

Company registration number 01312434 (England and Wales)

ACOUSTIGUIDE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

ACOUSTIGUIDE LIMITED

COMPANY INFORMATION

Directors	Mr D Shapero	(Appointed 8 February 2022)
	Mr T Zeligman	(Appointed 1 February 2022)
Secretary	Ms P M Carlsen	
Company number	01312434	
Registered office	2-3 North Mews London WC1N 2JP	
Auditor	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW	
Business address	2-3 North Mews London WC1N 2JP	

ACOUSTIGUIDE LIMITED

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ACOUSTIGUIDE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of the provision of audioguides to museums.

Results and dividends

The results for the year are set out on page 6.

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

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

Directors

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

Ms O Balul	(Resigned 1 February 2022)
Mr M Schorr	(Resigned 7 February 2022)
Mr D Shapero	(Appointed 8 February 2022)
Mr T Zeligman	(Appointed 1 February 2022)

Future developments

In 2021, the Covid pandemic and the related travel restrictions imposed, significantly impacted the tourism industry, resulting in multiple closures of tourist attractions. However, 2022 looks promising as governments worldwide start to relax Covid-19 social distancing rules and travel bans are slowly lifted. This is mainly due to the increased vaccination rates and decline in infections worldwide.

Auditor

The auditor, RDP Newmans LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

Mr D Shapero
Director

21 December 2022

ACOUSTIGUIDE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ACOUSTIGUIDE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACOUSTIGUIDE LIMITED

Opinion

We have audited the financial statements of Acoustiguide Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the 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 UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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.

Material uncertainty relating to going concern

We draw attention to note 1.2 of the financial statements which indicates the financial difficulties faced by the parent company, Espro, as a result of the Covid-19 pandemic. As at 31 December 2021, the company remains highly dependent on its parent undertaking Espro Information Technologies Ltd.

As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 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.

ACOUSTIGUIDE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACOUSTIGUIDE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, International Financial Reporting Standards (IFRS) as adopted for use in the European Union, taxation legislation and data protection, anti-bribery, employment, environmental (including Waste Electrical and Electronic Equipment recycling (WEEE) Regulations 2013) and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

ACOUSTIGUIDE LIMITED

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

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed and tested journal entries to identify unusual transactions and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing and agreeing financial statement disclosures and testing to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and bankers.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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.

Paresh Radia FCA (Senior Statutory Auditor)
For and on behalf of RDP Newmans LLP

28 December 2022

Chartered Accountants
Statutory Auditor

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

ACOUSTIGUIDE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 £	2020 £
	Notes		
Revenue	4	386,540	567,156
Cost of sales		(115,149)	(345,610)
Gross profit		271,391	221,546
Other operating income		7,623	21,636
Distribution costs		(74,600)	(108,698)
Administrative expenses		(957,988)	(222,978)
Operating loss	5	(753,574)	(88,494)
Investment revenues	8	7,715	11,439
Finance costs	9	(12,095)	-
Loss before taxation		(757,954)	(77,055)
Income tax expense	10	-	(25,650)
Loss and total comprehensive income for the year	23	(757,954)	(102,705)

ACOUSTIGUIDE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Non-current assets			
Property, plant and equipment	11	199,498	115,790
Investments	12	1,965	1,965
Finance lease receivables	15	31,810	105,366
Other receivables	16	15,000	-
		<u>248,273</u>	<u>223,121</u>
Current assets			
Inventories	14	52,326	52,326
Finance lease receivables	15	73,558	70,719
Trade and other receivables	16	181,399	790,206
Cash and cash equivalents		111,535	130,669
		<u>418,818</u>	<u>1,043,920</u>
Current liabilities			
Trade and other payables	19	298,872	271,600
Current tax liabilities		1	1
Borrowings	18	50,000	20,486
Lease liabilities	20	27,361	-
		<u>376,234</u>	<u>292,087</u>
Net current assets		<u>42,584</u>	<u>751,833</u>
Non-current liabilities			
Trade and other payables	19	45,627	27,438
Borrowings	18	179,167	229,514
Lease liabilities	20	106,015	-
		<u>330,809</u>	<u>256,952</u>
Net (liabilities)/assets		<u>(39,952)</u>	<u>718,002</u>
Equity			
Called up share capital	22	1,100,000	1,100,000
Retained earnings	23	(1,139,952)	(381,998)
Total equity		<u>(39,952)</u>	<u>718,002</u>

ACOUSTIGUIDE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 21 December 2022 and are signed on its behalf by:

Mr D Shapero
Director

Company registration number 01312434

ACOUSTIGUIDE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2020	1,100,000	(279,293)	820,707
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(102,705)	(102,705)
Balance at 31 December 2020	1,100,000	(381,998)	718,002
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(757,954)	(757,954)
Balance at 31 December 2021	1,100,000	(1,139,952)	(39,952)

ACOUSTIGUIDE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		17,315		(437,722)
Interest paid			(12,095)		-
Net cash inflow/(outflow) from operating activities			5,220		(437,722)
Investing activities					
Purchase of property, plant and equipment		-		(2,182)	
Interest received		7,715		11,439	
Net cash generated from investing activities			7,715		9,257
Financing activities					
Repayment of bank loans		(20,833)		250,000	
Payment of lease liabilities		(11,237)		-	
Net cash (used in)/generated from financing activities			(32,070)		250,000
Net decrease in cash and cash equivalents			(19,134)		(178,465)
Cash and cash equivalents at beginning of year			130,669		309,134
Cash and cash equivalents at end of year			111,535		130,669

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Acoustiguide Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2-3 North Mews, London, WC1N 2JP. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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 Going concern

These financial statements have been prepared on the going concern basis despite the historical losses suffered by the company. The validity of this assumption depends on the continuing support of the company's parent undertaking, Espro Information Technologies Ltd. ("Espro") and its investors. Espro will ensure the company will provide the necessary working capital for the company to meet its liabilities as they fall due.

The Covid-19 pandemic which developed in 2020 had a significant impact on the global tourism industry as many countries have imposed travel restrictions on their citizens. The company, including its parent undertaking, has been deeply impacted by the pandemic. Espro is currently facing losses and net liabilities. These factors raise significant doubts about the parent company's ability to continue as a going concern. The parent company has implemented cost reduction strategies and raise working capital investments to protect cash and normal business operations.

If the company were unable to continue in existence for the foreseeable future, adjustments would be necessary to reduce the balance sheet values of assets to their recoverable amounts, to reclassify fixed assets as current assets and to provide for further liabilities which might arise.

1.3 Revenue

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

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.

Revenues from finance leases where the Company transfers substantially all the risks and rewards incidental to the legal ownership are accounted for as sales-type leases. The present value of the minimum lease payments computed at a market rate of interest is recorded as revenue. The difference between the revenues and the carrying amount of the goods is the selling profit. Unearned financing income is recognised over the term of the lease under the effective interest method.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Performance obligations and timing of revenue recognition

A portion of the company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Some goods sold by the company include warranties which require the company to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. On some product lines, a customer is able to take out extended warranties. These are accounted for as separate performance obligations, with the revenue earned recognised on a straight-line basis over the term of the warranty.

The company has a division which carries out design services (on the audio-guides) for clients, with revenue recognised typically on an over time basis. This is because the designs created have no alternative use for the company and the contracts would require payment to be received for the time and effort spent by the group on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the group's failure to perform its obligations under the contract. On these projects revenue is recognised on the basis of uses of the audio-guides provided and/or the number of hours staff have worked at the museum sites. This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated uses of the guides and therefore also represents the amount to which the company would be entitled based on its performance to date.

A majority of the company's revenue is derived from sales based royalties with revenue recognised on a monthly basis when the sales have occurred and the performance obligation to which the royalties relate has been satisfied.

Determining the transaction price

Most of the group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

The extended warranties are sold as an add on when the customer purchases one of the products and/or services from the company. There is therefore also no judgement required for determining the amounts received for extended warranties in retail sales – it is the priced charged to the purchaser of the warranty. (From the company's perspective, the contract with the customer for the warranty is separate from the contract for the original sale of the goods).

Costs of fulfilling contracts

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, revenue is recognised over time by reference to the stage of completion meaning that control of the asset (the design service) is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Property, plant and equipment

Property, plant and equipment 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:

Fixtures and fittings	10 years straight line
Plant and equipment	Over the life of the site contracts
Computers	3 years 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 recognised in the income statement.

1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities 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 company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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.

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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) 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.

1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

Financial assets held at amortised cost

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

Impairment of financial assets

Financial assets, other than those at fair value through profit or 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

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

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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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 inventories or non-current 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.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.14 Retirement benefits

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

1.15 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in the statement of comprehensive income on a straight-line basis over the lease term.

When the company acts as a lessor, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees, over the major part of the economic life of the asset. All other leases are classified as operating leases. If an arrangement contains lease and non-lease components, the company applies IFRS 15 to allocate the consideration in the contract. When the company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately, classifying the sub-lease with reference to the right-of-use asset arising from the head lease instead of the underlying asset.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.16 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate.

1.17 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.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Under the detailed rules of IFRS 9 Financial Instruments, modifying a financial contract can require recognition of a significant gain or loss in the income statement. However, the amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate.

A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform.

The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting.

This amendment to the standard applies to periods beginning on or after 1 January 2021 and this amendment to the standard has not had a material impact on the financial statements.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

In May 2020, the Board issued COVID-19-Related Rent Concessions (the 2020 amendments), which amended IFRS 16 Leases. The 2020 amendments introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance.

The 2021 amendments are effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue. In effect, it is available to be applied now, subject to any local endorsement requirements.

The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f)1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application.

This amendment to the standard applies to periods beginning on or after 1 January 2021 and this amendment to the standard has not had a material impact on the financial statements.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Critical accounting estimates and judgements

In the application of the company'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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Revenue Recognition:

The accounting policy 1.3 describes recognition criteria to be met before revenue is recognised. The directors are required to consider the detailed criteria for the recognition of revenue from the sale of goods and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods.

Classification of leases:

In order to determine whether to classify a lease as a finance lease or right-of-use asset, the company evaluates whether the lease transfers substantially all the risks and benefits incidental to ownership of the leased asset. In this respect, the company evaluates such criteria as the existence of a "bargain" purchase option, the lease term in relation to the economic life of the asset and the present value of the minimum lease payments in relation to the fair value of the asset.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment:

The company reviews the estimated lives of property, plant and equipment at the end of each reporting period.

Deferred tax asset:

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4 Revenue

	2021	2020
	£	£
Revenue analysed by class of business		
Sale of goods	29,196	154,433
Rendering of services	131,233	277,773
Royalties	226,111	134,950
	<u>386,540</u>	<u>567,156</u>

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Revenue		(Continued)	
	2021	2020	
	£	£	
Other significant revenue			
Interest income	7,715	11,439	
Grants received	5,833	-	
	<u> </u>	<u> </u>	
	2021	2020	
	£	£	
Revenue analysed by geographical market			
United Kingdom	373,223	517,661	
European Union	13,317	22,489	
Rest of the World	-	27,006	
	<u> </u>	<u> </u>	
	386,540	567,156	
	<u> </u>	<u> </u>	
5 Operating loss			
	2021	2020	
	£	£	
Operating loss for the year is stated after charging/(crediting):			
Exchange losses	220	1,059	
Government grants	(5,833)	-	
Depreciation of property, plant and equipment	60,905	49,903	
(Profit)/loss on disposal of property, plant and equipment	-	154	
Cost of inventories recognised as an expense	(67,770)	68,019	
	<u> </u>	<u> </u>	
6 Auditor's remuneration			
	2021	2020	
	£	£	
Fees payable to the company's auditor and associates:			
For audit services			
Audit of the financial statements of the company	10,000	8,000	
	<u> </u>	<u> </u>	

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Employees

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

	2021 Number	2020 Number
Directors	2	2
Administration, sales and marketing staff	3	2
Production and technical staff	2	7
Site staff	33	42
Total	40	53

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	137,151	281,594
Social security costs	16,441	24,857
Pension costs	4,670	6,476
	158,262	312,927

8 Investment income

	2021 £	2020 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	3	11
Other interest income on financial assets	7,712	11,428
Total interest revenue	7,715	11,439

Income above relates to assets held at amortised cost, unless stated otherwise.

9 Finance costs

	2021 £	2020 £
Interest on lease liabilities	2,109	-
Other interest payable	9,986	-
Total interest expense	12,095	-

10 Income tax expense

2021 £	2020 £
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ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10	Income tax expense	(Continued)	
		2021 £	2020 £
	Deferred tax		
	Origination and reversal of temporary differences	-	25,650
		<u> </u>	<u> </u>

The charge for the year can be reconciled to the loss per the income statement as follows:

	2021 £	2020 £
Loss before taxation	(757,954)	(77,055)
	<u> </u>	<u> </u>
Expected tax credit based on a corporation tax rate of 19.00% (2020: 19.00%)	(144,011)	(14,640)
Effect of expenses not deductible in determining taxable profit	147,884	29
Unutilised tax losses carried forward	(14,786)	6,347
Depreciation on assets not qualifying for tax allowances	10,913	8,264
Deferred tax adjustments in respect of prior years	-	25,650
	<u> </u>	<u> </u>
Taxation charge for the year	-	25,650
	<u> </u>	<u> </u>

The company has tax losses as at 31 December 2021 of £221,655 (2020: £299,478) available to carry forward indefinitely to offset against future taxable profits of the company.

11	Property, plant and equipment	Fixtures and fittings £	Plant and equipment £	Computers £	Right of use asset £	Total £
	Cost					
	At 31 December 2020	29,671	231,545	24,187	-	285,403
	Additions	-	-	-	144,613	144,613
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 2021	29,671	231,545	24,187	144,613	430,016
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Accumulated depreciation					
	At 31 December 2020	19,631	127,350	22,632	-	169,613
	Charge for the year	1,384	46,309	1,161	12,051	60,905
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 2021	21,015	173,659	23,793	12,051	230,518
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Carrying amount					
	At 31 December 2021	8,656	57,886	394	132,562	199,498
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 2020	10,040	104,195	1,555	-	115,790
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Investments

	Current 2021 £	2020 £	Non-current 2021 £	2020 £
Investments in subsidiaries	-	-	1,965	1,965

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held	
				Direct	Indirect
Soundguide Limited	United Kingdom	Dormant	Ordinary	100.00	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Soundguide Limited	1,965	-

14 Inventories

	2021 £	2020 £
Finished goods	52,326	52,326

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Finance lease receivables

	2021 £	2020 £
Gross amounts receivable under finance leases:		
Within one year	73,558	79,128
In two to five years	-	109,579
One to two years	31,810	-
	<u>105,368</u>	<u>188,707</u>
Total undiscounted lease payments receivable	105,368	188,707
Unearned finance income	-	(12,622)
	<u>105,368</u>	<u>176,085</u>
Net investment	<u>105,368</u>	<u>176,085</u>

Analysis of finance leases

Finance lease receivables are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 £	2020 £
Current assets	73,558	70,719
Non-current assets	31,810	105,366
	<u>105,368</u>	<u>176,085</u>

The company has leased equipment (audio guiding products) to its customers under sale type, finance leases with an average term between three to five years at a weighted annual interest rate of London Inter-Bank Offered Rate (LIBOR) +5%. The interest rate inherent in the leases is fixed at the contract date for all the lease term.

The maximum exposure to credit risk for finance lease receivables is the carrying amount of the receivables because the company has no allowances for doubtful debts. The finance lease receivables in the current and prior year are neither past due nor impaired.

The fair value of the finance lease receivables approximates the book value.

16 Trade and other receivables

	Current		Non-current	
	2021 £	2020 £	2021 £	2020 £
Trade receivables	41,704	23,804	-	-
Amount owed by parent undertaking	777,921	580,596	-	-
Provision for amounts due from parent undertaking	(777,921)	-	-	-
Other receivables	-	15,000	15,000	-
Prepayments	139,695	170,806	-	-
	<u>181,399</u>	<u>790,206</u>	<u>15,000</u>	<u>-</u>

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Trade and other receivables (Continued)

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

17 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

18 Borrowings

	Current 2021 £	2020 £	Non-current 2021 £	2020 £
Borrowings held at amortised cost:				
Bank loans	50,000	20,486	179,167	229,514

The bank borrowings of the company of £250,000 are secured by way of a debenture and fixed and floating charges over the company's assets. The loan was taken out on 24 July 2020. Repayment commenced on 24 August 2021 and will continue until 24 July 2026. The loan carries interest rate at 3.99% per annum over the Bank of England Base Rate. As at 31 December 2021 the remaining balance payable is £229,167.

19 Trade and other payables

	Current 2021 £	2020 £	Non-current 2021 £	2020 £
Trade payables	29,571	24,489	-	-
Amounts owed to subsidiary undertakings	1,965	1,965	-	-
Accruals	52,455	65,095	45,627	27,438
Social security and other taxation	41,682	56,115	-	-
Other payables	173,199	123,936	-	-
	298,872	271,600	45,627	27,438

20 Lease liabilities

Maturity analysis

	2021 £	2020 £
Within one year	27,361	-
In two to five years	106,015	-
Total undiscounted liabilities	133,376	-

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Lease liabilities

(Continued)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 £	2020 £
Current liabilities	27,361	-
Non-current liabilities	106,015	-
	<u>133,376</u>	<u>-</u>

	2021 £	2020 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>2,109</u>	<u>-</u>

21 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>4,670</u>	<u>6,476</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>

23 Retained earnings

Retained earnings consist of all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

FOR THE YEAR ENDED 31 DECEMBER 2021

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due to related parties		
Subsidiaries	1,965	1,965
Other related parties	2,528	2,578
	<u>4,493</u>	<u>4,543</u>

The following amounts were outstanding at the reporting end date:

	2021	2021	2021
	Balance	Provision	Net
	£	£	£
Amounts due from related parties			
Parent company	777,921	777,921	-
	<u>777,921</u>	<u>777,921</u>	<u>-</u>
	2020	2020	2020
	Balance	Provision	Net
	£	£	£
Amounts due in previous period			
Parent company	580,596	-	580,596
	<u>580,596</u>	<u>-</u>	<u>580,596</u>

A provision for bad debts of £777,921 has been made against the amount due from the Parent company.

Other related parties transaction are in relation to Acoustiguide Australia Pty Ltd, is a fellow subsidiary of Acoustiguide Limited.

The sales to and purchases from related parties are made on an arm's length basis. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, the company has not recorded any impairment of receivables relating to the amounts due from related parties.

26 Events after the reporting date

Since 31 December 2021, governments worldwide have started to ease travel bans and social distancing rules and restrictions. This is mostly due to the increased vaccination rates and general decline in Covid related infections across the globe. As a result of this, tourist attractions such as museums and galleries have been able to reopen to the public.

27 Controlling party

The company's ultimate parent undertaking is Espro Information Technologies Ltd, a company registered in Israel. The group in which the results of Acoustiguide Limited are consolidated is headed by Espro Information Technologies Ltd. The consolidated financial statements of Espro Information Technologies Ltd may be obtained from 17 Atir Yada St., Kfar-Saba, 44643, Israel.

The ultimate controlling interest is held by the shareholders of Espro Information Technologies Ltd.

ACOUSTIGUIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

28 Cash generated from/(absorbed by) operations

	2021	2020
	£	£
Loss for the year before income tax	(757,954)	(77,055)
Adjustments for:		
Finance costs	12,095	-
Investment income	(7,715)	(11,439)
(Gain)/loss on disposal of property, plant and equipment	-	154
Depreciation and impairment of property, plant and equipment	60,905	49,903
Movements in working capital:		
Increase in inventories	-	(21,271)
Decrease/(increase) in trade and other receivables	664,523	(211,050)
Increase/(decrease) in trade and other payables	45,461	(166,964)
Cash generated from/(absorbed by) operations	<u>17,315</u>	<u>(437,722)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.