

Company Registration No. 05691475 (England and Wales)

AMENDED

VOXSMART LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



VOXSMART LIMITED

COMPANY INFORMATION

Directors	O Blower A Cosentino R Eugeni M McGowan J Neilan I Warwick
Company number	05691475
Registered office	35 Luke Street London EC2A4DS
Auditor	Arram Berlyn Gardner LLP 30 City Road London EC1Y2AB

VOXSMART LIMITED

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VOXSMART LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company and group continued to be that of a multichannel mobile compliance platform for heavily regulated industries.

Directors

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

O Blower
A Cosentino
R Eugeni
M McGowan
J Neilan
I Warwick
M Palios

(Resigned 9 July 2019)

Statement of directors' responsibilities

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). 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.

VOXSMART LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



O Blower
Director

Date: 16.3.2021

VOXSMART LIMITED

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 2020 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

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

We have nothing to report in this regard.

VOXSMART LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VOXSMART LIMITED

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the 'small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 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 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.

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.

Other matters which we are required to address

In the previous accounting period the directors of the group and the parent company took advantage of the audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to an audit.

VOXSMART LIMITED

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

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.

Aram Beryn Gardner LLP

Sarah Wilson FCA (Senior Statutory Auditor)
For and on behalf of Aram Beryn Gardner LLP

17/03/2021
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Chartered Accountants
Statutory Auditor

VOXSMART LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Turnover	2,635,764	1,237,076
Cost of sales	(1,100,286)	(486,596)
Gross profit	1,535,478	750,480
Administrative expenses	(4,406,975)	(3,903,012)
Operating loss	(2,871,497)	(3,152,532)
Interest receivable and similar income	2	333
Interest payable and similar expenses	(103,973)	(9,874)
Loss before taxation	(2,975,468)	(3,162,073)
Tax on loss	449,274	389,993
Loss for the financial year	(2,526,194)	(2,772,080)
Other comprehensive income		
Currency translation differences	(26,168)	-
Total comprehensive income for the year	(2,552,362)	(2,772,080)

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

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	3	5,630,915		1,359,411	
Tangible assets	4	43,394		-	
		<u>5,674,309</u>		<u>1,359,411</u>	
Current assets					
Debtors	7	1,004,177		695,061	
Cash at bank and in hand		2,211,153		87,088	
		<u>3,215,330</u>		<u>782,149</u>	
Creditors: amounts falling due within one year	8	<u>(6,062,609)</u>		<u>(1,938,829)</u>	
Net current liabilities		<u>(2,847,279)</u>		<u>(1,156,680)</u>	
Total assets less current liabilities		<u>2,827,030</u>		<u>202,731</u>	
Creditors: amounts falling due after more than one year	9	<u>(2,001,829)</u>		<u>-</u>	
Net assets		<u>825,201</u>		<u>202,731</u>	
Capital and reserves					
Called up share capital	12	2,915		2,383	
Share premium account	13	12,063,153		8,893,097	
Other reserves		13,202		8,958	
Profit and loss reserves		(11,254,069)		(8,701,707)	
Total equity		<u>825,201</u>		<u>202,731</u>	

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16.3.2021 and are signed on its behalf by:


 O Blower
 Director

VOXSMART LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	3		5,630,915		1,359,411
Investments	5		5,608		1
			<u>5,636,523</u>		<u>1,359,412</u>
Current assets					
Debtors	7	1,400,652		678,874	
Cash at bank and in hand		2,208,486		87,088	
		<u>3,609,138</u>		<u>765,962</u>	
Creditors: amounts falling due within one year	8	<u>(6,532,959)</u>		<u>(1,952,094)</u>	
Net current liabilities			<u>(2,923,821)</u>		<u>(1,186,132)</u>
Total assets less current liabilities			<u>2,712,702</u>		<u>173,280</u>
Creditors: amounts falling due after more than one year	9		<u>(2,001,829)</u>		<u>-</u>
Net assets			<u>710,873</u>		<u>173,280</u>
Capital and reserves					
Called up share capital	12		2,915		2,383
Share premium account	13		12,063,153		8,893,097
Other reserves			13,202		8,958
Profit and loss reserves			<u>(11,368,397)</u>		<u>(8,731,158)</u>
Total equity			<u>710,873</u>		<u>173,280</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,637,240 (2019 - £2,790,806 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16.3.2021 and are signed on its behalf by:


O Blower
Director

Company Registration No. 05691475

VOXSMART LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 April 2018	1,908	6,400,270	-	(5,929,627)	472,551
Year ended 31 March 2019:					
Loss and total comprehensive income for the year	-	-	-	(2,772,080)	(2,772,080)
Issue of share capital	12	475	2,492,827	-	2,493,302
Other movements	-	-	8,958	-	8,958
Balance at 31 March 2019	2,383	8,893,097	8,958	(8,701,707)	202,731
Year ended 31 March 2020:					
Loss for the year	-	-	-	(2,526,194)	(2,526,194)
Other comprehensive income:					
Currency translation differences	-	-	-	(26,168)	(26,168)
Total comprehensive income for the year	-	-	-	(2,552,362)	(2,552,362)
Issue of share capital	12	532	3,170,056	-	3,170,588
Other movements	-	-	4,244	-	4,244
Balance at 31 March 2020	2,915	12,063,153	13,202	(11,254,069)	825,201

VOXSMART LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 April 2018	1,908	6,400,270	-	(5,940,352)	461,826
Year ended 31 March 2019:					
Loss and total comprehensive income for the year	-	-	-	(2,790,806)	(2,790,806)
Issue of share capital	12 475	2,492,827	-	-	2,493,302
Other movements	-	-	8,958	-	8,958
Balance at 31 March 2019	2,383	8,893,097	8,958	(8,731,158)	173,280
Year ended 31 March 2020:					
Loss and total comprehensive income for the year	-	-	-	(2,637,239)	(2,637,239)
Issue of share capital	12 532	3,170,056	-	-	3,170,588
Other movements	-	-	4,244	-	4,244
Balance at 31 March 2020	2,915	12,063,153	13,202	(11,368,397)	710,873

VOXSMART LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		528,628		(2,254,595)
Interest paid			(74,702)		(3,399)
Income taxes refunded			391,998		435,402
			<u> </u>		<u> </u>
Net cash inflow/(outflow) from operating activities			845,924		(1,822,592)
Investing activities					
Purchase of intangible assets		(1,797,976)		(616,018)	
Purchase of tangible fixed assets		(43,428)		-	
Interest received		2		333	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(1,841,402)		(615,685)
Financing activities					
Proceeds from issue of shares		1,016,329		2,493,302	
Proceeds of new bank loans		2,103,214		-	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			3,119,543		2,493,302
Net increase in cash and cash equivalents			2,124,065		55,025
Cash and cash equivalents at beginning of year			87,088		32,063
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			2,211,153		87,088

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Voxsmart Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 35 Luke Street, London, EC2A 4DS.

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

1.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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

1.2 Business combinations

In the parent company financial statements, 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. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Voxsmart Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 March 2020. 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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.4 Going concern

Notwithstanding net current liabilities of £2,847,279 (2019: £1,156,680) at the balance sheet date, the directors have prepared these financial statements on a going concern basis.

In order to meet its current liabilities as they fall due, the company is in negotiations with a potential investor to provide cash to support the ongoing operations and expansion of the business.

If the negotiations with the current potential investor are delayed or discontinued the company would seek investment from other investors and have a commitment that further funding will be forthcoming as the company would enter into an engagement agreement with an EIS Investment Manager to raise further funds depending on the company's requirements.

To date the directors have been successful in raising additional share capital which allows the company to meet its obligations as they fall due. Since the year end the directors have continued fundraising and the sales pipeline has grown. Additionally if the company was unsuccessful in obtaining additional investment funding or if sales growth is below forecast there are several costs that can be scaled back to limit future losses.

As a result of the above the directors continue to adopt the going concern basis of accounting in preparing the financial statements

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for software services provided in the normal course of business, and is shown net of VAT.

Revenue from software licence fees are recognised over the contract period of use and based on the number of units in operation.

Revenue from the installation of equipment is recognised when the equipment is installed.

1.6 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.

1.7 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 or valuation of assets less their residual values over their useful lives on the following bases:

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

1.8 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.

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.12 Financial Instruments

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

Financial instruments are recognised in the group's statement of financial position 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 debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.13 Compound instruments

The component parts of compound instruments issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the 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.

1.15 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.16 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.

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.17 Retirement benefits

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

1.18 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.

1.19 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.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.21 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Total	61	35	33	35

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Intangible fixed assets

Group	Licences and IP £	Software Development £	Total £
Cost			
At 1 April 2019	1,300,000	1,414,302	2,714,302
Additions	4,249,370	792,490	5,041,860
At 31 March 2020	<u>5,549,370</u>	<u>2,206,792</u>	<u>7,756,162</u>
Amortisation and impairment			
At 1 April 2019	485,000	869,891	1,354,891
Amortisation charged for the year	437,058	333,298	770,356
At 31 March 2020	<u>922,058</u>	<u>1,203,189</u>	<u>2,125,247</u>
Carrying amount			
At 31 March 2020	<u>4,627,312</u>	<u>1,003,603</u>	<u>5,630,915</u>
At 31 March 2019	<u>815,000</u>	<u>544,411</u>	<u>1,359,411</u>
Company	Licences and IP £	Software Development £	Total £
Cost			
At 1 April 2019	1,300,000	1,414,302	2,714,302
Additions	4,249,370	792,490	5,041,860
At 31 March 2020	<u>5,549,370</u>	<u>2,206,792</u>	<u>7,756,162</u>
Amortisation and impairment			
At 1 April 2019	485,000	869,891	1,354,891
Amortisation charged for the year	437,058	333,298	770,356
At 31 March 2020	<u>922,058</u>	<u>1,203,189</u>	<u>2,125,247</u>
Carrying amount			
At 31 March 2020	<u>4,627,312</u>	<u>1,003,603</u>	<u>5,630,915</u>
At 31 March 2019	<u>815,000</u>	<u>544,411</u>	<u>1,359,411</u>

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Tangible fixed assets

Group	Plant and machinery etc £
Cost	
At 1 April 2019	-
Additions	43,428
At 31 March 2020	<u>43,428</u>
Depreciation and impairment	
At 1 April 2019	-
Depreciation charged in the year	34
At 31 March 2020	<u>34</u>
Carrying amount	
At 31 March 2020	<u>43,394</u>
At 31 March 2019	<u>-</u>

The company had no tangible fixed assets at 31 March 2020 or 31 March 2019.

5 Fixed asset investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Shares in group undertakings and participating interests	-	-	5,608	1

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	%Held Direct
Voxsmart Trading SL	Calle Santa Leonor (ed e), 65- PISO 1, Madrid, 28037, Madrid, Spain	Ordinary	100.00
Voxsmart PTE Limited	100 Peck Seah Street, #07-04, Singapore, PS100	Ordinary	100.00

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

7 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	282,652	80,104	282,652	80,104
Corporation tax recoverable	449,961	389,689	449,961	389,689
Amounts owed by group	-	-	469,936	-
Other debtors	271,564	225,268	198,103	209,081
	<u>1,004,177</u>	<u>695,061</u>	<u>1,400,652</u>	<u>678,874</u>

8 Creditors: amounts falling due within one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Bank loans	101,385	-	101,385	-
Convertible loans	481,102	205,718	481,102	205,718
Trade creditors	1,535,698	881,530	1,535,698	875,364
Amounts owed to group undertakings	-	-	47,153	21,062
Corporation tax payable	1,781	1,631	-	-
Other taxation and social security	383,561	139,160	318,366	139,160
Other creditors	3,559,082	710,790	4,049,255	710,790
	<u>6,062,609</u>	<u>1,938,829</u>	<u>6,532,959</u>	<u>1,952,094</u>

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

The company has in issue £180,000 of unsecured convertible loan notes, accruing interest at a rate of 6% per annum and £250,000 accruing interest at £8% per annum. All the convertible loans have subsequently been converted.

9 Creditors: amounts falling due after more than one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Bank loans	10 2,001,829	-	2,001,829	-
	<u>2,001,829</u>	<u>-</u>	<u>2,001,829</u>	<u>-</u>

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

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	2,103,214	-	2,103,214	-
Payable within one year	101,385	-	101,385	-
Payable after one year	2,001,829	-	2,001,829	-

11 Share-based payment transactions Group

	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at 1 April 2019	194,750	-	1.53	-
Granted	-	194,750	-	1.53
Forfeited	(35,250)	-	1.53	-
Outstanding at 31 March 2020	159,500	194,750	1.53	-
Exercisable at 31 March 2020	159,500	-	1.53	-

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £4,244 (2019 - £8,958) which related to equity settled share based payment transactions.

12 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital issued and fully paid				
Ordinary shares of 0.01p each	2,914,576	2,383,275	2,915	2,383

There is a single class of Ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

During the year the company issued 219,237 Ordinary shares of £0.001 each at a premium of £6.249 per share, and issued 312,064 Ordinary shares of £0.001 each at a premium of £8.099 per share.

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 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 the agreement.

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.

15 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
	166,555	195,000	-	195,000

16 Directors' transactions

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Loan to a director		30,519	(16,252)	14,267
		30,519	(16,252)	14,267

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Cash generated from/(absorbed by) group operations

	2020 £	2019 £
Loss for the year after tax	(2,526,194)	(2,772,080)
Adjustments for:		
Taxation credited	(449,274)	(389,993)
Finance costs	74,702	9,874
Investment income	(2)	(333)
Amortisation and impairment of intangible assets	770,356	542,861
Depreciation and impairment of tangible fixed assets	34	-
Equity settled share based payment expense	4,244	8,958
Movements in working capital:		
(Increase)/decrease in debtors	(227,647)	311,981
Increase/(decrease) in creditors	2,372,669	(71,340)
Increase in deferred income	509,740	105,477
Cash generated from/(absorbed by) operations	<u>528,628</u>	<u>(2,254,595)</u>

18 Analysis of changes in net debt - group

	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	87,088	2,124,065	2,211,153
Borrowings excluding overdrafts	-	(2,103,214)	(2,103,214)
Convertible loan notes	(205,718)	(275,384)	(481,102)
	<u>(118,630)</u>	<u>(254,533)</u>	<u>(373,163)</u>

19 Prior period adjustment

It has come to the attention of the directors that share issues going back to the 31 March 2017 year end had not been properly accounted for net of transaction costs in accordance with FRS 102. The error has now been corrected and the transaction costs have been removed from administrative expenses and allocated against the share premium account.

VOXSMART LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

19 Prior period adjustment

(Continued)

Changes to the statement of financial position - company

	As previously reported £	Adjustment at 1 Apr 2018 £	Adjustment at 31 Mar 2019 £	As restated at 31 Mar 2019 £
Net assets	173,280	-	-	173,280
Capital and reserves				
Share premium	9,983,974	(615,560)	(475,317)	8,893,097
Profit and loss	(9,822,035)	615,560	475,317	(8,731,158)
Total equity	173,280	-	-	173,280

Changes to the income statement - company

	As previously reported £	Adjustment £	As restated £
Period ended 31 March 2019			
Administrative expenses		(3,804,156)	(3,328,839)