement.

**Creator Network**

Audioboom successfully expanded its Creator network in 2022 achieving record monthly consumption (Global Downloads KPI) and recording its highest positions on both Edison Research and Triton Digital's podcast publisher rankers. This was achieved in a highly competitive market, with well-funded competitors including Wondery (Amazon), Sirius XM, and Spotify all investing strongly in independent podcast creators to maximize the extremely high advertiser demand the industry was experiencing in the first half of the year.

Indeed, during this period Audioboom lost its largest content partner (Morbidity) at the end of its contract as the bidding process for the show reached levels that would have made it significantly loss-making for the Company. Audioboom has taken, and will continue to take, a disciplined approach to providing financial support to Creators to seek to ensure that contracts are profitable to the Company.

The development of new partnerships with top tier podcast creators continued to be driven by our strong relationships with Hollywood talent agencies and management companies. Across 2022 we formed exclusive new partnerships with top tier podcasts including *The Tim Dillon Show*, *Nateland*, *Speak The Truth*, *Mea Culpa*, *Sinisterhood*, *Minds of Madness* and *Kendall Rae*.

We also successfully renewed major creator partnerships in 2022 with *Dark History*, *Murder Mystery & Makeup*, *Mike Rowe*, *No Such Things As A Fish*, *RELAX!*, and *Let's Not Meet*.

**Audioboom Studios**

In 2022 we continued to develop our in-house production unit with a renewed focus on developing and producing original content for the UK market. New launches in the UK included *Devils in the Dark*, *Glittering A Turd*, *Superpower State of Mind*, and *Killers Cults & Queens*. Creatively, these shows were a success – however, they were not long-term commercial successes due to audience acquisition underperformance and the high costs associated with marketing and launching Original content podcasts.

Our work in Production-as-a-Service was more successful commercially than our Original content development. It also requires less investment risk as development, production, and promotional costs are not needed, and thus it will be the key focus of Audioboom Studios moving forward. Production-as-a-Service includes; co-production, branded content, ad creative, and production services such as recording, engineering and post-production.

Strong examples of our Production-as-a-Service include our recently renewed partnership with Formula 1, in which we co-produce their official podcasts *F1: Beyond The Grid* and *F1 Nation*. New co-production partnerships launched in 2022 included *National Park After Dark* and *True Crime With Kendall Rae*.

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## AUDIOBOOM LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Overview of the Market

Audioboom's position as the world's leading pure-play podcast publisher is highlighted by three trusted measurement services - Triton Digital's Podcast Reports, Podtrac's Podcast Ranker, and Edison's Top Podcast Networks chart:

- In Edison Research's list of largest podcast publishers Audioboom ranks as 4<sup>th</sup> for 2021-22, only beaten by Spotify, SiriusXM and iHeartMedia. Edison's list is the only ranker that measures all podcast companies.
- In Triton Digital's US ranker Audioboom is currently the 5<sup>th</sup> largest publisher in terms of unique audience reach, and during 2022 achieved 4<sup>th</sup> place on the list.
- Audioboom also ranks as the 3<sup>rd</sup> largest publisher in Triton's New Zealand, Australian and Canadian rankers.
- Audioboom would rank as the 4<sup>th</sup> largest podcast publisher if the Company opted-in to Podtrac's industry ranker, on both metrics – US unique audience and global monthly downloads.

On each measurement service Audioboom ranks as the highest independent podcast publisher, as well as the highest ranking pure-play podcast publisher.

The market continued to grow in 2022, although was restricted by macro-economic conditions. PwC's Entertainment and Media Outlook report projects podcast industry revenue to have grown by 15% in 2022 – Audioboom's own 25% growth therefore significantly outperforming the market by 67%.

Audioboom has now outperformed the industry's growth in each of the past five years - our average annual outperformance of the industry is 70%.

The clearest and most significant result of this performance is the growth of our market share over this four-year period. In 2017 our market share was 1.9%, growing to 6.3% in 2022.

The podcast market is expected to continue its expansion, albeit tempered by market conditions, with projected growth of 8.1% in 2023 - Audioboom expects to continue to grow at a faster rate than the wider market, further increasing our market share.

2022 saw a lower level of M&A across the industry, with transactions also at a much lower price point than in previous years. Notable corporate activity in 2022 includes:

- Spotify's acquisition of data providers Chartable and Podsights;
- Libsyn's acquisitions of Podcast Ad Reps and Julep Media; and
- Acast's acquisition of Podchaser

Audioboom's business model, structure and financial performance continues to provide strong optionality on our future path. Our global scale and ownership of technology and content production will make us an attractive proposition for major media or technology businesses looking to fast-track a leadership position in podcasting. Alternatively, our profitable business model sees us funded for continued growth and a strong future as the leading independent player in the space.

#### Financial Review

In 2022, the Company recognised record revenue and record adjusted EBITDA and generated £3.3 million of positive cash flow. The Company continued to take market share from our competitors for the fifth year in a row and we delivered this with our lean efficient headcount.

Revenue increased by 33% to £48.5 million from £36.4 million in 2021. In 2022, as in the prior year, 96% of Group revenue was generated in the United States - which is the largest and most developed market for podcasting. There was exceptional growth in Showcase revenue which was up 70% year on year.

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## AUDIOBOOM LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The Company continued to control overheads during the year and we have aligned staff globally to ensure that every employee contributes to the growth of the business. We continue to monitor the cost base closely and align it to the Company's operational demands and this will continue into 2023 as we focus on areas that we believe can drive further revenue growth.

The Company's overall trading for the period recorded a profit of £2.5 million (2021: £37.6 million). The large prior year profit was due to an intercompany write off between Audioboom Limited and Audioboom Group plc. Excluding the write off, the 2022 loss was £1.9 million (2021: £4.8 million profit).

#### Corporate governance

The Company seeks to implement good corporate governance practices, reflecting both the size and nature of the Group. The Parent Company is quoted on the AIM on the London Stock Exchange and as such has appropriate corporate governance policies and procedures in place.

The Director of the Company comprises one Executive Director. The Board of Directors of the Parent Company comprises two Executive Directors and three Non-Executive Directors who are considered independent.

#### Companies Act 2006 – section 172

The Director places continued and serious emphasis upon their duties towards the full range of stakeholders in the Company. Such duties are conducted in accordance with section 172 of the Companies Act 2006, and in a manner to best promote the success of the Company for the benefit of these stakeholders. The Director seeks to conduct the Company's business to best serve its customers, staff, shareholders and business partners. This includes consideration of a wide range of other related interests such as environment, societal and other sustainability obligations.

We set out below how the Director has had regard to these matters when performing their duties under section 172.

#### Employees

- Employment – management of the Company's activities to ensure the Company as a whole can continue to provide employment opportunities to current staff and future employees.
- Engagement – employee surveys are conducted annually with results and follow-up points discussed and agreed by the Senior Management Team.

#### Suppliers

Relationships – ensuring that suppliers are paid in accordance with agreed terms and to foster long-term, mutually productive relationships.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Customers**

- Relationships – ensuring that customers have the required information to ensure timely payment for provision of services.

**Communities and environment**

- Employment – management of the Company to ensure that the Company can continue to provide employment opportunities within the communities in which it operates.

**Shareholders**

- Managing the Company to ensure the Company operates in a responsible manner, having due regard for the other stakeholder groups and for the history and culture of the Company.

**Shareholder relations**

- Responsibility for shareholder relations rests with the Group Non-Executive Chairman, supported by the CEO and CFO. The Group is committed to communicate regularly and openly with shareholders via quarterly online updates. Additional written updates to shareholders are made throughout the year via RNS updates due to the Group entity being quoted on AIM.

**Principal risks and uncertainties**

The Group Board and Company Director regularly review and monitor the key risks involved in running and operating the business. The future success of the Company and wider 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 and maintain a critical mass of quality content providers and its ability to derive advertising revenue from agencies and users of advertising who want to access the audience for Audioboom's services. The table below sets out a number of the material risks together with relevant mitigating factors



## AUDIOBOOM LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Risk	Description	Mitigation
Industry risk	<p>The Group operates within competitive markets and its business, results, operations and financial condition could be materially adversely affected by the actions of its competitors and suppliers.</p> <p>The Group's competitors could bring superior scale, better known brands, deeper experience or more compelling products to bear against the Group's existing and potential business. Intense competition could increase pricing pressure in the market, manifested, for example, through declining revenue shares, or increased reliance on the payment of advances or minimum guarantees ahead of commercial deals.</p>	<p>The Board believes that it has adopted a competitive business strategy, as described further in this Strategic Report, which it continues to monitor and adapt as required.</p>
Liquidity risk	<p>Whilst the Group's underlying financial performance continues to improve, the funding of its operations and overheads, together with future growth and expansion, all place demand on the Group's overall cash resources.</p> <p>Any adverse events relating to the Group's business, such as a significant shortfall in revenue in relation to the Group's expectations, would have an adverse effect on the Group's business, operating results and financial condition. Whilst the Group has made significant progress and generated positive cashflow of US\$5.1 million during 2022, consisting of US\$3.6 million from operating activities and US\$1.5 million from financing activities, there can be no assurance that the Group will be able to maintain this in the event of a revenue downturn to generate positive cashflows in any future period.</p>	<p>Management monitors the Group's financial performance closely with a strong focus on cash control and the Company generated positive cashflow of £3.3 million in 2022, consisting of US\$3.6 million from operating activities and US\$1.5 million from financing activities. In addition, to supplement available cash reserves, a £1.5 million overdraft with HSBC was secured in 2022 (and remains undrawn).</p> <p>Forecasts have been prepared on a base case basis and the Group's available funds are expected to be sufficient to continue to fund the Group's continued growth.</p> <p>Cash flow modelling, sensitivity testing and business contingency planning have all been completed to make this assessment and will be kept under constant review.</p>
Retention/attraction of key staff	<p>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.</p>	<p>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.</p>
Continued growth in content partners	<p>Success of the Group's strategy relies heavily on the on-going process of securing commercial deals with high quality third party content creators, and renewing partnerships with key existing shows. There is increasing competition in the industry to both sign and secure these partnerships as larger, well-funded media organisations and broadcasters focus on podcasting. Key competitors in the independent sector of podcasting include Spotify, Amazon and Sirius XM.</p> <p>Any adverse events relating to the Company's business such as a significant shortfall in revenue in relation to the Company's expectations could have an adverse effect on the Company's ability to satisfy</p>	<p>As the industry professionalises, an increasing amount of new business opportunities with top tier podcasts comes via talent agencies and management companies. Audioboom invests time and resource to develop and maintain strong working relationships with these groups to ensure we remain part of inbound opportunity. Top tier podcasts may require minimum guarantees against annual revenue potential and recoupable advance signing on fees, in addition to promotional and development budgets. These incentives are appropriately modelled to ensure that only potentially profitable partners are offered such terms.</p>

## AUDIOBOOM LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

	minimum guarantees in place with partners.	
Ability to monetise the advertising opportunity	<p>Success of the Group's strategy relies heavily on its ability to monetise advertising opportunities. The ability to generate advertising revenue from social and digital media sites is now well established as major companies operating in this space have built up revenues from advertisers who value access to the user groups that are regular visitors to these sites. There can be no assurance that the Group will be successful in continuing to build these revenues if it is exposed to greater competition or suffers lower growth in listens on the platform as well as other factors.</p>	<p>On-going growth in quality content providers, which in turn attracts greater numbers of listens, which in turn attracts brands wanting to advertise on podcasts. The Group has proven that the monetisation of podcasts is a viable advertising opportunity and it works with a growing number of advertising agencies and direct with brands in the UK and the US to continue to build revenues, as well as advertising partnership agreements in Australia, New Zealand and Canada.</p> <p>While Audioboom's revenue is significantly exposed to the health and performance of the general advertising market, the Company is actively diversifying its advertising model, including: the development of a 'brand awareness' sales unit; the strong growth of programmatic ad-tech; its brand-direct platform through Sonic; and its global advertising partnerships. This will spread risk should elements of the advertising market (either product or location-based) be impacted negatively by wider economic conditions.</p>
Technology	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 strives to continually innovate in terms of its technology, products and services and also recognises opportunities to utilise third party technology solutions when it does not have the financial or staffing resource to innovate itself.
IT infrastructure	Audioboom's platform is hosted externally by Voxnest and 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 Voxnest and Amazon cloud infrastructure and distributed content system ensures that many multiple copies of the entire Group's web architecture 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	<p>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.</p> <p>Audioboom is aware that music licensing costs may be incurred in the future in respect of music played in podcasts on the platform.</p>	Audioboom operates a content complaints procedure that enables listeners to flag concerning content directly to an editorial team made up of senior staff members. The editorial team consider complaints within the framework of our terms and conditions, which give us unlimited rights to remove content, remove content channels and block users to ensure that we are able to maintain a controlled environment for consumers to access appropriate content.

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## AUDIOBOOM LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The director presents his report and the financial statements for the year ended 31 December 2022.

#### Principal activity

The principal activity of the company during the year was the provision of software and services to enable the collection, management and distribution of audio content over mobile phones and the internet.

#### Results and dividends

The profit for the year, after taxation, amounted to £2,519k (2021: £37,586k).

No dividend was paid during the year (2021: £Nil)

#### Going concern

As at 31 December 2022 the Company reported a profit of £2,519k (2021: £37,586k) and had net assets of £13,769k (2021: £11,250k). In light of these circumstances the Directors' have considered the appropriateness of the Going Concern basis of preparation. In making this assessment the Directors' have considered the future cash flows of the Company together with the availability of financial support from the parent undertaking. The Directors are satisfied that the Company is a going concern and will have sufficient funds to continue in operational existence for the foreseeable future, and that its parent company has confirmed it will continue to provide financial support as required to ensure the Company can meet its obligations as and when they fall due for the twelve months from the date of approval of the financial statements.

The wider Audioboom Group ended the year with access to US\$8.1 million of cash and a £1.5 million HSBC overdraft remaining available to draw down. The Board's forecasts for the Group, including due consideration of the business recording continuing positive EBITDA in 2023, projected increase in revenues and cash utilisation of the Group and taking account of reasonably possible changes in trading performance, including changes outside of expected trading performance, indicate that the Group will have sufficient cash available to continue in operational existence for the next 12 months from the date of approval of the financial statements and beyond.

Management has carried out sensitivity analyses of the Group's cash flow models to quantify the impact of a range of possible outcomes, including lower than anticipated revenues, and the mitigations that the Group has available to it, including a reduction in overhead costs, active working capital management and the availability of finance from HSBC. Accordingly, the Directors are satisfied that the Group will continue to be able to meet its ongoing liabilities as and when they fall due in reasonably foreseeable circumstances and therefore is capable of providing financial support to the Company as required to at least 30 April 2024.

The Board believes that the Company is well placed to manage its business risks, and longer term strategic objectives, successfully. Therefore, the Directors consider the going concern basis of preparation of these financial statements appropriate.

#### Business ethics and conduct

The Director is committed to maintaining the highest standards of business ethics and policies and procedures are documented and communicated across all employees on an appropriate basis.

#### Health and safety at work

The Company continues to carry out its responsibilities for securing the health, safety and welfare at work of employees and every reasonable effort is made to provide safe working conditions.

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## AUDIOBOOM LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Director responsibilities statement

The Director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### Directors

The Director who served during the year and his interests in the shares of the Parent Company as at 31 December 2022 are as set out below:

	31 December 2022		31 December 2021	
	Ordinary shares of no par value	Share options	Ordinary shares of no par value	Share options
Brad Clarke	5,000	270,000	-	235,000

#### Future developments

The Company will continue to operate in accordance with its existing trade, as a going concern, for the foreseeable future.

Management have carried out stress tests of the Groups' working capital projections in order to consider the impact of a range of possible outcomes and, having considered these outcomes, and the availability of finance from SPV Investments Limited the Directors' are satisfied that the Group, of which the company is a member of, will continue to be able to meet its ongoing liabilities as and when they fall due.

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## AUDIOBOOM LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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Assumptions related to going concern are discussed further in the accounting policies in the notes to these financial statements.

#### Employee communication

The Director recognises the need to ensure effective communications with employees. During the year, employees were provided with financial and other information affecting the Parent Company and its various operations, by means of briefings and newsletters.

#### Equality, diversity and inclusion

The Company is committed to equal opportunities in employment. We will not discriminate on age, gender, pregnancy, colour, race, nationality, ethnic or national origins, sexual orientation or religion or belief or because someone is married or is a civil partner.

#### Environment matters

We are committed to minimising the impact that our business has on the environment and to providing a safe working environment for our employees.

#### Political and charitable contributions

Charitable contributions made during the year amounted to £nil (2021: £nil). No contributions were made for political reasons.

#### Disclosure of information to auditors

At the time when this Director's Report is approved, the Director has confirmed that: so far as that Director is aware, there is no relevant audit information of which the Parent Company's auditors are unaware; and

- that Director has taken all steps that ought to have been taken as a director in order to be aware of any information needed by the Parent Company's auditors in connection with preparing their report and to establish that the Parent Company's auditors are aware of that information.

#### Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment at the forthcoming AGM in accordance with section 485 of the Companies Act 2006.

#### Post balance sheet events

There are no post balance sheet events as at the date of this report.

This report was approved by the board on 22 March 2023 and signed on its behalf.

*BClarke*

Brad Clarke  
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUDIOBOOM LIMITED**

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**Opinion**

We have audited the financial statements of Audioboom Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**Other information**

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUDIOBOOM LIMITED**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUDIOBOOM LIMITED**

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**Auditors' responsibilities for the audit of the financial statements**

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

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

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.**

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

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

- Inspecting correspondence with tax authorities;
- Discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- We carried out a review of manual entries recorded in management's accounting records and assessed the appropriateness of such entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, particularly around areas where there is a high degree of uncertainty.

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

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



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**AUDIOBOOM LIMITED**

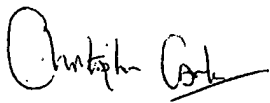
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AUDIOBOOM LIMITED (CONTINUED)**

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**Use of our report**

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Christopher Cork (Senior Statutory Auditor)

for and on behalf of  
**Haysmacintyre LLP**

Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

22 March 2023

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**AUDIOBOOM LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Note	2022 £000	2021 £000
Turnover	4	48,517	36,357
Cost of sales		(38,922)	(27,675)
<b>Gross profit</b>		<u>9,595</u>	<u>8,682</u>
Administrative expenses		(11,247)	(7,802)
Other income	5	4,408	32,808
<b>Operating profit</b>	5	<u>2,756</u>	<u>33,688</u>
Tax on profit	9	(237)	3,898
<b>Profit for the financial year</b>		<u><u>2,519</u></u>	<u><u>37,586</u></u>

The notes on pages 21 to 33 form part of these financial statements.

There was no other comprehensive income for 2022 (2021: £Nil).

All results from both financial years are derived from continuing operations.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
<b>Non-current assets</b>			
Intangible assets	10	7	8
Tangible assets	11	12	5
Deferred tax non-current asset	9	2,994	3,436
		<u>3,013</u>	<u>3,449</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	10,963	11,617
Deferred tax current asset	9	667	463
Cash at bank and in hand	14	4,210	879
		<u>15,840</u>	<u>12,959</u>
Creditors: amounts falling due within one year	15	(4,761)	(5,158)
Provision	16	(323)	-
		<u>10,756</u>	<u>7,801</u>
<b>Net current assets</b>			
		<u>13,769</u>	<u>11,250</u>
<b>Total assets less current liabilities</b>			
		<u>13,769</u>	<u>11,250</u>
<b>Net assets</b>		<u>13,769</u>	<u>11,250</u>
<b>Capital and reserves</b>			
Called up share capital	17	79	79
Share premium account	18	3,729	3,729
Profit and loss account	18	9,961	7,442
		<u>13,769</u>	<u>11,250</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 March 2023.

*BClarke*

**Brad Clarke**  
Director

The notes on pages 21 to 33 form part of these financial statements.

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**AUDIOBOOM LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	79	3,729	(30,144)	(26,336)
Profit for the year	-	-	37,586	37,586
At 1 January 2022	79	3,729	7,442	11,250
Profit for the year	-	-	2,519	2,519
At 31 December 2022	79	3,729	9,961	13,769

The notes on pages 21 to 33 form part of these financial statements.

Share based payment charge relates to recharged costs from the parent entity.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

Audioboom Limited is a company limited by share capital, registered in England at 2-6 Boundary Row, London, SE1 8HP.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

This information is included in the consolidated financial statements of Audioboom Group plc as at 31 December 2022 and these financial statements may be obtained from its registered office.

The financial statements are presented in Sterling (£).

**2.3 Exemption from preparing consolidated financial statements**

The Company is a parent company that is also included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirements to prepare consolidated financial statements under s401 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.4 Turnover**

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

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

The Company is considered to be the principal entity in terms of revenue recognition. The Company sets the advertising pricing that is required to advertise on represented podcast content, contracts directly with the brand or agency to secure the advertising and confirms the date at which that advertising will be allocated. The Company is also responsible for invoicing and collecting payment from customers who have booked advertising slots and furthermore bears the inventory risk associated with advertising slots acquired but not sold.

**2.5 Going concern**

As at 31 December 2022 the Company reported a profit of £2,519k (2021: £37,586k) and had net assets of £13,769k (2021: £11,250k). In light of these circumstances the Directors' have considered the appropriateness of the Going Concern basis of preparation. In making this assessment the Directors' have considered the future cash flows of the Company together with the availability of financial support from the parent undertaking. The Directors are satisfied that the Company is a going concern and will have sufficient funds to continue in operational existence for the foreseeable future, and that its parent company has confirmed it will continue to provide financial support as required to ensure the Company can meet its obligations as and when they fall due for the twelve months from the date of approval of the financial statements.

The wider Audioboom Group ended the year with access to US\$8.1 million of cash and a £1.5 million HSBC overdraft remaining available to draw down. The Board's forecasts for the Group, including due consideration of the business recording continuing positive EBITDA in 2023, projected increase in revenues and cash utilisation of the Group and taking account of reasonably possible changes in trading performance, including changes outside of expected trading performance, indicate that the Group will have sufficient cash available to continue in operational existence for the next 12 months from the date of approval of the financial statements and beyond. This includes considering those partner contracts that have minimum guarantees attached to them and assessing whether there will be any adverse effect should there be prolonged adverse trading performance.

Management has carried out sensitivity analyses of the Group's cash flow models to quantify the impact of a range of possible outcomes, including lower than anticipated revenues, and the mitigations that the Group has available to it, including a reduction in overhead costs, active working capital management and the availability of finance from HSBC. Accordingly, the Directors are satisfied that the Group will continue to be able to meet its ongoing liabilities as and when they fall due in reasonably foreseeable circumstances and therefore is capable of providing financial support to the Company as required to at least 30 April 2024.

The Board believes that the Company is well placed to manage its business risks, and longer term strategic objectives, successfully. Therefore, the Directors consider the going concern basis of preparation of these financial statements appropriate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.6 Foreign currency translation**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**2.7 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

**2.8 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.9 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.10 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.11 Intangible assets**

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- over 5 years
Computer equipment	- over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.16 Creditors**

Short term creditors are measured at the transaction price.

**2.17 Content partner minimum revenue guarantees**

In order to attract and retain leading podcast partners, the Company offers certain partners minimum revenue guarantees ("MG") over the life of the agreement between the parties. The MG offers guaranteed revenue over the life of the agreement in the form of monthly payments and/or an upfront advance payment, which is then recouped over the life of the agreement, thus reducing future expected payments proportionally. The MG's provided secure the right of access to future content and therefore the expenditure in relation to these guarantees is recognised over the term of the contract, as this is the period over which the content providers' obligations are discharged to the Company accordingly the basis on which the group consumes the benefit of these obligations. No liability is recognised at the date of the contract as the MG relates to future performance obligations of the content provider.

Should a contract be considered onerous (i.e., it is expected to give rise to an unavoidable loss) then that loss is provided for at the reporting date if the contract and conditions associated with it were in place at the year end.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

*Minimum guarantees*

The Company offers contracts of between one and three years to secure advertising representation of third-party podcast partners. The contracts can include commitments to pay Minimum Guaranteed (MGs) revenue shares over the contractual period to the third party. Should the revenue share generated not be above the MG contractual amount, the Group will need to true up the revenue share payments to the MG level. The Group continually assesses its exposure to onerous contracts by assessing contractual MGs. There is an element of uncertainty with all contracts signed as they are based on future expected revenue generation and if the future performance does not meet expectations, it may result in a material cash outflow.

*Trade Debtors*

The Company creates a specific bad debt provision for all debtors which are over 365 days old and reviews all debtors on a continual basis, providing for any under 365 days which are not deemed to be recoverable. The Company specifically provides for any debtors which are not deemed to be recoverable to derive a provision to be recognised against the likelihood of future bad debt. Such an assessment requires the application of judgement, and bad debts may materially exceed the amount provided for at the reporting date. Trade debtors as at 31 December 2022 were £9.5 million (2021: £10.1 million). As at 31 December 2022 a bad or doubtful debt provision of £100k was required (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

*Deferred tax*

The Company recognises deferred tax assets in relation to unutilised tax losses which can be utilised to offset tax arising on future taxable profits. Utilisation of these tax losses is dependent on the timing and extent of future taxable profits of the Group. Therefore the recognition and measurement of deferred tax assets is based on the judgement of the Directors as to this profitability and represents an area of material estimation uncertainty. The deferred tax asset as at 31 December 2022 was £3.7 million (2020: £3.9 million).

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Subscriptions	386	367
Advertising	48,131	35,990
	<u>48,517</u>	<u>36,357</u>

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	2,679	1,846
USA	45,838	34,511
	<u>48,517</u>	<u>36,357</u>

5. Operating profit

The operating profit is stated after charging / (crediting):

	2022 £000	2021 £000
Exchange differences	(913)	(111)
Onerous contract provision	(323)	-
Intercompany balance write-off	(4,408)	(32,808)
Intercompany management charges	8,245	5,275
Other operating lease rentals	<u>54</u>	<u>57</u>

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**AUDIOBOOM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**6. Auditors' remuneration**

	2022 £000	2021 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	30	27
	<u>30</u>	<u>27</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2022 £000	2021 £000
Wages and salaries	946	804
Social security costs	272	119
Other pension costs	49	19
	<u>1,267</u>	<u>942</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Sales and trading	7	3
Management and administration	6	8
	<u>13</u>	<u>11</u>

**8. Directors' remuneration**

	2022 £000	2021 £000
Directors' emoluments	195	281
Company contributions to defined contribution pension schemes	5	4
	<u>200</u>	<u>285</u>

The highest paid director received remuneration of £200k (2021 - £285k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5k (2021 - £4k).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Taxation

	2022 £000	2021 £000
<b>Corporation tax</b>		
Current tax for the year	-	-
Deferred tax charge / (credit)	237	(3,898)
<b>Total tax charge / (credit) for the year</b>	<b>237</b>	<b>(3,898)</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	2,756	33,688
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	524	6,401
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2	6
Non-taxable income	(838)	(6,234)
Deferred tax in respect of brought forward losses	549	(4,071)
Unrelieved tax losses carried forward	-	-
Group relief surrendered	-	-
<b>Total tax charge / (credit) for the year</b>	<b>237</b>	<b>(3,898)</b>

**Factors that may affect future tax charges**

The Company has carried forward losses amounting to £21.6 million as of 31 December 2022 (2021: £23.1 million). The gross amount of losses upon which the deferred tax asset has been recognised amounts to £14.8 million (2021: £16.6 million). This is based on expected utilisation of future taxable profits as estimated by the Directors. The deferred tax asset is expected to be utilised within 5 years. Refer to the recognition and measurement of deferred tax assets accounting judgement detail in the accounting policies section for further disclosure.

In March 2021 a change to the future corporation tax rate was substantively enacted to increase from 19% to 25% from 1 April 2023. Accordingly, the rate used to calculate the deferred tax balances at 31 December 2022 is 25% as the timing of the release of this asset is materially expected to be after this date.

There was a deferred tax liability of £nil (2021: £nil).

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**AUDIOBOOM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**9. Taxation (continued)**

	2022 £000	2021 £000
Deferred tax current asset	667	463
Deferred tax non-current asset	2,994	3,436
<b>Total deferred tax asset</b>	<u>3,661</u>	<u>3,899</u>

**10. Intangible assets**

	Computer software £000
<b>Cost</b>	
At 1 January 2022	25
Additions	5
At 31 December 2022	<u>30</u>
<b>Amortisation</b>	
At 1 January 2022	17
Charge for the year	6
At 31 December 2022	<u>23</u>
<b>Net book value</b>	
At 31 December 2022	<u>7</u>
At 31 December 2021	<u>8</u>

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**AUDIOBOOM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**11. Fixed assets**

	Computer equipment £000
<b>Cost or valuation</b>	
At 1 January 2022	19
Additions	11
Disposals	-
At 31 December 2022	<u>30</u>
<b>Depreciation</b>	
At 1 January 2022	14
Charge for the year	4
Disposals	-
At 31 December 2022	<u>18</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>12</u></u>
At 31 December 2021	<u><u>5</u></u>

**12. Fixed asset investments****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Audioboom Inc	251 Little Falls Drive, Wilmington, Delaware 1980, USA	Ordinary	100 %

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**AUDIOBOOM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**13. Debtors**

	2022 £000	2021 £000
Trade debtors	9,517	10,128
Amounts owed by group undertakings	59	478
Other debtors	9	24
Prepayments and accrued income	1,281	924
Tax recoverable	97	63
	<u>10,963</u>	<u>11,617</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. The Company recognised £110k bad debt expense in 2022 (2021: £16k).

**14. Cash and cash equivalents**

	2022 £000	2021 £000
Cash at bank and in hand	4,210	879
	<u>4,210</u>	<u>879</u>

**15. Creditors: Amounts falling due within one year**

	2022 £000	2021 £000
Trade creditors	4,454	4,205
Other taxation and social security	31	57
Other creditors	16	35
Accruals and deferred income	260	861
	<u>4,761</u>	<u>5,158</u>

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**AUDIOBOOM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**16. Provision**

A provision of £0.3 million has been made in relation to a disputed contract with a third-party podcast partner which had a minimum guarantee within the contractual terms. £0.3 million has been recognised as an expense in the statement of comprehensive income. There were no previous provisions or other amounts charged or used in the current or prior period. The provision represents the lower of the cost of fulfilling the original contract and any compensation arising from the disputed contract. It represents the best and most realistic estimate of the total expected costs to be incurred.

**17. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
- "A" ordinary shares of £0.01 each	78,692	78,692
- "C" ordinary shares of £0.01 each	417	417
- "D" ordinary shares of £0.01 each	142	142
	<u>79,251</u>	<u>79,251</u>

**18. Reserves****Called up share capital**

Represents the nominal value of shares that have been issued.

**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premiums.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**19. Post balance sheet events**

There are no post balance sheet events as at the date of this report.

**20. Controlling party**

The company's parent entity is Audioboom Group Plc, a company incorporated in Jersey. There is no single ultimate controlling party.

The results of the company are included within the consolidated accounts of Audioboom Group Plc which are available to the public and may be obtained from the following website:  
<https://audioboompplc.com/reports-and-accounts>.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**21. Related parties**

The Company has taken advantage of the exemptions from disclosing transactions with related companies under the provisions of Section 33 of FRS 102.

There are not considered to be any other members of key management personnel other than the Director, whose remuneration is disclosed in note 8.