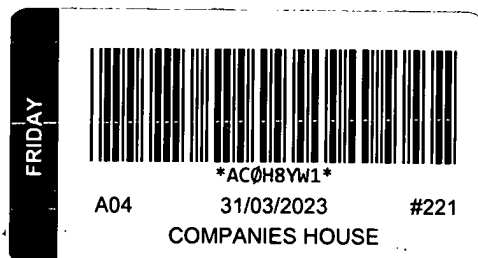


Company Registration No. 05691475 (England and Wales)

VOXSMART LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022



VOXSMART LIMITED

COMPANY INFORMATION

Directors	I Warwick G Koulouris O Blower A J Cosentino S Loukakos
Company number	05691475
Registered office	Flat Iron Building 44-46 Southwark Street London SE1 1UN
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

VOXSMART LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business

The results for the period are set out on page 8. The principal activity of the group continued to be that of a global communications surveillance software provider with offices in 6 cities globally helping businesses to see their communications data in a clear and compliant way to effectively mitigate business risks by delivering critical insights and business intelligence in near real-time. VoxSmart designs, develops, and deploys capture and surveillance solutions that collect all communications sources from phone calls, emails, mobiles right through to WhatsApp into one single monitoring platform.

Total revenue for the year to 31 March 2022 has increased by 12.5% to £4.5m (2021: £4.0m).

The geographical split of revenue was in line with expectations as the group continued to reap the rewards of its growing Americas presence. Europe, Middle East and Africa is still our largest market accounting for 50% (2021: 59%) of group turnover, followed by Americas at 33% (2021: 25%), Asia Pacific at 14% (2021: 14%) and Emerging Markets at 3% (2021:3%).

Total loss before tax for the year to 31 March 2022 was £9.2m (2021: £4.1m) due to an increase in operating expenses.

Operating expenses for the year to 31 March 2022 were £11.4m (2021: £6.3m). Representing an increase of 81%. The increase is due to increased headcount, hiring of better qualified staff in anticipation of the business scaling up, consulting and professional fees and increase in amortisation costs as a result of the acquisition of technical IP from Alfabet Vocal Technology SL (formerly Fonetic SL).

The group's EBITDA for the year to 31 March 2022 was a loss of £6.7m (2021: £3.2m).

As a result of the investment from Tosca, the group took an early decision to grow its head count in expectation of the scaling of the business with average monthly number of employees increasing to 100 people (2021: 70).

The balance of cash as at the year end was £9.5m (2021: £8.7m) which provides the resource for continuing investment into 2023 and beyond.

Key performance indicators

The company and group uses a range of financial and non financial performance measures to monitor and manage its business effectively. The key financial indicators (KPI) are turnover, gross profit, operating profit, EBITDA and net assets. These KPIs indicate the volume of business the company and group has undertaken as well as the efficiency and profitability of this business.

The key financial performance indicators for the year ended 31 March 2022 are set out below:

	2022	2021	Change
	£'000	£'000	%
Turnover	4,534	4,018	13
Gross profit	2,466	2,058	20
Operating loss	(8,893)	(4,195)	(112)
Earnings before interest, tax, amortisation and depreciation	(6,675)	(3,208)	(108)
Net assets	16,523	18,448	(10)

VOXSMART LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties

The group uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the business to a number of financial risks, which are described in more detail below. The main risks arising from the company's financial instruments are currency risk, credit risk and liquidity risk. The directors' review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Currency risk

The company trades internationally and is exposed to movements in exchange rates. The Group Financial Controller monitors and minimises as far as possible the net exposure on a regular basis.

Credit risk

The company's principal credit risk relates to the recovery of amounts from trade debtors. Debts are actively chased by the Finance department, supported by the Sales team managing the client relationship.

Liquidity risk

The business monitors cash flow as part of its day-to-day control procedures. The Group Financial Controller considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Going concern

The group made losses of £9.3m in the year (2021: £4.1m) and had net assets of £16.5m at 31 March 2022 (2021: £18.4m). During the year, the group has onboarded new clients, has acquired a technology company in the US and renegotiated its NatWest loan finance. With the cost of living crisis because of the conflict between Russia and thereon the slowdown of the global economies impacting organisations of all sizes, turnover for the year has been lower than expected with deals taking longer to close, the company has decided to seek further funding via a rights issue, which is in progress. As a result the group was in breach of its loan covenants with NatWest at 31 March 2022 and subsequent to the year end. The directors of Voxsmart Limited have received a letter of financial support from its main investor, Toscafund Asset Management LLP, confirming that it intends to provide financial support directly or arrange such support to meet liabilities including the possible recall of the bank loans for a minimum of 12 months from the date of approval of the financial statements. As a result, the directors believe the group and company has enough resources to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

On behalf of the board



.....
O Blower
Director

31.3.2023
Date:

VOXSMART LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company and group continued to be that of a global communications surveillance software provider for heavily regulated industries.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Carey	(Resigned 29 July 2021)
I Warwick	
G Koulouris	
O Blower	
W Phillips	(Appointed 29 July 2021 and resigned 31 December 2022)
A J Cosentino	
S Loukakos	(Appointed 2 January 2023)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP has indicated their willingness to continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Matters of strategic importance

Information, including future developments, is not shown within the Directors' Report as it is instead included within the Strategic Report on page 1 to 2 under S414c(11).

On behalf of the board



.....
O Blower
Director

31.3.2023

Date:

VOXSMART LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible for preparing the Strategic Report and the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOXSMART LIMITED

Opinion

We have audited the financial statements of Voxsmart Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOXSMART LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOXSMART LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and the parent company operates in and how the group and the parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations (GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations, reviewed legal expenditure for evidence of claims and obtained reports monitoring the company's compliance.

The audit engagement team identified the risk of management override of controls and revenue recognition as areas where the financial statements were most susceptible to material misstatement due to fraud. In respect of management override of controls, audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and assessing the appropriateness of estimates and judgements made by management. In respect of revenue recognition (cut-off), audit procedures performed included but were not limited to reviewing a sample of contracts spanning the year end, and assessing the revenue recognition policy in accordance with the requirements of FRS 102.

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

Use of our report

This report is made solely to the 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.

RSM UK Audit LLP

Richard Heap FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
31.03.2023
.....

VOXSMART LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£000	as restated £000
Turnover	3	4,534	4,018
Cost of sales		(2,068)	(1,960)
Gross profit		<u>2,466</u>	<u>2,058</u>
Administrative expenses		(11,359)	(6,253)
Operating loss	7	(8,893)	(4,195)
Interest receivable and similar income	9	11	-
Interest payable and similar expenses	10	(295)	(592)
Loss before taxation		(9,177)	(4,787)
Tax on loss	11	(56)	657
Loss for the financial year		(9,233)	(4,130)
Other comprehensive income net of taxation			
Currency translation differences		(47)	(7)
Total comprehensive income for the year		<u>(9,280)</u>	<u>(4,137)</u>

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

VOXSMART LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022**

	Notes	2022		2021 as restated	
		£000	£000	£000	£000
Fixed assets					
Goodwill	12		16,721		-
Other intangible assets	12		7,601		6,000
Total intangible assets			24,322		6,000
Tangible assets	13		151		112
Investments	14		1,476		-
			25,949		6,112
Current assets					
Debtors	17	2,461		10,704	
Cash at bank and in hand		9,495		8,663	
		11,956		19,367	
Creditors: amounts falling due within one year	18	(6,616)		(5,115)	
Net current assets			5,340		14,252
Total assets less current liabilities			31,289		20,364
Creditors: amounts falling due after more than one year	19		(14,766)		(1,916)
Net assets			16,523		18,448
Capital and reserves					
Called up share capital	22		7		7
Share premium account	23		41,164		33,817
Share based payment reserve	23		23		15
Profit and loss reserves	23		(24,671)		(15,391)
Total equity			16,523		18,448

The financial statements were approved by the board of directors and authorised for issue on ^{08 31.03.2023} and are signed on its behalf by:



.....
O Blower
Director

VOXSMART LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	2022		2021 as restated	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	12		7,534		6,000
Tangible assets	13		30		-
Investments	14		18,792		6
			<u>26,356</u>		<u>6,006</u>
Current assets					
Debtors	17	3,106		10,632	
Cash at bank and in hand		9,334		8,657	
		<u>12,440</u>		<u>19,289</u>	
Creditors: amounts falling due within one year	18	<u>(7,258)</u>		<u>(5,143)</u>	
Net current assets			<u>5,182</u>		<u>14,146</u>
Total assets less current liabilities			<u>31,538</u>		<u>20,152</u>
Creditors: amounts falling due after more than one year	19		<u>(14,766)</u>		<u>(1,916)</u>
Net assets			<u><u>16,772</u></u>		<u><u>18,236</u></u>
Capital and reserves					
Called up share capital	22		7		7
Share premium account	23		41,164		33,817
Share based payment reserve	23		23		15
Profit and loss reserves	23		<u>(24,422)</u>		<u>(15,603)</u>
Total equity			<u><u>16,772</u></u>		<u><u>18,236</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £8.8m (2021: £4.3m).

The financial statements were approved by the board of directors and authorised for issue on 31.03.2023 and are signed on its behalf by:



.....
O Blower
Director

VOXSMART LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £000	Share premium account £000	Share based payment reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 April 2020		3	12,063	13	(11,254)	825
Year ended 31 March 2021 (as previously reported):						
Loss for the year		-	-	-	(3,274)	(3,274)
Other comprehensive income net of taxation:						
Currency translation differences		-	-	-	(7)	(7)
Total comprehensive income for the year		-	-	-	(3,281)	(3,281)
Issue of share capital	22	4	21,754	-	-	21,758
Share-based payment reserve		-	-	2	-	2
Balance at 31 March 2021 (as previously reported):		7	33,817	15	(14,535)	19,304
Effect of prior period adjustment	24	-	-	-	(856)	(856)
Balance at 31 March 2021 (as restated):		7	33,817	15	(15,391)	18,448
Year ended 31 March 2022:						
Loss for the year		-	-	-	(9,233)	(9,233)
Other comprehensive income net of taxation:						
Currency translation differences		-	-	-	(47)	(47)
Total comprehensive income for the year		-	-	-	(9,280)	(9,280)
Issue of share capital	22	-	7,347	-	-	7,347
Share-based payment reserve		-	-	8	-	8
Balance at 31 March 2022		7	41,164	23	(24,671)	16,523

VOXSMART LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £000	Share premium account £000	Share based payment reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 April 2020		3	12,083	13	(11,368)	711
Year ended 31 March 2021 (as previously reported):						
Loss and total comprehensive income for the year		-	-	-	(3,379)	(3,379)
Issue of share capital	22	4	21,754	-	-	21,758
Share-based payment reserve		-	-	2	-	2
Balance at 31 March 2021 (as previously reported):		7	33,817	15	(14,747)	19,092
Effect of prior period adjustment	24	-	-	-	(856)	(856)
Balance at 31 March 2021 (as restated):		7	33,817	15	(15,603)	18,236
Year ended 31 March 2022:						
Loss and total comprehensive income for the year		-	-	-	(8,819)	(8,819)
Issue of share capital	22	-	7,347	-	-	7,347
Share-based payment reserve		-	-	8	-	8
Balance at 31 March 2022		7	41,164	23	(24,422)	16,772

VOXSMART LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021 as restated	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		2,170		(4,642)
Interest paid			(295)		(592)
Income taxes (paid)/refunded			(68)		446
Net cash inflow/(outflow) from operating activities			1,807		(4,788)
Investing activities					
Cash acquired through acquisition of subsidiary		518		-	
Purchase of intangible assets		(2,782)		(1,338)	
Purchase of tangible fixed assets		(68)		(87)	
Purchase of investments		(1,476)		-	
Interest received		11		-	
Net cash used in investing activities			(3,797)		(1,425)
Financing activities					
Proceeds from issue of shares net of transaction costs		-		12,758	
Net proceeds/(repayment) of bank loans		2,869		(86)	
Net cash generated from financing activities			2,869		12,672
Net increase in cash and cash equivalents			879		6,459
Cash and cash equivalents at beginning of year			8,663		2,211
Effect of foreign exchange rates			(47)		(7)
Cash and cash equivalents at end of year			9,495		8,663

VOXSMART LIMITED

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

1 Accounting policies

Company information

Voxsmart Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Flat Iron Building, 44-46 Southwark Street, London, SE1 1UN.

The group consists of Voxsmart Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Voxsmart Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). No subsidiaries were acquired during the year in question.

All financial statements are made up to 31 March 2022, other than Green Key Technologies Inc. which has financial statements made up to 31 December each year. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Going concern

The group made losses of £9.3m in the year (2021: £4.1m) and had net assets of £16.5m at 31 March 2022 (2021: £18.4m). During the year, the group has onboarded new clients, has acquired a technology company in the US and renegotiated its NatWest loan finance. With the cost of living crisis because of the conflict between Russia and thereon the slowdown of the global economies impacting organisations of all sizes, turnover for the year has been lower than expected with deals taking longer to close, the company has decided to seek further funding via a rights issue, which is in progress. As a result the group was in breach of its loan covenants with NatWest at 31 March 2022 and subsequent to the year end. The directors of Voxsmart Limited have received a letter of financial support from its main investor, Toscafund Asset Management LLP, confirming that it intends to provide financial support directly or arrange such support to meet liabilities including the possible recall of the bank loans for a minimum of 12 months from the date of approval of the financial statements. As a result, the directors believe the group and company has enough resources to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of services to external customers in the ordinary course of business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Software licensing

Turnover from software licensing arrangements which do not contain any requirement for the Company to provide technical support, software upgrades or enhancements is recognised in full at the time the software licence is delivered.

Where technical support or software upgrades are sold together with the licence, the arrangement is recognised in line with the corresponding software licence.

Sale of professional services

Turnover from contracts for the provision of professional services for the deployment and configuration of software is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that it is probable will be recovered.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years. In the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefit.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Goodwill	10 years straight line
Licences and IP	5 or 10 years straight line
Software Development	5 years straight line

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Plant and equipment	3 or 5 years
Fixtures and fittings	25% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments are initially measured at cost, and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Impairment of fixed assets

At each reporting period end date, the group 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

Capitalisation of internally generated intangible assets

In capitalising costs as internally generated intangible assets, the Directors have made judgements regarding the technical and commercial feasibility of the project, the costs, or proportion of costs that meet the criteria for capitalisation, the point at which costs should be capitalised and the rate of amortisation.

Amortisation of internally generated intangible assets

Intellectual Property costs are amortised in line with the Director's best estimate of its useful life. A review comparing the net book value and value in use is completed periodically to ensure that any additional impairments are identified and booked in the financial statements. The directors deem Development costs' useful life to be in line with Intellectual Property and thus are amortised on the same basis.

Earn out obligation

A key estimate has been arrived at in determining the value of the earn out obligation. The fair value was determined and the methodology agreed in the share purchase agreement. The directors are aware of the impact of the following factors in estimating the fair value of the obligation and are satisfied that using the existing method has mitigated these risks to the fullest extent possible:

- Uncertainty regarding the future performance of Voxsmart Limited.

3 Turnover and other revenue

	2022	2021
	£000	£000
Other revenue		
Interest income	11	-
	=====	=====
	2022	2021
	£000	£000
Turnover analysed by geographical market		
Americas	1,483	1,141
APAC	665	627
EMEA	2,271	2,149
Emerging Markets	115	101
	=====	=====
	4,534	4,018
	=====	=====

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Operations	38	27	18	16
Research and Development	39	27	20	18
Sales and marketing	12	9	8	8
Other	11	7	10	6
	<u>100</u>	<u>70</u>	<u>56</u>	<u>48</u>

Their aggregate remuneration comprised:

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Wages and salaries	6,490	3,527	4,305	2,399
Social security costs	929	530	517	299
Pension costs	100	33	62	33
	<u>7,519</u>	<u>4,090</u>	<u>4,884</u>	<u>2,731</u>

5 Directors' remuneration

	2022 £000	2021 £000
Remuneration for qualifying services	257	150
Company pension contributions to defined contribution schemes	2	2
	<u>259</u>	<u>152</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £000	2021 £000
Remuneration for qualifying services	223	N/A
Company pension contributions to defined contribution schemes	2	-
	<u>225</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Share-based payment transactions Group	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £000	2021 £000
Outstanding at 1 April 2021	411,533	159,500	0.60	0.40
Granted	206,002	444,933	0.60	0.40
Forfeited	-	(159,500)	-	0.40
Expired	(19,350)	(33,400)	0.60	0.40
Outstanding at 31 March 2022	<u>598,185</u>	<u>411,533</u>	<u>0.60</u>	<u>0.40</u>
Exercisable at 31 March 2022	<u>598,185</u>	<u>411,533</u>	<u>0.60</u>	<u>0.40</u>

The options outstanding at 31 March 2022 had an exercise price of £0.60. The options only lapse when employment terminates.

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Expenses recognised in the year Arising from equity settled share based payment transactions	<u>8</u>	<u>2</u>	<u>8</u>	<u>2</u>

7 Operating loss	2022 £000	2021 £000
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(2)	60
Research and development costs	-	680
Depreciation of owned tangible fixed assets	36	18
Amortisation of intangible assets	2,128	969
Release of negative goodwill	2	-
Share-based payments	8	2
Operating lease charges	75	53
	<u>2,247</u>	<u>1,782</u>

8 Auditor's remuneration	2022 £000	2021 £000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	<u>57</u>	<u>40</u>

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Auditor's remuneration (Continued)

For other services

Taxation compliance services

10

7

All other non-audit services

34

19

44

26

9 Interest receivable and similar income

2022

2021

£000

£000

Interest income

Interest on bank deposits

11

-

11

-

10 Interest payable and similar expenses

2022

2021

£000

£000

Interest on bank overdrafts and loans

251

390

Interest on convertible loan notes

-

56

Other interest on financial liabilities

44

146

295

592

Total finance costs

295

592

295

592

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Taxation

	2022 £000	2021 £000
Current tax		
UK corporation tax on profits for the current period	56	(657)

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022 £000	2021 £000
Loss before taxation	(9,177)	(4,787)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,744)	(910)
Tax effect of expenses that are not deductible in determining taxable profit	226	82
Deferred tax adjustments in respect of prior years	(10)	-
Deferred tax not recognised	1,571	472
Additional R&D expenditure	-	(531)
Surrender of tax losses for R&D tax credit refund	-	222
Foreign tax credit	-	8
Remeasurement of deferred tax for changes in tax rates	13	-
Taxation charge/(credit)	56	(657)

The group has submitted a research and development claim post year end and will recognise the credit in the accounts on receipt of the cash.

12 Intangible fixed assets

Group	Goodwill £000	Licences and IP £000	Software Development £000	Total £000
Cost				
At 1 April 2021	-	5,549	3,545	9,094
Additions - internally developed	-	-	2,216	2,216
Additions - separately acquired	17,601	-	566	18,167
Additions - business combinations	-	59	8	67
At 31 March 2022	17,601	5,608	6,335	29,544
Amortisation and impairment				
At 1 April 2021	-	1,610	1,484	3,094
Amortisation charged for the year	880	669	579	2,128
At 31 March 2022	880	2,279	2,063	5,222

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Intangible fixed assets (Continued)

Carrying amount				
At 31 March 2022	16,721	3,329	4,272	24,322
At 31 March 2021	-	3,939	2,061	6,000

Company	Licences and IP £000	Software Development £000	Total £000
Cost			
At 1 April 2021	5,549	3,545	9,094
Additions - internally developed	-	2,216	2,216
Additions - separately acquired	-	566	566
At 31 March 2022	5,549	6,327	11,876
Amortisation and impairment			
At 1 April 2021	1,610	1,484	3,094
Amortisation charged for the year	669	579	1,248
At 31 March 2022	2,279	2,063	4,342
Carrying amount			
At 31 March 2022	3,270	4,264	7,534
At 31 March 2021	3,939	2,061	6,000

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Total	
	£000	£000	£000	£000	£000	
Cost						
At 1 April 2021	1	-	27	102	130	
Additions	-	3	-	64	67	
Business combinations	-	-	-	8	8	
At 31 March 2022	1	3	27	174	205	
Depreciation and impairment						
At 1 April 2021	-	-	2	16	18	
Depreciation charged in the year	-	-	3	33	36	
At 31 March 2022	-	-	5	49	54	
Carrying amount						
At 31 March 2022	1	3	22	125	151	
At 31 March 2021	1	-	25	86	112	
Company						
					Computers	
					£000	
Cost						
Additions						38
At 31 March 2022						38
Depreciation and impairment						
Depreciation charged in the year						8
At 31 March 2022						8
Carrying amount						
At 31 March 2022						30

14 Fixed asset investments

	Notes	Group	2021	Company	2021
		2022	2021	2022	2021
		£000	£000	£000	£000
Investments in subsidiaries	15	-	-	17,316	6
Unlisted investments		1,476	-	1,476	-
		1,476	-	18,792	6

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Fixed asset investments (Continued)

Movements in fixed asset investments Group

Investments
other than
loans
£000

Cost or valuation

At 1 April 2021

-

Additions

1,476

At 31 March 2022

1,476

Carrying amount

At 31 March 2022

1,476

At 31 March 2021

-

Movements in fixed asset investments Company

Shares in
group
undertakings

Other
investments
other than
loans

Total

£000

£000

£000

Cost or valuation

At 1 April 2021

6

-

6

Additions

17,310

1,476

18,786

At 31 March 2022

17,316

1,476

18,792

Carrying amount

At 31 March 2022

17,316

1,476

18,792

At 31 March 2021

6

-

6

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Voxsmart Trading SL	Calle Santa Leonor (ed e), 65 - PISO 1, Madrid, 28037, Madrid, Spain	Multi-channel mobile compliance platform	Ordinary	100.00
Voxsmart PTE Limited	100 Peck Seah Street, #07-04, Singapore, PS100	Multi-channel mobile compliance platform	Ordinary	100.00
Voxsmart HK Ltd	Suite 5801, 5804-606, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Dormant	Ordinary	100.00
Green Key Technologies Inc.	49 Chambers Street, New York, NY 10007	Multi-channel mobile compliance platform	Ordinary	100.00
Voxsmart (NZ) Limited	26 Hawthorne Drive, Frankton, Queenstown, 9300, NZ	Multi-channel mobile compliance platform	Ordinary	100.00
VoxSmart (Australia) PTY Limited	121 King Street, Melbourne, VIC, 3000, Australia	Multi-channel mobile compliance platform	Ordinary	100.00

All of the subsidiary undertakings above are included in the consolidation.

During the year, the following companies were incorporated:

- Voxsmart (NZ) Limited (16 September 2021)
- Voxsmart (Australia) PTY Limited (4 November 2021)

On 22 September 2022, Voxsmart Limited acquired 100 percent of the issued capital of Green Key Technology Inc. See note 16 for more detail.

16 Acquisition

On 22 September 2021 the group acquired 100 percent of the issued capital of Green Key Technology Inc. for consideration of £17,359,200.

	Book Value £000	Adjustments £000	Fair Value £000
Net assets acquired			
Property, plant and equipment	8	-	8
Intangible assets	67	-	67
Investments	2	-	2
Trade and other receivables	362	-	362
Cash and cash equivalents	518	-	518
Trade and other payables	(1,317)	-	(1,317)
Total identifiable net assets	(360)	-	(360)
Goodwill			17,601
Total consideration			17,241

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 Acquisition (Continued)

The consideration was satisfied by:	£000
Shares	7,465
Deferred consideration	9,894
	<u>17,359</u>

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£000
Turnover	519
Profit after tax	267
	<u> </u>

17 Debtors

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	854	592	798	589
Corporation tax recoverable	717	716	716	716
Amounts owed by group undertakings	-	-	972	-
Other debtors	448	9,265	362	9,197
Prepayments and accrued income	442	131	258	130
	<u>2,461</u>	<u>10,704</u>	<u>3,106</u>	<u>10,632</u>

Amounts owed by group undertakings are unsecured and interest free. The balances are not repayable on demand.

In the prior year, unpaid preference shares of £9m were included within other debtors.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

18 Creditors: amounts falling due within one year

	Notes	Group		Company	
		2022 £000	2021 £000	2022 £000	2021 £000
Bank loans	20	14	101	14	101
Trade creditors		1,151	1,663	1,143	1,661
Amounts owed to group undertakings		-	-	1,878	180
Corporation tax payable		46	57	-	-
Other taxation and social security		1,798	1,276	1,608	1,246
Deferred income		2,517	1,346	1,609	1,346
Other creditors		122	275	116	216
Accruals		968	397	890	393
		<u>6,616</u>	<u>5,115</u>	<u>7,258</u>	<u>5,143</u>

Bank loans are secured with fixed and floating charges over the assets of the company.

Amounts owed to group undertakings are unsecured and interest free. The balances are not repayable on demand.

19 Creditors: amounts falling due after more than one year

	Notes	Group		Company	
		2022 £000	2021 £000	2022 £000	2021 £000
Bank loans and overdrafts	20	4,872	1,916	4,872	1,916
Other creditors		9,894	-	9,894	-
		<u>14,766</u>	<u>1,916</u>	<u>14,766</u>	<u>1,916</u>

Bank loans are secured with fixed and floating charges over the assets of the company.

Other creditors relates to earn out consideration to be settled by the issue of ordinary shares in respect of the acquisition of Green Key Technologies Inc in the year. The share issue date is dependent on performance targets being achieved within an earn-out period of 4 years.

20 Borrowings

	Group		Company	
	2022 £000	2021 £000	2022 £000	2021 £000
Bank loans	<u>4,886</u>	<u>2,017</u>	<u>4,886</u>	<u>2,017</u>
Payable within one year	14	101	14	101
Payable after one year	<u>4,872</u>	<u>1,916</u>	<u>4,872</u>	<u>1,916</u>

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

21 Retirement benefit schemes		
	2022	2021
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	100	33
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and Company			
	2022 Number	2021 Number	2022 £000	2021 £000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £0.001 each	4,040,569	3,496,630	4	4
B shares of £0.001 each	1,000	1,000	1	1
	<u>4,041,569</u>	<u>3,497,630</u>	<u>5</u>	<u>5</u>
	2022	2021	2022	2021
	Number	Number	£000	£000
Preference share capital				
Issued and fully paid				
Preference shares of £0.001 each	2,387,285	2,258,186	2	2
Preference shares classified as equity			2	2
			<u> </u>	<u> </u>
Total equity share capital			<u>7</u>	<u>7</u>

The holders of Ordinary shares have the right to attend and vote at general meetings of the company. They are also entitled to receive dividends as the directors see fit, secondary to the Preference shareholders.

The holders of B shares have no right to attend and vote at meeting and have no entitlement to receive dividends.

The holders of Preference shares have the right to attend and vote at general meetings of the company. They are also entitled to receive dividends as the directors see fit, in priority of the Ordinary shareholders.

Ordinary shares

During the year, the company issued a total of 543,939 ordinary shares of £0.001 each for total consideration of £7.3m.

Preference shares

During the year, the company issued a total of 24,047 preference shares of £0.001 each for total consideration of £0.2m with a further 105,052 shares issued to satisfy condition set out in the most recent funding round.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

23 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

The cumulative losses of the entity.

Share-based Payment Reserve

The cumulative share-based payment expense.

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 Prior period adjustment

It has come to the attention of the directors that revenue for the year ending 31 March 2021 had not been properly accounted in accordance with FRS 102. The error has now been adjusted with the net adjustment being a reduction in revenue and accrued income. Additionally, a debtor balance was incorrectly reported under accrued income and thus this has also been adjusted to reflect the correct entries.

Changes to the statement of financial position - group

	As previously reported £000	Adjustment £000	As restated at 31 Mar 2021 £000
Current assets			
Prepayments and accrued income	678	(547)	131
Creditors due within one year			
Trade creditors	(1,354)	(309)	(1,663)
Net assets	<u>19,304</u>	<u>(856)</u>	<u>18,448</u>
Capital and reserves			
Profit and loss	<u>(14,535)</u>	<u>(856)</u>	<u>(15,391)</u>

Changes to the income statement - group

	As previously reported £000	Adjustment £000	As restated £000
Period ended 31 March 2021			
Turnover	<u>4,874</u>	<u>(856)</u>	<u>4,018</u>

Changes to the statement of financial position - company

	As previously reported £000	Adjustment £000	As restated at 31 Mar 2021 £000
Current assets			
Prepayments and accrued income	677	(547)	130
Creditors due within one year			
Trade creditors	(1,352)	(309)	(1,661)
Net assets	<u>19,092</u>	<u>(856)</u>	<u>18,236</u>
Capital and reserves			
Profit and loss	<u>(14,747)</u>	<u>(856)</u>	<u>(15,603)</u>

Changes to the income statement - company

	As previously reported £000	Adjustment £000	As restated £000
Period ended 31 March 2021			
Turnover	<u>4,874</u>	<u>(856)</u>	<u>4,018</u>

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

25 Cash generated from/(absorbed by) group operations		
	2022	2021
	£000	£000
Loss for the year after tax	(9,233)	(4,130)
Adjustments for:		
Taxation charged/(credited)	56	(657)
Finance costs	295	592
Investment income	(11)	-
Amortisation and impairment of intangible assets	2,128	969
Depreciation and impairment of tangible fixed assets	36	18
Equity settled share based payment expense	8	2
Movements in working capital:		
Decrease/(increase) in debtors	8,606	(434)
Decrease in creditors	(886)	(1,315)
Increase in deferred income	1,171	313
Cash generated from/(absorbed by) operations	2,170	(4,642)

26 Analysis of changes in net funds - group				
	1 April 2021	Cash flows	Exchange rate	31 March 2022
			movements	
	£000	£000	£000	£000
Cash at bank and in hand	8,663	879	(47)	9,495
Borrowings excluding overdrafts	(2,017)	(2,869)	-	(4,886)
	<u>6,646</u>	<u>(1,990)</u>	<u>(47)</u>	<u>4,609</u>

27 Financial commitments, guarantees and contingent liabilities

The company has entered into a guarantee to pay any money or liabilities that may fall due as a result of the non delivery of a specific customer project. It is unlikely that any amount will be due under this guarantee as this project is due to be delivered in accordance with the terms of engagement.

The bank facilities include an end of facility fee amounting to 9.5% of the commitment which is the earlier of when the facility is repaid and cancelled or 24 March 2023.

28 Banking arrangements

The company operates under the banking facilities arranged by the group with NatWest Bank PLC. The bank holds a fixed and floating charge over all assets of the group dated 21 December 2021 as security over any loans. As at 31 March 2022, the Group had loans outstanding of £4.9m (2021: 2.02m).

VOXSMART LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

29 Operating lease commitments

Lessee

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

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	48	149	-	-
Between one and five years	-	48	-	-
	<u>48</u>	<u>197</u>	<u>-</u>	<u>-</u>
	<u><u>48</u></u>	<u><u>197</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

30 Directors' transactions

Description	% Rate	Opening balance £000	Amounts advanced £000	Closing balance £000
Loan to a director	-	16	131	147
		<u>16</u>	<u>131</u>	<u>147</u>
		<u><u>16</u></u>	<u><u>131</u></u>	<u><u>147</u></u>

31 Controlling party

The ultimate controlling party is Toscafund Asset Management LLP.