

Company registration number 01312434 (England and Wales)

**ACOUSTIGUIDE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# ACOUSTIGUIDE LIMITED

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# ACOUSTIGUIDE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>Non-current assets</b>			
Property, plant and equipment	8	122,905	199,498
Investments	9	1,965	1,965
Finance lease receivables	12	-	31,810
Other receivables	13	15,000	15,000
		<u>139,870</u>	<u>248,273</u>
<b>Current assets</b>			
Inventories	11	43,686	52,326
Finance lease receivables	12	31,795	73,558
Trade and other receivables	13	179,648	181,399
Cash and cash equivalents		157,455	111,535
		<u>412,584</u>	<u>418,818</u>
<b>Current liabilities</b>			
Trade and other payables	16	250,830	298,872
Current tax liabilities		1	1
Borrowings	15	50,000	50,000
Lease liabilities	17	28,318	27,361
		<u>329,149</u>	<u>376,234</u>
<b>Net current assets</b>		<u>83,435</u>	<u>42,584</u>
<b>Non-current liabilities</b>			
Trade and other payables	16	34,546	45,627
Borrowings	15	129,167	179,167
Lease liabilities	17	77,697	106,015
		<u>241,410</u>	<u>330,809</u>
<b>Net liabilities</b>		<u>(18,105)</u>	<u>(39,952)</u>
<b>Equity</b>			
Called up share capital	19	1,100,000	1,100,000
Retained earnings	20	(1,118,105)	(1,139,952)
<b>Total equity</b>		<u>(18,105)</u>	<u>(39,952)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 19 September 2023 and are signed on its behalf by:

**ACOUSTIGUIDE LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 31 DECEMBER 2022***

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Mr D Shapero

**Director**

**Company registration number 01312434**

# ACOUSTIGUIDE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25		136,268		17,315
Interest paid			(15,650)		(12,095)
<b>Net cash inflow from operating activities</b>			120,618		5,220
<b>Investing activities</b>					
Purchase of property, plant and equipment		(1,125)		-	
Interest received		3,788		7,715	
<b>Net cash generated from investing activities</b>			2,663		7,715
<b>Financing activities</b>					
Repayment of bank loans		(50,000)		(20,833)	
Payment of lease liabilities		(27,361)		(11,236)	
<b>Net cash used in financing activities</b>			(77,361)		(32,069)
<b>Net increase/(decrease) in cash and cash equivalents</b>			45,920		(19,134)
Cash and cash equivalents at beginning of year			111,535		130,669
Cash and cash equivalents at end of year			157,455		111,535

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **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. The directors have a reasonable expectation that the company has adequate resources and therefore, believe that it is appropriate to apply the going concern basis.

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 2022

### 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 2022

### 1 Accounting policies

(Continued)

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost 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
Right of use asset	

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, 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 2022

### 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 2022

### 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 2022

### 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.

#### **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.

#### **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.

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

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.

#### 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.

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 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:

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

The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

##### **Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

##### **Reference to the Conceptual Framework (Amendments to IFRS 3)**

The amendments update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework*. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

##### **IFRS 17 Insurance Contracts and Amendments to IFRS 17**

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of 1 January 2023. The company believes that the updates to the standards are not expected to have a material impact on the financial statements.

## ACOUSTIGUIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

(Continued)

##### Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and are to be applied retrospectively. The company believes that the updates to the standards are not expected to have a material impact on the financial statements.

##### Annual Improvements to IFRS Standards 2018–2020

Makes amendments to the following standards:

- IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The amendments to IFRS 1, IFRS 9, and IAS 41 are all effective for annual periods beginning on or after 1 January 2022. The company believes that the updates to the standards are not expected to have a material impact on the financial statements.

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 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.

### 4 Revenue

	2022	2021
	£	£
<b>Revenue analysed by class of business</b>		
Sale of goods	302,484	29,196
Rendering of services	1,198,713	131,233
Royalties	6,503	226,111
Inter company	22,177	-
	<u>1,529,877</u>	<u>386,540</u>
	2022	2021
	£	£
<b>Other significant revenue</b>		
Interest income	3,788	7,715
Grants received	-	5,833
Sundry income	40,897	1,790
	<u></u>	<u></u>

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 4 Revenue (Continued)

	2022 £	2021 £
<b>Revenue analysed by geographical market</b>		
United Kingdom	1,420,936	373,223
European Union	86,764	13,317
Rest of the World	22,177	-
	<u>1,529,877</u>	<u>386,540</u>

### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	<u>17,000</u>	<u>10,000</u>

### 6 Employees

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

	2022 Number	2021 Number
Directors	2	2
Administration, sales and marketing staff	1	3
Production and technical staff	3	2
Site staff	29	33
Total	<u>35</u>	<u>40</u>

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	61,042	-
Company pension contributions to defined contribution schemes	1,166	-
	<u>62,208</u>	<u>-</u>

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Property, plant and equipment

	Plant and equipment £	Fixtures and fittings £	Computers £	Right of use asset £	Total £
<b>Cost</b>					
At 1 January 2021	231,545	29,671	24,187	-	285,403
Additions	-	-	-	144,613	144,613
At 31 December 2021	231,545	29,671	24,187	144,613	430,016
Additions	-	-	1,125	-	1,125
At 31 December 2022	231,545	29,671	25,312	144,613	431,141
<b>Accumulated depreciation and impairment</b>					
At 1 January 2021	127,350	19,631	22,632	-	169,613
Charge for the year	46,309	1,384	1,161	12,051	60,905
At 31 December 2021	173,659	21,015	23,793	12,051	230,518
Charge for the year	46,309	1,384	1,102	28,923	77,718
At 31 December 2022	219,968	22,399	24,895	40,974	308,236
<b>Carrying amount</b>					
At 31 December 2022	11,577	7,272	417	103,639	122,905
At 31 December 2021	57,886	8,656	394	132,562	199,498

### 9 Investments

	Current 2022 £	2021 £	Non-current 2022 £	2021 £
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.

### 10 Subsidiaries

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

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Subsidiaries (Continued)

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

### 11 Inventories

	2022 £	2021 £
Finished goods	43,686	52,326

### 12 Finance lease receivables

	2022 £	2021 £
<b>Gross amounts receivable under finance leases:</b>		
Within one year	31,795	73,558
One to two years	-	31,810
<b>Total undiscounted lease payments receivable</b>	31,795	105,368
Unearned finance income	-	-
<b>Net investment</b>	31,795	105,368

#### 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:

	2022 £	2021 £
Current assets	31,795	73,558
Non-current assets	-	31,810

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Finance lease receivables

(Continued)

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.

### 13 Trade and other receivables

	Current		Non-current	
	2022	2021	2022	2021
	£	£	£	£
Trade receivables	93,330	41,704	-	-
Amount owed by parent undertaking	-	777,921	-	-
Provision for amounts due from parent undertaking	-	(777,921)	-	-
Amounts owed by related parties	19,650	-	-	-
Other receivables	-	-	15,000	15,000
Prepayments	66,668	139,695	-	-
	<u>179,648</u>	<u>181,399</u>	<u>15,000</u>	<u>15,000</u>

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

### 14 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.

### 15 Borrowings

	Current		Non-current	
	2022	2021	2022	2021
	£	£	£	£
<b>Borrowings held at amortised cost:</b>				
Bank loans	<u>50,000</u>	<u>50,000</u>	<u>129,167</u>	<u>179,167</u>

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 2022 the remaining balance payable is £179,167.

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 16 Trade and other payables

	Current 2022 £	2021 £	Non-current 2022 £	2021 £
Trade payables	80,866	29,571	-	-
Amount owed to parent undertaking	4,231	-	-	-
Amounts owed to subsidiary undertakings	1,965	1,965	-	-
Accruals	48,959	52,455	34,546	45,627
Social security and other taxation	59,107	41,682	-	-
Other payables	55,702	173,199	-	-
	<u>250,830</u>	<u>298,872</u>	<u>34,546</u>	<u>45,627</u>

### 17 Lease liabilities

	2022 £	2021 £
<b>Maturity analysis</b>		
Within one year	28,318	27,361
In two to five years	77,697	106,015
	<u>106,015</u>	<u>133,376</u>
Total undiscounted liabilities	<u>106,015</u>	<u>133,376</u>

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:

	2022 £	2021 £
Current liabilities	28,318	27,361
Non-current liabilities	77,697	106,015
	<u>106,015</u>	<u>133,376</u>

	2022 £	2021 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	4,668	2,109
	<u>4,668</u>	<u>2,109</u>

# ACOUSTIGUIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	6,144	4,670

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.

### 19 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	1,100,000	1,100,000	1,100,000	1,100,000

### 20 Retained earnings

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

### 21 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

#### Material uncertainty 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 2022, 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.

The senior statutory auditor was Paresh Radia FCA and the auditor was RDP Newmans LLP.

**FOR THE YEAR ENDED 31 DECEMBER 2022**

## ACOUSTIGUIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 23 Related party transactions

(Continued)

	2022	2021
	£	£
<b>Amounts due to related parties</b>		
Parent company	4,231	-
Subsidiaries	1,965	1,965
Other related parties	-	2,528
	<u>6,196</u>	<u>4,493</u>
<b>Amounts due from related parties</b>		
	£	£
Other related parties	19,650	-
	<u>19,650</u>	<u>-</u>

Other related parties transaction are in relation to Acoustiguide Australia Pty Ltd and Acoustiguide GmbH, Berlin, which are fellow sister companies 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 2022 the company has not recorded any impairment of receivables relating to the amounts due from related parties.

#### 24 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 2022

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25 Cash generated from operations

	2022 £	2021 £
Profit/(loss) for the year before income tax	21,847	(757,954)
<b>Adjustments for:</b>		
Finance costs	15,650	12,095
Investment income	(3,788)	(7,715)
Depreciation and impairment of property, plant and equipment	77,718	60,905
<b>Movements in working capital:</b>		
Decrease in inventories	8,640	-
Decrease in trade and other receivables	75,324	664,523
(Decrease)/increase in trade and other payables	(59,123)	45,461
<b>Cash generated from operations</b>	<u>136,268</u>	<u>17,315</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.