

COMPANY REGISTRATION NUMBER 04339257

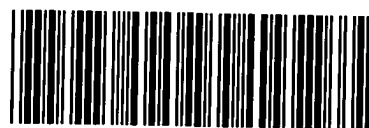
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SIMPLICITY MARKETING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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SIMPLICITY MARKETING LIMITED

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

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SIMPLICITY MARKETING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr W. Wise
Mr N. Galassi

Company secretary

Vistra Company Secretaries Limited

Registered office

Suite 1
7th Floor
50 Broadway
London
SW1H 0BL

Independent auditors

Deloitte LLP
Statutory Auditor
1 Station Square
Cambridge
CB1 2GA

SIMPLICITY MARKETING LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report for Simplicity Marketing Limited (the "Company") for the year ended 31 December 2022. Simplicity Marketing Limited and its subsidiaries make up the trading entities of the Flashtalking group.

REVIEW OF THE BUSINESS

Simplicity Marketing Limited, trading as "Flashtalking", is an independent ad serving, measuring and technology company, providing best-in-class digital advertising products, service and support for online advertisers, key media buying and creative agencies.

Flashtalking's products facilitate the management, delivery and measuring of all forms of digital advertising across desktop, tablet and mobile. Core aspects include display (including standard ads, dynamic, rich media, video, HTML 5 and mobile), search, social and affiliates.

Flashtalking serves billions of ad impressions throughout US, European and international markets for the leading marketers and their advertising agency partners. Regional offices are located in London, Leeds, Connecticut, Cologne, Petah Tikva and Sydney.

On 1 January 2022, there was a change in the accounting policy for accounting for investments in subsidiaries. The Company reverted from the fair value method of accounting (implemented in 2020) back to the historic cost method. This change was applied retrospectively, such that the comparative figures disclosed for each prior period presented were adjusted as if this policy had been in force at those dates. Please see Note 7 for further details.

RESULTS AND PERFORMANCE

In the prior year, the Company prepared consolidated financial statements and has taken a consolidation exemption in the current year due to administrative efficiencies.

The results for the Company, as set out on pages 9 to 39, show a profit before tax of £7,948,594 (2021: loss of £3,039,866). The total shareholders' funds of the Company are £73,202,581 (2021 restated: £67,107,339).

The financial performance of the Company during 2022 has been successful. The change from a loss in prior year to a profit in the current year, is primarily due to the reduction in administrative expenses. The Company continued to demonstrate growth, with revenues growing year-on-year whilst protecting the operating margin. Management believes the Company is well positioned to grow further in the future by utilising its experience and technology to deliver high quality services to its growing customer base.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to a number of risks which may affect its performance. The directors continually review the risks facing the Company and ensures those risks are managed appropriately.

The principal risk affecting the Company is product obsolescence. Demand for the Company's products may fall as a result of changes in customer preferences or our failure to deliver appropriate products to support changes in technology. Product obsolescence is a critical risk to the Company because it will have a negative impact on profitability, which ultimately determines the Company's ability to achieve its strategic objectives.

The level of risk is consistent with prior year. This is because there is still a strong demand for the Company's products which is demonstrated by the growth in revenue during the year.

To mitigate this risk, the Company continues to invest heavily in research and development to ensure that both new and existing products meet the requirements of our target markets.

KEY PERFORMANCE INDICATORS

A number of Key Performance Indicators (KPIs) are used by the Company in managing and monitoring business performance.

The financial KPIs are as follows:

	2022	2021
Revenue	£30,338,326	£28,613,489
Operating profit/(loss)	£7,938,046	(£1,668,709)
Gross margin	97%	96%
Operating margin	26%	(6%)

Both the revenue and gross margin have remained consistent with prior year, with only a slight increase. The profitability of the Company has improved as a result of the reduction in administrative expenses. The decrease in administrative expenses is primarily due to the one-off professional fees incurred by the Company in 2021, in relation to the sale of the Flashtalking group to Mediaocean LLC. These were exceptional costs and are not applicable in the current year.

SIMPLICITY MARKETING LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Details of this is disclosed in the financial statements of Flash Topco Limited, the parent company of the Flashtalking group.

DIRECTORS' SECTION 172 STATEMENT

The directors of the Company must act in accordance with a set of general duties, as detailed in section 172 of the UK Companies Act 2006, summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interest of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the shareholders of the company.'

The directors fulfil these duties as follows:

Risk management

The Company has a long-term strategic plan that effectively identifies, evaluates and mitigates the risks which the Company faces, ensuring they are sufficiently considered and, if applicable, hedged against for the future. The directors will invariably delegate day-to-day management and decision making to executive management, but will ensure that management is acting in accordance with the strategy and plans agreed by the board.

The interest of the Company's employees

The board recognises that employees are central to the long-term success of the Company. The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its prosperity. The Company encourages the involvement of employees by means of regular meetings to keep them informed of the Company's progress. The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or sexual orientation.

Business relationships with suppliers, customers and others

The directors appreciate the importance of fostering business relationships with key stakeholders, such as customers and suppliers, and focus on the maintenance and growth of these relationships in their decision-making and strategic planning. The Company employs dedicated relationship managers to foster these relationships which also ensures the board has a high degree of visibility to take stakeholder considerations into account.

Community and environment

The Company's approach is to use its position of strength to ensure it is an asset to the communities and people with which it interacts. The board ensures significant consideration is given to the impact of the Company's operations on the community and environment in their decision-making. The Company strives to create positive change in reducing the environmental impact of its businesses and to meet the highest level of health and safety and environmental standards, whilst maintaining effective and continuing business practices.

Shareholders

The board recognises the importance of regular and open dialogue with the shareholders and the need to ensure the strategy and goals of the Company are effectively communicated to them. Feedback on these plans and objectives is welcomed by the directors and major business decisions are made closely and with the approval of the shareholders.

Approved by the Board of Directors and signed on their behalf by:

William Wise

Mr W. Wise
28 September 2023

N. Galassi

Mr N. Galassi
28 September 2023

SIMPLICITY MARKETING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £5,975,648 (2021: loss of £4,662,461). There were no dividends paid in the current year (2021: £1,886,723). The directors do not recommend payment of a final dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk and liquidity risk. The Company has a risk management programme in place that seeks to limit the adverse effect on the financial performance of the Company.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the directors are implemented by the Company's finance department.

Foreign exchange risk

The Company has assets and liabilities denominated in foreign currencies. The Company does not use derivative financial instruments to manage the risk of fluctuating exchange rates, so no hedge accounting is applied. The Company has in place a foreign exchange policy and will reconsider the appropriateness of this policy should the Company's operations change in size or nature.

Credit risk

The Company has no significant concentration of credit risk. Cash and cash equivalents are deposited within high-credit quality financial institutions and trade debtors are due principally from well-established customers. In spite of the well-established customer base, there is still a risk as the customer may default on the payment of their debts and the Company mitigates this risk by performing credit risk assessments on all of its potential customers, prior to the sale being made.

Liquidity risk

The Company actively manages its finances to ensure that it has sufficient available funds for its operations.

DIRECTORS

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

Mr J. Nardone (resigned on 1 August 2023)

Mr W. Wise (appointed on 9 May 2023)

Mr N. Galassi (appointed on 9 May 2023)

FUTURE DEVELOPMENTS

The Company continues to invest in the development of staff and new technology in order to position the Company for future growth. The Company intends to continue to expand its product capabilities, with investments being made in areas seen as offering strategic importance and growth. Management believes that there are various growth opportunities in the market, both organic and through acquisitions, which they will continue to explore in the year ahead.

RESEARCH AND DEVELOPMENT

During the year, the Company incurred expenditure in relation to the development of existing products and new technology. The cost of this expenditure has been included in the income statement (see Note 14).

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Please refer to the Strategic Report on page 2.

BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS

Please refer to the Strategic Report on page 3.

SIMPLICITY MARKETING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 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 and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' INDEMNITY

As permitted by the Articles of Association, the directors have the benefit of an indemnity, which is a qualifying third-party indemnity as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each director during the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors and Officers liability insurance in respect of itself and its directors.

AUDITORS APPOINTMENT

Deloitte LLP have been appointed as auditors in the year. Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The financial statements on pages 9 to 39 were approved by the directors on 28 September 2023.

Registered office: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

Approved by the Board of Directors and signed on their behalf by:

William Wise

Mr W. Wise
28 September 2023

N. Galassi

Mr N. Galassi
28 September 2023

SIMPLICITY MARKETING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Simplicity Marketing Limited (the 'company'):

- 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity
- the related notes 1 to 20

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

SIMPLICITY MARKETING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

We considered the nature of the Company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

SIMPLICITY MARKETING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLICITY MARKETING LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Matthew Hall

Matthew Hall FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
28 September 2023

SIMPLICITY MARKETING LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	31 December 2022 £	31 December 2021 £
Revenue		30,338,326	28,613,489
Cost of sales		(907,840)	(1,046,041)
Gross profit		29,430,486	27,567,448
Selling and marketing costs		(2,017,148)	(1,516,120)
Administrative expenses		(10,609,309)	(19,144,112)
Technical support and development		(8,865,983)	(8,575,925)
Operating profit/(loss)		7,938,046	(1,668,709)
Finance income	15	45,562	72,956
Finance costs	16	(35,014)	(1,444,113)
Profit/(loss) before income tax		7,948,594	(3,039,866)
Income tax	12	(1,972,946)	(1,622,595)
Profit/(loss) for the financial year attributable to owners of the Company		5,975,648	(4,662,461)

All of the activities of the Company are classed as continuing.

There were no comprehensive income or expenses for 2022 or 2021 (restated) other than those included in the income statement.

The comparative period has been restated, please see Note 7 for further details.

SIMPLICITY MARKETING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2022

		31 December 2022	31 December 2021 (Restated)
	Note	£	£
Non-current assets			
Intangible assets	4	6,942,455	5,456,593
Property, plant and equipment	5	284,563	620,352
Right-of-use assets	6	395,846	817,580
Investments in subsidiaries	7	56,246,912	17,120,928
		<u>63,869,776</u>	<u>24,015,453</u>
Current Assets			
Trade and other receivables	8	22,818,068	53,813,715
Cash and cash equivalents		2,180,272	1,255,514
		<u>24,998,340</u>	<u>55,069,229</u>
Total assets		<u>88,868,116</u>	<u>79,084,682</u>
Current liabilities			
Trade and other payables	9	7,913,908	3,979,138
Contingent consideration	10	5,391,451	3,355,515
Lease liabilities	6	281,110	438,242
Corporation tax payable		612,181	472,454
		<u>14,198,650</u>	<u>8,245,349</u>
Net current assets		<u>10,799,690</u>	<u>46,823,880</u>
Total assets less current liabilities		<u>74,669,466</u>	<u>70,839,333</u>
Non-current liabilities			
Contingent consideration	10	-	2,611,789
Deferred tax liabilities	12	1,429,776	796,559
Lease liabilities	6	37,109	323,646
		<u>1,466,885</u>	<u>3,731,994</u>
Total liabilities		<u>15,665,535</u>	<u>11,977,343</u>
NET ASSETS		<u>73,202,581</u>	<u>67,107,339</u>
Capital and reserves			
Share capital and share premium	11	415	415
Share options reserve	11	-	-
Capital contribution and other reserves	11	63,501,502	63,381,908
Retained earnings	11	9,700,664	3,725,016
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>73,202,581</u>	<u>67,107,339</u>

SIMPLICITY MARKETING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2022

The accompanying notes form an integral part of the financial statements.

The comparative period has been restated, please see Note 7 for details.

The financial statements on pages 9 to 39 were approved and authorised for issue by the directors on 28 September 2023.

William Wise

Mr W. Wise
28 September 2023



Mr N. Galassi
28 September 2023

Company registration number: 04339257

SIMPLICITY MARKETING LIMITED

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

		Share capital and share premium £	Share options reserve £	Capital contribution and other reserves £	Retained earnings £	Total equity £
Balance at 1 January 2021	Note	415	407,491	6,157,690	10,274,200	16,839,796
Fair value adjustment due to change in accounting policy	7	-	-	(34,357,690)	-	(34,357,690)
Restated balance at 1 January 2021		415	407,491	(28,200,000)	10,274,200	(17,517,894)
Loss for the year		-	-	-	(4,662,461)	(4,662,461)
Total comprehensive expense for the year		-	-	-	(4,662,461)	(4,662,461)
Capital contribution	11	-	-	91,581,908	-	91,581,908
Dividends paid (£0.05 per share)		-	-	-	(1,886,723)	(1,886,723)
Share based scheme charges	13	-	22,357	-	-	22,357
Share based scheme changes	13	-	(429,848)	-	-	(429,848)
Restated balance at 31 December 2021		415	-	63,381,908	3,725,016	67,107,339
Profit for the year		-	-	-	5,975,648	5,975,648
Total comprehensive income for the year		-	-	-	5,975,648	5,975,648
Share based scheme charges	13	-	-	119,594	-	119,594
Balance at 31 December 2022		415	-	63,501,502	9,700,664	73,202,581

SIMPLICITY MARKETING LIMITED

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

1. GENERAL INFORMATION

Simplicity Marketing Limited is a trading entity within the Flashtalking group.

The operating businesses within the Flashtalking group, are independent ad serving, measuring and technology companies providing best-in-class digital advertising products, service and support for online advertisers, key media buying and creative agencies.

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied.

2.1. BASIS OF PREPARATION

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC. Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, transitioning from UK adopted International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions in respect of the following disclosures:

- Cashflow statement and related notes
- Certain disclosures in respect of capital risk management required by IAS 1
- Certain disclosures in respect of impairment of assets required by IAS 36
- Certain disclosures required by IFRS 1
- Certain disclosures in respect of business combinations required by IFRS 3
- Certain disclosures in respect of financial instruments required by IFRS 7
- Certain disclosures in respect of fair value measurements required by IFRS 13
- Certain disclosures in respect of contract with customers required by IFRS 15
- Certain disclosures in respect of leases required by IFRS 16
- Certain disclosures in respect of transactions with wholly owned subsidiaries
- Certain disclosures in respect of share-based payments
- The effect of new but not yet effective accounting standards

Where required, equivalent disclosures are given in the consolidated financial statements of Flash Topco Limited.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Flash Topco Limited. The group accounts of Flash Topco Limited are available to the public and can be obtained as set out in Note 19. In the prior year, the Company prepared consolidated financial statements, and has taken a consolidation exemption in the current year due to administrative efficiencies.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Going concern

The parent company of the Flashtalking group, Flash Topco Limited, has provided guarantees of ongoing financial support.

The directors, having assessed the Company's financial position, have no reason to believe that a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern or jeopardise its ability to continue with the current banking arrangements.

In reaching their assessment, the directors have considered, among other things, the following:

- forecasts for new opportunities and pipeline projects,
- the company has access to support from the Flashtalking group,
- the company has been issued with a letter of support from Flash Topco Limited, which states that Flash Topco Limited will provide whatever financial support is required to enable the Company to meet, in full, its financial obligations as they fall due for a period of 12 months from the date of the financial statements being signed.

Based on their assessment of the Company's financial position and of the enquiries made, the directors expect that the Company will be able to continue in operational existence for at least 12 months from the date of signing of the financial statements. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in accounting policy and disclosures

(a) Change in accounting policy

In January 2022, there was a change in the policy for accounting for investments in subsidiaries. The Company reverted from the fair value method of accounting, back to the historic cost method (see Note 2.14 for further details).

The impact on the Company financial statements is disclosed in Note 7.

(b) New and amended standards and interpretations effective in the year for the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2022:

- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The above new standards and amendments applicable for the year are not deemed to have a material impact on the financial statements of the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 REVENUE RECOGNITION

Revenue represents the amounts receivable for advertising services provided in the normal course of business, net of VAT and other sales related taxes. Revenue recognition is based on the satisfaction of performance obligations and an assessment of when control is transferred to the customer. It is recognised in a way that depicts the transfer of promised services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Transaction price is allocated to each performance obligation on the basis of the relative selling prices of each distinct service promised in the contract.

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise the revenue when (or as) the Company satisfies a performance obligation

Control of a service is obtained when the customer has the ability to obtain substantially all the benefits from the service.

Customer contracts vary across the Company and contain a variety of performance obligations. Under IFRS15, the Company must evaluate whether the goods or services are transferred over time or at a point in time for each performance obligation.

A summary of how the key classes of revenue are recognised is provided below:

Ad-serving	Point in time, based on number of impressions served within the period
Analytics	Point in time, on delivery of report
Production	Point in time, on release of digital advert to client
Verification	Point in time, based on number of impressions served within the period

The transaction price is determined by the agreed terms of the contract. For the Ad-serving and Verification revenue streams, this is dependent on the number of impressions served within the period. Certain customers purchase a fixed fee package which includes a set number of impressions. In these instances, the transaction price is increased by any additional impressions served.

2.3 INTANGIBLE ASSETS

(a) Internally generated software

Research expenditure is recognised as an expense as incurred. Directly attributable costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- i. it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- ii. management intends to complete the intangible asset and use or sell it;
- iii. there is an ability to use or sell the intangible asset;
- iv. it can be demonstrated how the intangible asset will generate probable future economic benefits;
- v. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- vi. the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs that are capitalised include the product development employee costs and related management time.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 INTANGIBLE ASSETS (CONTINUED)

(a) Internally generated software (continued)

Subsequent to initial recognition, internally generated software are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. These are amortised over the useful economic life, which is on average considered to be 3 years.

(b) Acquired software

Acquired computer software products are capitalised along with the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of between 12 months and 3 years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(c) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset, on a straight-line basis over its expected useful life as follows, other than fixtures and fittings which are depreciated on a reducing balance basis:

- Leasehold improvements: over the term of the lease
- Computer equipment: 2 years
- Fixtures and fittings: 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of the reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.6. TAXATION

The Company is managed and controlled in the United Kingdom and, consequently, is tax resident in the United Kingdom.

Current tax is calculated on the profits of the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred tax liability is settled.

Deferred income tax is recognised in other comprehensive income or directly in equity, if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income or directly in equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses and credits can be utilised.

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

2.7 TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectable, it is written off against the provision account in trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 TRADE RECEIVABLES (CONTINUED)

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivable.

2.8. ACCRUED INCOME

Accrued income are amounts due from customers for services performed and which have not yet been invoiced under existing agreements.

Accrued income is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provision for impairment is determined, when applicable, when there is objective evidence that the Company will not be able to collect all amounts.

2.9. EMPLOYEE BENEFITS

(a) Pension obligations

The Company operates defined contribution plans. A defined contribution is a pension plan under which the Company pays fixed contributions into an independently administrated pension fund.

The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Share-based payment transactions

The Company operates equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the estimated vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability).

Modifications of the performance conditions are accounted for as a modification under IFRS 2. In particular, where a modification increases the fair value of the equity instruments granted, the Company includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period.

(c) Accrued annual leave

The Company has recognised a provision for accrued, unused annual leave. The provision is measured as the amount which would be paid if settled in full and is presented as Trade and other payables in the balance sheet.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.11. LEASES

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

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

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

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

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the asset.

(i) The Company's leasing activities and how these are accounted for

Rental contracts are typically made for fixed periods of 12 months to 5 years but may have extension options as described in (v) below.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11. LEASES (CONTINUED)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable

Lease payments to be made under reasonably certain extension options are also not included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value of the right-of-use asset in a similar economic environment with similar terms, security and conditions. The discount rate applied to the leases varied between 3.88% and 4.95%

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term and low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(ii) Extension and termination options

Extension and termination options are included in a number of property leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

2.13. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14. INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

On 1 January 2022, there was a change in the accounting policy for accounting for investments in subsidiaries. The Company reverted from the fair value method of accounting (implemented in 2020) back to the historic cost method. This change was applied retrospectively, such that the comparative figures at 1 January 2021 and 31 December 2021 were updated accordingly as if this policy had been in force at those dates (see Note 7).

The acquisition of the Flashtalking group by Mediaocean LLC in 2021 resulted in a significant change in the Company's circumstances and the fair value method of accounting was no longer deemed to be fit for purpose. The change in policy is considered to provide more relevant and reliable information to users of the financial statements in accordance with the requirements of IAS 8, by more accurately reflecting the value of the Company's investments. By carrying the investments at historic cost, it mitigates against large swings in their valuation and avoids the market fluctuations in what is a volatile industry.

The change in policy will also allow greater consistency across the wider Mediaocean group of companies, by having all subsidiaries adopt the historic cost accounting policy. This will ensure that the ultimate parent company of the Flashtalking group (see Note 19) will prepare consolidated financial statements using uniform accounting policies, in accordance with the requirements of IFRS 10.

2.15. TRADE PAYABLES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16. FINANCE INCOME AND EXPENSES

Interest income and expenses are recognised on a time-proportion basis using the effective interest method.

SIMPLICITY MARKETING LIMITED

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17. PROVISIONS

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.18. CONTINGENT CONSIDERATION

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the income statement.

SIMPLICITY MARKETING LIMITED

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Company makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no critical judgements that the directors have made in applying the Company's accounting policies, which have a significant effect on the amounts recognised in the current or prior year financial statements.

The estimates and assumptions that have a higher degree of complexity within the next financial year are discussed below:

Capitalisation of development costs – (Critical Estimate)

Internal staff costs associated with the development of software products both for internal use and external sale are capitalised and amortised over the estimated useful life of the product, which is on average considered to be 3 years. In determining the staff costs attributable to development, management have to estimate the time spent on each project. The capitalisation policy is capped at 90% per engineer, per month. This means that in any given month, a maximum of 90% of an engineer's total labour cost can be capitalised, with a minimum of 10% being expensed through the Income Statement.

Costs incurred on development projects are recognised as intangible assets only when it is probable that the project will be a success considering its commercial and technical feasibility. The project must be intended for completion and the Company must be able to demonstrate how the asset will generate future economic benefits.

If the Company is unable to distinguish the research phase of a project from the development phase, the expenditure for that project will be treated as if it were incurred in the research phase only and will not be recognised as an intangible asset. Capitalisation ceases and amortisation commences once a product or enhancement is available for deployment.

See Note 4 for details of amounts capitalised.

SIMPLICITY MARKETING LIMITED

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

4. INTANGIBLE ASSETS

	Internally generated software £	Acquired software £	Total £
At 1 January 2021			
Cost	11,037,056	2,805,386	13,842,442
Accumulated amortisation and impairment	(7,006,276)	(2,500,048)	(9,506,324)
Closing net book amount	4,030,780	305,338	4,336,118
Year ended 31 December 2021			
Opening net book amount	4,030,780	305,338	4,336,118
Additions	3,917,493	-	3,917,493
Amortisation charge	(2,644,345)	(152,673)	(2,797,018)
Closing net book amount	5,303,928	152,665	5,456,593
At 1 January 2022			
Cost	14,954,549	2,805,386	17,759,935
Accumulated amortisation and impairment	(9,650,621)	(2,652,721)	(12,303,342)
Closing net book amount	5,303,928	152,665	5,456,593
Year ended 31 December 2022			
Opening net book amount	5,303,928	152,665	5,456,593
Additions	4,987,512	-	4,987,512
Amortisation charge	(3,348,985)	(152,665)	(3,501,650)
Closing net book amount	6,942,455	-	6,942,455
At 31 December 2022			
Cost	19,942,061	2,805,386	22,747,447
Accumulated amortisation and impairment	(12,999,606)	(2,805,386)	(15,804,992)
Closing net book amount	6,942,455	-	6,942,455

Amortisation of £3,501,650 (2021: £2,797,018) is included in administrative expenses in the income statement.

Development costs have been capitalised in accordance with IAS 38 Intangible Assets and are therefore not treated, for dividend purposes, as a realised loss.

SIMPLICITY MARKETING LIMITED

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

5. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
At 1 January 2021				
Cost	230,162	29,524	3,126,294	3,385,980
Accumulated depreciation	(224,754)	(28,793)	(2,497,854)	(2,751,401)
Closing net book amount	5,408	731	628,440	634,579
Year ending 31 December 2021				
Opening net book amount	5,408	731	628,440	634,579
Additions	-	-	544,285	544,285
Depreciation charge	(2,295)	(111)	(556,106)	(558,512)
Closing net book amount	3,113	620	616,619	620,352
At 1 January 2022				
Cost	230,162	29,524	3,670,579	3,930,265
Accumulated depreciation	(227,049)	(28,904)	(3,053,960)	(3,309,913)
Closing net book amount	3,113	620	616,619	620,352
Year ending 31 December 2022				
Opening net book amount	3,113	620	616,619	620,352
Additions	-	8,004	166,532	174,536
Depreciation charge	(1,379)	(1,580)	(507,366)	(510,325)
Closing net book amount	1,734	7,044	275,785	284,563
At 31 December 2022				
Cost	230,162	37,528	3,837,111	4,104,801
Accumulated depreciation	(228,428)	(30,484)	(3,561,326)	(3,820,238)
Closing net book amount	1,734	7,044	275,785	284,563

Depreciation of £932,059 (2021: £980,246) has been charged in administrative expenses in the income statement. This includes the depreciation of right-of-use assets (Note 6) for an amount of £421,734 (2021: £421,734).

SIMPLICITY MARKETING LIMITED

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

6. LEASES

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

	Buildings
	£
Cost	
At 1 January 2022 and 31 December 2022	<u>2,030,270</u>
Accumulated depreciation	
At 1 January 2022	(1,212,690)
Charge for the year	<u>(421,734)</u>
At 31 December 2022	<u>(1,634,424)</u>
Closing net book amount	
At 31 December 2022	<u><u>395,846</u></u>
At 31 December 2021	<u><u>817,580</u></u>

Lease liabilities

	31 December 2022	31 December 2021
	£	£
Buildings		
Opening net book amount	761,888	1,184,243
Payments	(473,256)	(473,256)
Interest expense	35,014	56,068
Modifications	(5,427)	(5,167)
Closing net book amount	<u><u>318,219</u></u>	<u><u>761,888</u></u>

	31 December 2022	31 December 2021
	£	£
Non-current liabilities		
Lease liability	37,109	323,646
Current liabilities		
Lease liability	<u>281,110</u>	<u>438,242</u>
	<u><u>318,219</u></u>	<u><u>761,888</u></u>

The fair value of the leases approximates to the values shown above.

SIMPLICITY MARKETING LIMITED

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

6. LEASES (CONTINUED)

(ii) Ageing analysis of lease commitments

	Buildings	
	31 December 2022	31 December 2021
Commitments for minimum lease payments in relation to non-cancellable leases are payable as follows:	£	£
Within one year	294,006	478,683
Later than one year but not later than five years	37,800	331,806
Total undiscounted payments	331,806	810,489
Interest	(13,587)	(48,601)
	318,219	761,888

(iii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	31 December 2022	31 December 2021
Depreciation charge of right-of-use assets:	£	£
Buildings	421,734	421,734
	421,734	421,734

Interest expense included in finance costs £35,014 (2021: £56,068 included in administrative expenses).

Total cash outflows for leases for the Company in 2022 was £473,256 (2021: £473,256).

The Company leases two buildings and the average lease term of these buildings is 5 years (2021: 5 years).

SIMPLICITY MARKETING LIMITED

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

7. INVESTMENTS IN SUBSIDIARIES

	£
Balance at 1 January 2021	43,074,205
Fair value adjustment due to change in accounting policy	(34,357,690)
Restated balance at 1 January 2021	8,716,515
Investment in Protected Media Limited (Israel)	8,317,710
Foreign exchange adjustments	86,703
Restated balance at 31 December 2021	17,120,928
Investment in Flashtalking Brasil Marketing Ltda	25,000
Investment in Flashtalking Inc.	38,822,332
Investment in Flashtalking GmbH	278,652
Balance at 31 December 2022	56,246,912

The Company has investments in the following subsidiary undertakings at 31 December 2022:

Company name	Ordinary shares	Nature of activity	Registered office
Flashtalking Inc.	100%	Internet advertising	142 W. 36th Street, 10th Floor, New York, NY 10018, USA
Spongecell Inc.	100% (subsidiary of Flashtalking Inc.)	Internet advertising	142 W. 36th Street, 10th Floor, New York, NY 10018, USA
Flashtalking GmbH	100%	Internet advertising	Schanzenstraße 35, 51063 Cologne, Germany
Flashtalking Pty Ltd	100%	Internet advertising	Studio 6, 8 Hercules Street, Surry Hills, Sydney NSW 2010, Australia
Flashtalking Brasil Marketing Ltda	100%	Internet advertising	448, Conj 82 B Portaria 454, Rua Rego Freitas, Replublica, Sao Paulo, 01220-010, Brazil
Flashtalking Pte Ltd	100%	Internet advertising	135 Cecil Street, #10-01, Singapore, 069536
Protected Media Limited (Israel)	100%	Advertising fraud detection specialists	12 Halapid Street, Petah Tikva, Israel

SIMPLICITY MARKETING LIMITED

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

7. INVESTMENTS (CONTINUED)

Protected Media Limited (Israel)

In February 2021, Simplicity Marketing Limited acquired 100% of the issued share capital of Protected Media Limited (Israel).

Flashtalking Brasil Marketing Ltda

In September 2022, the Company invested an additional £25,000 in Flashtalking Brasil Marketing Ltda. The payment was in relation to working capital expenditure and is not expected to be repaid.

Flashtalking Inc.

The investment addition of £38,822,332 relates to the settlement of share-based payments paid by the subsidiary Flashtalking Inc. in 2021, on behalf of the Company, which was recognised as a loan. In the current year this loan of \$52,500,000 has been forgiven and has therefore been included as an increase in investment.

Flashtalking GmbH

The investment addition of £278,652 relates to the settlement of share-based payments paid by the subsidiary Flashtalking GmbH in 2021, on behalf of the Company, which was recognised as a loan. In the current year this loan of €325,000 has been forgiven and has therefore been included as an increase in investment.

Protected Media Inc.

Protected Media Inc., a wholly owned subsidiary of Protected Media Limited (Israel), was dissolved in December 2022.

Valuation method

On 1 January 2022, there was a change in the accounting policy for accounting for investments in subsidiaries. The Company reverted from the fair value method of accounting (implemented in 2020) back to the historic cost method.

This change was applied retrospectively such that the comparative figures disclosed for each prior period presented were adjusted as if this policy had been in force at those dates.

The retrospective impact of the change, to unwind the fair value gains previously recognised, is summarised below:

	2021 as previously stated £	Adjustment £	2021 restated £
Balance sheet			
Investments	301,115,277	(283,994,349)	17,120,928
Capital contribution and other reserves	347,376,257	(283,994,349)	63,381,908
Statement of comprehensive income			
Investments in subsidiaries held at fair value	249,636,659	(249,636,659)	-

SIMPLICITY MARKETING LIMITED

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

8. TRADE AND OTHER RECEIVABLES

	31 December 2022	31 December 2021
	£	£
Trade receivables	1,888,470	1,748,688
Less: provision for impairment	(59,808)	(90,475)
Trade receivables - net	<u>1,828,662</u>	<u>1,658,213</u>
Amounts owed by subsidiary undertakings	20,211,559	48,383,876
Amounts owed by other group companies	18,639	2,639,627
Prepayments	369,687	721,402
Accrued income	314,774	144,309
Other receivables	26,986	266,288
VAT receivable	47,761	-
	<u>22,818,068</u>	<u>53,813,715</u>

Amounts owed by subsidiary undertakings and other group companies are unsecured, interest free and repayable upon demand. The amounts consist of financial loans and trading balances incurred in the normal course of business.

In the prior year, VAT receivable of £240,879 was included within other receivables.

9. TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
	£	£
Trade payables	857,339	1,148,505
Amounts owed to parent undertaking	300,000	-
Amounts owed to other group companies	4,875,659	1,417,078
Accruals	1,687,175	1,121,697
Social security and other taxes	84,083	241,603
Deferred revenue	109,652	50,255
	<u>7,913,908</u>	<u>3,979,138</u>

Amounts owed to parent undertaking and other group companies are unsecured, interest free and repayable on demand. The amounts consist of financial loans and trading balances incurred in the normal course of business.

SIMPLICITY MARKETING LIMITED

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

10. CONTINGENT CONSIDERATION

	31 December 2022			31 December 2021		
	Current	Non-current	Total	Current	Non-current	Total
	£	£	£	£	£	£
Due in less than 1 year	5,391,451	-	5,391,451	3,355,515	-	3,355,515
Due between 1 and 2 years	-	-	-	-	2,611,789	2,611,789
	5,391,451	-	5,391,451	3,355,515	2,611,789	5,967,304

The fair value of contingent considerations approximates to the values shown above.

The Company has classified the fair value measurement of contingent considerations as Level 3, as prescribed by IFRS 13. The total amount recognised in the income statement during the current year is £2,478,723.

In February 2021, Simplicity Marketing Limited acquired Protected Media Limited (Israel), an Israeli based company. The consideration paid for the acquisition consisted of a mix of cash and shares. The consideration at close was made up of \$4,500,000 cash, 580,857 B1 shares in Flash Topco Limited and 375,000 warrants with a weighted value of £0.44 per warrant.

An earn-out arrangement was also entered into at the date of acquisition, with a \$1,000,000 change of control provision, up to \$7,500,000 cash and up to 505,583 shares in Flash Topco Limited. The earn-out is dependent on the revenue generated and based on the first and second anniversary checkpoints.

In September 2021, the \$1,000,000 change of control provision was paid as a result of the sale of the Company to Mediaocean LLC. The estimated total earn-out was recalculated as \$8,054,249 (translated at £5,967,304 at 31 December 2021). This includes a cash substitution of \$3,553,597 for the 505,583 shares in Flash Topco Limited, at a price of \$7.03 per share.

In May 2022, \$4,528,972 of the total estimated earn-out was paid, of which \$1,998,587 related to the cash substitution mentioned above. The amount paid was calculated based on the revenue achieved at the first anniversary checkpoint, in accordance with the earn-out agreement.

In advance of the second anniversary checkpoint (February 2023), an agreement was reached to pay the sellers the maximum total earn-out of \$11,054,249. As a result, the earn-out liability at year end was recalculated as \$6,525,277 (translated at £5,391,451 at 31 December 2022).

Payments of \$1,500,000, \$1,021,715 and \$2,447,898 were made in January, March and June 2023 respectively, which leaves an earn-out liability balance of \$1,555,664.

SIMPLICITY MARKETING LIMITED

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

11. SHARE CAPITAL AND SHARE PREMIUM

Authorised, called up and fully paid:

	No. of shares	Nominal value £
Ordinary shares at £0.00001	41,500,010	415
Total shares as at 31 December 2021 and 31 December 2022	41,500,010	415

Details of the company's other reserves are as follows:

- The share options reserve represents the cumulative amounts in respect of employee share option schemes
- Capital contribution and other reserves contains funds invested in the Company by Flash Bidco Limited, who are the sole investor in and owner of the Company, and also the bonus issue of shares that took place in 2020.

In the prior year financial statements, the capital contribution reserve was disclosed separately from the other reserves. Both reserves have been combined together in these financial statements for presentation reasons.

In August 2021, Mediaocean LLC completed the acquisition of the Flash Topco Limited Group. £91,581,908 was received by Simplicity Marketing Limited as capital contribution from Flash Bidco Limited. This was split £43,478,441 to repay the external borrowing and £48,103,467 to settle other expenditure including the share based payments. The £91,581,908 is not expected to be repaid and has therefore been treated as capital contribution.

- Retained earnings represents cumulative profits or losses.

SIMPLICITY MARKETING LIMITED

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

12. INCOME TAX

(i) Income tax

	31 December 2022	31 December 2021
	£	£
Current tax		
Corporation tax for the year	1,339,729	1,365,894
Adjustments in respect of current and prior periods	-	77,929
Total current tax	1,339,729	1,443,823
Deferred tax		
Recognition of deferred tax	633,927	177,689
Adjustments in respect of prior periods	(710)	1,083
Total tax charge	1,972,946	1,622,595

	31 December 2022	31 December 2021
	£	£
Factors affecting current tax charge		
Profit/(loss) before income tax	7,948,594	(3,039,866)
Profit/(loss) before income tax at the standard rate of tax in the United Kingdom of 19% (2021: 19%)	1,510,233	(577,575)
Recognition of deferred tax	633,927	177,689
Expenses not (taxable)/deductible	(170,504)	2,072,860
Group relief	-	(129,391)
Adjustments in respect of prior periods	(710)	79,012
Total tax charge	1,972,946	1,622,595

The tax assessed on the profit on ordinary activities for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

The Company earns its profits primarily in the UK. Therefore, the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 19%.

In the Finance Bill 2021, the UK Government announced that from 1 April 2023 the corporation tax would increase to 25%. This new law was substantively enacted on 24 May 2021.

SIMPLICITY MARKETING LIMITED

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

12. INCOME TAX (CONTINUED)

(ii) Deferred tax liabilities

The movement in the deferred taxation provision during the year was:

	31 December 2022	31 December 2021
	£	£
Provision brought forward	796,559	617,786
Increase in provision due to temporary differences	633,927	177,690
Adjustments in respect of prior periods	(710)	1,083
Provision carried forward	1,429,776	796,559

The Company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

	31 December 2022		31 December 2021	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Depreciation on fixed assets	(244,304)	-	(141,335)	-
Internally generated software	1,735,613	-	1,007,747	-
Reserves	(30,435)	-	(23,966)	-
Research and Development Expenditure Credit (RDEC)	(25,451)	-	(20,775)	-
Others	(5,647)	-	(25,112)	-
	1,429,776	-	796,559	-

SIMPLICITY MARKETING LIMITED

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

13. SHARE-BASED PAYMENTS

Management Incentive Unit Plan

In connection with the acquisition of the Flashtalking Group by Mediaocean LLC in 2021, the Company adopted a management incentive unit ("MIU") plan that provides for granting of incentive service (time-based) and performance units.

For certain awards, the service units vest over a period of 4 years in equal monthly instalments following the grant date. For other awards, service units vest 25% on the 12-month anniversary of the grant date and the remaining 75% vest in equal quarterly instalments over the three-year period following the first anniversary on each consecutive three-month anniversary thereafter. The service-based units also provide for accelerated vesting if there is a partnership sale or initial public offering as described in the plan agreement.

The fair value of these awards is calculated using an option pricing model.

The assumptions used to estimate the fair value of each unit granted for the year ended 31 December 2022 are as follows:

Fair value of ordinary shares	£944
Expected volatility	70%
Expected term (years)	2.5
Risk-free interest rate	1.3%
Expected dividend yield	0%

Since the Company's shares are not publicly traded, the expected volatility is based on the historical and implied volatility of similar companies whose share or option prices are publicly available, after considering the industry, stage of life cycle, size, market capitalisation, and financial leverage of other companies. The risk-free interest rate assumption is based on observed United States Treasury yield curve interest rates in effect at the time of grant appropriate for the expected term of the units granted. The expected term is based on the expected holding period of the units.

A reconciliation of the unit movements in the year is shown below:

Service (Time) Based

	31 December 2022	
	Number	WAEP (£)
Outstanding at the beginning of the year	-	224.37
Granted during the year	1,600	224.37
Vested during the year	(532)	224.37
Outstanding at the end of the year	<u>1,068</u>	<u>224.37</u>

Stock Appreciation Units Bonus Plan

The Stock Appreciation Bonus Plan is effective on 2 September 2022. The plan is designed to incentivise certain employees and to offer additional inducement to obtain and retain the services of such employees. The plan provides units to employees which gives them the right to receive a percentage of the Stock Appreciation Unit Bonus Pool ("bonus pool") upon a liquidity event. The bonus pool is based on the value of the Common Series B units of OceanKey (U.S.) II Corp, the ultimate parent company of the Company (see Note 19). The bonus pool will be paid in cash at the time of the liquidity event which is a partnership sale or initial public offering.

No expense has been recognised for these awards for the year ended 31 December 2022.

As of 31 December 2022, there are 265,000 units outstanding.

SIMPLICITY MARKETING LIMITED

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

13. SHARE-BASED PAYMENTS (CONTINUED)

Share Option Scheme ended 31 December 2021

Under the 2013, 2015, 2016 and 2017 share option and grant schemes, the Flashtalking Group issued options over ordinary shares to certain employees of the Company. The vesting of all options was subject to continued employment.

A reconciliation of option movements in the year is shown below:

	31 December 2022		31 December 2021	
	Number	WAEP (£)	Number	WAEP (£)
Outstanding at the beginning of the year	-	-	640,678	0.94
Cancelled during the year	-	-	(640,678)	5.11
Outstanding at the end of the year	-	-	-	-

In the year ended 31 December 2021, all share options under this scheme were cancelled as a result of the acquisition by Mediaocean LLC.

As a result of the cancellation of the share options, an accelerated charge of £22,357 was recognised in the Income Statement for 2021. All share options were cancelled at \$7.03 price per share. The excess between the exercise price and the share price was transferred to retained earnings.

The share-based payment charge for this scheme for the year ended 31 December 2022 is £Nil (2021 - £22,357).

There are no outstanding share options in this scheme at 31 December 2022.

SIMPLICITY MARKETING LIMITED

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

14. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been stated after charging/(crediting):

	2022 £	2021 £
Net foreign exchange loss	1,350,390	29,064
Depreciation of property, plant and equipment	510,325	558,512
Depreciation of right-of-use assets	421,734	421,734
Amortisation of internally generated intangible assets	3,501,650	2,797,018
Loss allowance on trade receivables	28,326	(2,112)
Research and development expense	3,295,793	2,115,482
Research and Development Expenditure Credit (RDEC)	(600,000)	(450,000)

A credit of £600,000 has been included within administrative expenses in relation to RDEC (2021: £450,000).

The analysis of the auditors' remuneration is as follows:

	2021 £	2021 £
Audit of the financial statements for the Flashtalking Group and the company only financial statements for Flash Topco Limited, Flash Bidco Limited and Simplicity Marketing Limited	295,000	252,159
Tax compliance services	-	78,984
Corporate finance services	-	667,822
Other services	-	26,833
	295,000	1,025,798

The audit fees for 2022 and 2021 were paid by the Company.

15. FINANCE INCOME

	2022 £	2021 £
Interest income from group undertakings	45,562	72,956
	45,562	72,956

16. FINANCE COSTS

	2022 £	2021 £
Interest on revolving facility loan	-	1,444,113
Interest on lease liabilities	35,014	-
	35,014	1,444,113

In the prior year, interest on lease liabilities of £56,068 was included within administrative expenses.

SIMPLICITY MARKETING LIMITED

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

17. EMPLOYEE BENEFIT EXPENSE

	31 December 2022 £	31 December 2021 £
Wages and salaries	12,160,219	9,516,194
Social security costs	1,173,791	600,325
Other pension costs	417,317	383,906
Equity settled share-based payments		22,357
	13,751,327	10,522,782

The other pension costs of £417,317 (2021: £383,906) represents contributions payable to defined contribution plans by the Company at rates specified in the rules of the plans.

As at 31 December 2022, contributions of £2,320 (2021: £132,152) due in respect of the current reporting period had not been paid over to the schemes and are included within accruals in the balance sheet.

The monthly average number of people employed by the Company during the year analysed by category was as follows:

	2022 Number	2021 Number
Selling and marketing	17	16
Administrative	9	9
Technical support and development	53	51
	79	76

There are no directors employed by the Company.

Directors' remuneration and short-term benefits were paid through Flashtalking Inc., a wholly owned subsidiary of Simplicity Marketing Limited. For the year ended 31 December 2022, John Nardone received remuneration totalling £505,898 in respect of services provided to the Company and its subsidiaries (2021: £3,015,400).

There was no remuneration or short-term benefits paid through the Company in the financial years ended 31 December 2022 or 31 December 2021.

18. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions, in the ordinary course of business, with related parties. Those transactions with directors are disclosed in note 17. The company has taken advantage of the exemption available under FRS 101 not to disclose transactions with other wholly owned members of the group.

In 2021, the Company purchased services totalling \$1,000 from an individual who is a close member of key management personnel. The services provided were in relation to the development of a reporting application. The amount was fully paid at 31 December 2021.

SIMPLICITY MARKETING LIMITED

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

19. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Flash Bidco Limited, a company incorporated in England and Wales.

The smallest group that these financial statements have been consolidated into is that compiled by Flash Topco Limited. Copies of the Flash Topco Limited consolidated financial statements can be obtained from the company's business address: Blue Fin Building, 110 Southwark Street, SE1 0TA, London, United Kingdom.

The Company's ultimate parent and controlling party is OceanKey (U.S.) II Corp., a limited liability company incorporated in the United States of America.

The largest group that these financial statements have been consolidated into is that compiled by OceanKey (U.S.) II Corp. Copies of OceanKey (U.S.) II Corp. consolidated financial statements can be obtained from the company's business address: 120 South Riverside Plaza, Suite 1900, Chicago, Illinois, 60606, United States of America.

20. SUBSEQUENT EVENTS

Based upon managements evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the financial statements.