

Company Registration No. 06057954 (England and Wales)

**IOVOX LIMITED**  
**UNAUDITED ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

# IOVOX LIMITED

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## **IOVOX LIMITED**

### **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF IOVOX LIMITED FOR THE YEAR ENDED 31 DECEMBER 2015**

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*The following reproduces the text of the Accountants' Report prepared in respect of the company's annual unaudited financial statements, from which the unaudited abbreviated financial statements set out on pages 2 to 7 have been prepared.*

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of IOVOX Limited for the year ended 31 December 2015 set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulations](http://icaew.com/regulations).

This report is made solely to the Board of Directors of IOVOX Limited, as a body, in accordance with the terms of our engagement letter dated 1 June 2011. Our work has been undertaken solely to prepare for your approval the financial statements of IOVOX Limited and state those matters that we have agreed to state to the Board of Directors of IOVOX Limited, as a body, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than IOVOX Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that IOVOX Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of IOVOX Limited. You consider that IOVOX Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of IOVOX Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

17 March 2016

**Chartered Accountants**

# IOVOX LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2015

		2015		2014	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	2		75,411		78,191
Investments	2		1		-
			<u>75,412</u>		<u>78,191</u>
<b>Current assets</b>					
Debtors		1,411,157		800,821	
Cash at bank and in hand		291,178		40,696	
		<u>1,702,335</u>		<u>841,517</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(677,200)</u>		<u>(677,921)</u>	
<b>Net current assets</b>			1,025,135		163,596
<b>Total assets less current liabilities</b>			1,100,547		241,787
<b>Creditors: amounts falling due after more than one year</b>	4		<u>(4,528,316)</u>		<u>(1,659,634)</u>
			<u>(3,427,769)</u>		<u>(1,417,847)</u>
<b>Capital and reserves</b>					
Called up share capital	3		2,301		2,301
Share premium account			3,215,432		3,215,432
Profit and loss account			<u>(6,645,502)</u>		<u>(4,635,580)</u>
<b>Shareholders' funds</b>			<u>(3,427,769)</u>		<u>(1,417,847)</u>

## **IOVOX LIMITED**

### **ABBREVIATED BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2015**

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For the financial year ended 31 December 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

Approved by the Board for issue on 17 March 2016

Mr R Gallagher  
**Director**

Mrs B Gallagher  
**Director**

**Company Registration No. 06057954**

# IOVOX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements have been prepared on a going concern basis, however subsequent to the financial year end, the company raised £2,100,000 of ordinary share capital and has converted previous loan notes into ordinary share capital, eliminating any going concern issues in 2016.

#### **1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax. Revenue is recognised when the company has obtained the right to consideration by fulfilling its contractual obligations to its customers. Where the substance of a contract is that the company's contractual obligations are performed gradually over time, revenue is recognised as the contract activity progresses to reflect the company's partial performance of its contractual obligations.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the period of the lease
Computer equipment	25% straight line
Fixtures, fittings & equipment	25% straight line

#### **1.4 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.5 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### **1.6 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **1.7 Financial instruments**

Financial instruments are classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement.

Borrowings are initially stated in the balance sheet at the fair value of consideration received. The carrying value of borrowings is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the borrowings in that period. The finance cost of borrowings is allocated to periods over the term of the borrowings at a constant rate on the carrying amount. All finance costs are charged to the profit and loss account.

# IOVOX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies (Continued)

#### 1.8 Comparatives

The comparative figures have been restated in order to charge rentals under operating leases to the profit and loss account on a straight line basis. This has had the effect of increasing prior year administrative expenses by £76,667 and increasing prior year creditors by the same amount.

The comparative figures have also been restated in order to disclose a rent deposit of £120,000 within debtors due after more than one year rather than debtors due within one year.

### 2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
<b>Cost</b>			
At 1 January 2015	153,326	1	153,327
Additions	30,252	-	30,252
Disposals	(26,063)	-	(26,063)
	<u>157,515</u>	<u>1</u>	<u>157,516</u>
At 31 December 2015	157,515	1	157,516
<b>Depreciation</b>			
At 1 January 2015	75,134	-	75,134
On disposals	(26,063)	-	(26,063)
Charge for the year	33,033	-	33,033
	<u>82,104</u>	<u>-</u>	<u>82,104</u>
At 31 December 2015	82,104	-	82,104
<b>Net book value</b>			
At 31 December 2015	75,411	1	75,412
	<u>75,411</u>	<u>1</u>	<u>75,412</u>
At 31 December 2014	78,191	-	78,191
	<u>78,191</u>	<u>-</u>	<u>78,191</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	%
<b>Subsidiary undertakings</b>		<b>Class</b>	
IOVOX, Inc.	USA	Ordinary	100.00

## IOVOX LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

#### 2 Fixed assets

(Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
IOVOX, Inc.	Principal activity Prov'n of telecom and marketing services	(412,170)	(412,170)

#### 3 Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
165,600 Ordinary shares of 1p each	1,656	1,656
64,500 A Ordinary shares of 1p each	645	645
	<u>2,301</u>	<u>2,301</u>

Ordinary shares have full voting and dividend rights.

A Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

#### 4 Creditors: amounts falling due after more than one year

Convertible loan notes are secured by fixed and floating charges over the assets of the company.

#### 5 Ultimate parent company

No party has ultimate control over the company.

#### 6 Related party relationships and transactions

##### Directors' benefits: Advances, credit and guarantees

During the year the company provided Mr R N Gallagher with interest free finance. At the balance sheet date £56,183 (2014: £10,979) was due from Mr R N Gallagher to the company by way of current account. The maximum amount outstanding during the year was £56,183 (2014: £10,979).



## IOVOX LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 6 Related party relationships and transactions

(Continued)

##### Other transactions

During the year the company provided interest free finance to IOVOX Inc, its subsidiary undertaking. At the balance sheet date £462,812 (2014: £nil) was due from IOVOX Inc to the company. During the year the company was charged £116,646 (2014: £nil) by IOVOX Inc for research and development.

During the year the company was provided with a short term loan of £25,000 (2014: £nil) by Mr A Gallagher, a close family member of Mr R Gallagher on which interest of £3,125 (2014: £nil) was charged. At the balance sheet date £nil (2014: £nil) was outstanding.

During the year the company was provided with short term loans of £2,000 and £50,000 (2014: £nil) by Mr C Votsis, a member of the company's key management personnel on which interest of £6,250 (2014: £nil) was charged. At the balance sheet date £nil (2014: £nil) was outstanding.

During the year the company was provided with an interest free short term loan of £296,000 (2014: £nil) by Mr J R Smith, a company advisor. At the balance sheet date £nil (2014: £nil) was outstanding.

During the year the company was charged monitoring fees of £30,000 (2014: £30,000) by Octopus Investments Limited which has key management personnel in common with the company. The company also made sales of £11,000 (2014: £11,000) to Octopus Investments Limited. At the balance sheet date £12,000 (2014: £nil) was due from the company to Octopus Investments Limited.

#### 7 Post Balance Sheet Event

Subsequent to the financial year end, the company has raised £2,100,000 of ordinary share capital. As part of the fund raising, the loan notes previously issued have been converted into ordinary share capital.

The company is also negotiating a further increase in ordinary share capital.

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