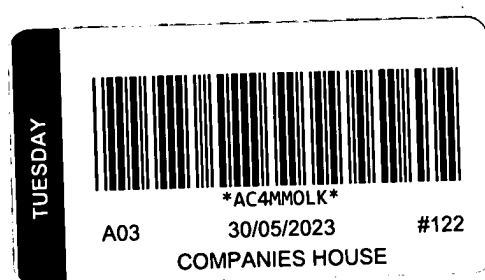


IOVOX LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022



IOVOX LIMITED
REGISTERED NUMBER: 06057954

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	5	5,712,362	1,440,487
Tangible assets	6	134,983	32,414
		<u>5,847,345</u>	<u>1,472,901</u>
Current assets			
Debtors: amounts falling due within one year	8	1,548,456	1,625,750
Cash at bank and in hand	9	1,379,787	617,410
		<u>2,928,243</u>	<u>2,243,160</u>
Creditors: amounts falling due within one year	10	(3,707,846)	(1,812,000)
Net current (liabilities)/assets		<u>(779,603)</u>	<u>431,160</u>
Total assets less current liabilities		<u>5,067,742</u>	<u>1,904,061</u>
Creditors: amounts falling due after more than one year	11	(3,779,085)	-
Provisions for liabilities			
Other provisions	14	(229,828)	(558,338)
		<u>(229,828)</u>	<u>(558,338)</u>
Net assets		<u>1,058,829</u>	<u>1,345,723</u>
Capital and reserves			
Called up share capital		2,236	2,210
Share premium account	16	16,445,296	15,307,523
Foreign exchange reserve	16	(556,542)	101,565
Equity reserve	16	-	1,113,426
Other reserves	16	1,283,617	1,180,681
Profit and loss account	16	(16,115,778)	(16,359,682)
		<u>1,058,829</u>	<u>1,345,723</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

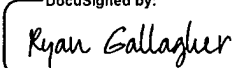
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

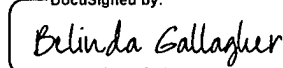
IOVOX LIMITED
REGISTERED NUMBER: 06057954

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

DocuSigned by:

E52E8912DCE7481...
Ryan Gallagher
Director

DocuSigned by:

0344865FB7674B4...
Belinda Gallagher
Director

Date: 5/18/2023 | 6:24 PM PDT

The notes on pages 9 to 26 form part of these financial statements.

IOVOX LIMITED
REGISTERED NUMBER: 06057954

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	121,256	14,928
Investments	7	2,686,244	2,686,244
		<u>2,807,500</u>	<u>2,701,172</u>
Current assets			
Debtors: amounts falling due within one year	8	6,307,928	1,193,830
Cash at bank and in hand	9	1,135,956	366,772
		<u>7,443,884</u>	<u>1,560,602</u>
Creditors: amounts falling due within one year	10	(3,075,977)	(1,832,134)
Net current assets/(liabilities)		<u>4,367,907</u>	<u>(271,532)</u>
Total assets less current liabilities		<u>7,175,407</u>	<u>2,429,640</u>
Creditors: amounts falling due after more than one year	11	(3,779,085)	-
Provisions for liabilities			
Other provisions	14	(229,828)	(558,338)
		<u>(229,828)</u>	<u>(558,338)</u>
Net assets		<u>3,166,494</u>	<u>1,871,302</u>
Capital and reserves			
Called up share capital		2,236	2,210
Share premium account	16	16,445,296	15,307,523
Equity reserve	16	-	1,113,426
Other reserves	16	1,283,617	1,180,681
Profit and loss account brought forward		(15,732,538)	(14,584,483)
Profit/(loss) for the year		<u>1,167,883</u>	<u>(1,148,055)</u>
Profit and loss account carried forward		<u>(14,564,655)</u>	<u>(15,732,538)</u>
		<u>3,166,494</u>	<u>1,871,302</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

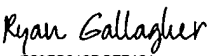
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

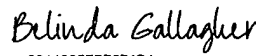
IOVOX LIMITED
REGISTERED NUMBER: 06057954

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

DocuSigned by:

E52EB912DCE7461...
Ryan Gallagher
Director

DocuSigned by:

0344865FB7674B4...
Belinda Gallagher
Director

Date: 5/18/2023 | 6:24 PM PDT

The notes on pages 9 to 26 form part of these financial statements.

IOVOX LIMITED

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

	Called up share capital	Share premium account	Equity reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 January 2022	2,210	15,307,523	1,113,426	101,565	1,180,681	(16,359,682)	1,345,723
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	243,904	243,904
Movement in foreign exchange	-	-	-	(658,107)	-	-	(658,107)
Total comprehensive income for the year	-	-	-	(658,107)	-	243,904	(414,203)
Contributions by and distributions to owners							
Shares issued in the year	26	1,137,773	-	-	-	-	1,137,799
Movement in share based payments	-	-	-	-	102,936	-	102,936
Movement in convertible loan notes classified as equity	-	-	(1,113,426)	-	-	-	(1,113,426)
At 31 December 2022	2,236	16,445,296	-	(556,542)	1,283,617	(16,115,778)	1,058,829

IOVOX LIMITED

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

	Called up share capital	Share premium account	Equity reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 January 2021	2,790	15,306,943	1,013,426	257,132	591,341	(14,986,052)	2,185,580
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(1,373,630)	(1,373,630)
Movement in foreign exchange	-	-	-	(155,567)	-	-	(155,567)
Total comprehensive income for the year	-	-	-	(155,567)	-	(1,373,630)	(1,529,197)
Contributions by and distributions to owners							
Shares issued during the year	-	580	-	-	-	-	580
Shares redeemed during the year	(580)	-	-	-	-	-	(580)
Movement in share based payments	-	-	-	-	589,340	-	589,340
Movement in convertible loan notes classified as equity	-	-	100,000	-	-	-	100,000
At 31 December 2021	2,210	15,307,523	1,113,426	101,565	1,180,681	(16,359,682)	1,345,723

The notes on pages 9 to 26 form part of these financial statements.

IOVOX LIMITED

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

	Called up share capital	Share premium account	Equity reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2022	2,210	15,307,523	1,113,426	1,180,681	(15,732,538)	1,871,302
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,167,883	1,167,883
Total comprehensive income for the year	-	-	-	-	1,167,883	1,167,883
Contributions by and distributions to owners						
Shares issued in the year	26	1,137,773	-	-	-	1,137,799
Movement in share based payments	-	-	-	102,936	-	102,936
Movement in convertible loan notes classified as equity	-	-	(1,113,426)	-	-	(1,113,426)
Total transactions with owners	26	1,137,773	(1,113,426)	102,936	-	127,309
At 31 December 2022	2,236	16,445,296	-	1,283,617	(14,564,655)	3,166,494

IOVOX LIMITED

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

	Called up share capital	Share premium account	Equity reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2021	2,790	15,306,943	1,013,426	591,341	(14,584,483)	2,330,017
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,148,055)	(1,148,055)
Total comprehensive income for the year	-	-	-	-	(1,148,055)	(1,148,055)
Contributions by and distributions to owners						
Shares issued during the year	-	580	-	-	-	580
Shares redeemed during the year	(580)	-	-	-	-	(580)
Movement in share based payments	-	-	-	589,340	-	589,340
Movement in convertible loan notes classified as equity	-	-	100,000	-	-	100,000
Total transactions with owners	(580)	580	100,000	589,340	-	689,340
At 31 December 2021	<u>2,210</u>	<u>15,307,523</u>	<u>1,113,426</u>	<u>1,180,681</u>	<u>(15,732,538)</u>	<u>1,871,302</u>

The notes on pages 9 to 26 form part of these financial statements.

IOVOX LIMITED

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

1. General information

IOVOX Limited (the 'Company') is a private company limited by shares incorporated under the number 06057954 in England and Wales, United Kingdom.

The address of the registered office is 4-6 Canfield Place, London, NW6 3BT. The address of the place of business is 99C Talbot Road, Notting Hill, London W11 2AT. The nature of the Company's operations and principal activities are that of the provision of telecom and marketing services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

As at 31 December 2022 the Group had net assets of £1,058,829 and net current liabilities of £779,603.

During the year the group made a net profit of £243,904. However EBITDA, excluding the forex gain and non-cash share based payments was actually £175,553.

In addition to the Group being successful in growing revenues, improving underlying profitability and operational cash flow in the year, they also secured a £5,000,000 term loan from Shawbrook Bank, the proceeds of which were utilized in the acquisition of the marketplaces division of a US based competitor. This acquisitive and organic growth supported by investors, coupled with positive business performance put the group on strong footing entering 2023.

The directors have considered the net current liability position of the group, along with other factors which affect the profit and loss and cash-flow forecasts for the period to 31 December 2023 and beyond and are of the opinion that the Group has sufficient resources to meet its debts as they become due. This is supported by the fact that management have historically demonstrated an ability to rapidly adjust the Company's operating expense levels if required.

The directors have therefore prepared the financial statements on the going concern basis and they do not include any adjustments that would be required had the going concern basis not been deemed appropriate.

IOVOX LIMITED

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The amortisation rate of both Goodwill and the Customer List is 10 years straight line.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

IOVOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the period of the lease
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

IOVOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2. Accounting policies (continued)****2.10 Financial instruments**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

IOVOX LIMITED

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

2. Accounting policies (continued)

2.13 Finance costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.14 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Income and Retained Earnings over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme). Further detail is included in note 17.

Share options granted prior to 1 January 2016 have not been recognised in accordance with FRS 102 35.10(b).

2.15 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

IOVOX LIMITED

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

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

IOVOX LIMITED

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future based on their knowledge of the business and the markets it operates in. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Areas considered to be potentially material to the financial statements include:

- Corporation tax credit
- Share based payments

Corporation tax credit

As at 31 December 2022, the directors have estimated the probable balance and the probability of receiving a tax credit. The amount provided in the accounts as recoverable is considered to be the best estimate of the likely amount receivable (see note 8).

Share based payments

During the year the directors have estimated that the share based payment cost is £102,936 (see note 17). This vesting costs are based on a fair value of the share options granted, as described in note 2.14 of these financial statements. The cumulate cost of share options that have vested but not yet been exercised is included in other reserves on the company and consolidated balance sheet.

4. Employees

The average monthly number of employees, including directors, during the year was 37 (2021 - 33).

IOVOX LIMITED

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

5. Intangible assets

Group

	Customer List £	Goodwill £	Total £
Cost			
At 1 January 2022	--	2,053,915	2,053,915
Additions	4,778,325	-	4,778,325
Foreign exchange movement	31,352	-	31,352
At 31 December 2022	<u>4,809,677</u>	<u>2,053,915</u>	<u>6,863,592</u>
Amortisation			
At 1 January 2022	-	613,428	613,428
Charge for the year on owned assets	320,645	217,157	537,802
At 31 December 2022	<u>320,645</u>	<u>830,585</u>	<u>1,151,230</u>
Net book value			
At 31 December 2022	<u>4,489,032</u>	<u>1,223,330</u>	<u>5,712,362</u>
At 31 December 2021	<u>-</u>	<u>1,440,487</u>	<u>1,440,487</u>

IOVOX LIMITED

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

6. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2022	13,044	19,289	8,544	203,103	243,980
Additions	400	1,087	-	127,927	129,414
Disposals	-	(180)	(325)	(4,911)	(5,416)
Exchange adjustments	214	1,580	703	4,904	7,401
At 31 December 2022	13,658	21,776	8,922	331,023	375,379
Depreciation					
At 1 January 2022	9,728	12,950	6,336	182,552	211,566
Charge for the year on owned assets	1,860	2,876	1,089	19,478	25,303
Disposals	-	(75)	(325)	(4,576)	(4,976)
Exchange adjustments	214	985	563	6,741	8,503
At 31 December 2022	11,802	16,736	7,663	204,195	240,396
Net book value					
At 31 December 2022	1,856	5,040	1,259	126,828	134,983
At 31 December 2021	3,316	6,339	2,208	20,551	32,414

IOVOX LIMITED

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

6. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2022	8,589	6,505	1,405	70,094	86,593
Additions	400	809	-	120,534	121,743
Disposals	-	(180)	(325)	(1,167)	(1,672)
At 31 December 2022	8,989	7,134	1,080	189,461	206,664
Depreciation					
At 1 January 2022	5,273	4,715	1,313	60,364	71,665
Charge for the year on owned assets	1,860	1,076	57	12,317	15,310
Disposals	-	(75)	(325)	(1,167)	(1,567)
At 31 December 2022	7,133	5,716	1,045	71,514	85,408
Net book value					
At 31 December 2022	1,856	1,418	35	117,947	121,256
At 31 December 2021	3,316	1,790	92	9,730	14,928

IOVOX LIMITED

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

6. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2022	13,044	19,289	8,544	203,103	243,980
Additions	400	1,087	-	127,927	129,414
Disposals	-	(180)	(325)	(4,911)	(5,416)
Exchange adjustments	214	1,580	703	4,904	7,401
At 31 December 2022	13,658	21,776	8,922	331,023	375,379
Depreciation					
At 1 January 2022	9,728	12,950	6,336	182,552	211,566
Charge for the year on owned assets	1,860	2,876	1,089	19,478	25,303
Disposals	-	(75)	(325)	(4,576)	(4,976)
Exchange adjustments	214	985	563	6,741	8,503
At 31 December 2022	11,802	16,736	7,663	204,195	240,396
Net book value					
At 31 December 2022	1,856	5,040	1,259	126,828	134,983
At 31 December 2021	3,316	6,339	2,208	20,551	32,414

IOVOX LIMITED

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

6. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2022	8,589	6,505	1,405	70,094	86,593
Additions	400	809	-	120,534	121,743
Disposals	-	(180)	(325)	(1,167)	(1,672)
At 31 December 2022	8,989	7,134	1,080	189,461	206,664
Depreciation					
At 1 January 2022	5,273	4,715	1,313	60,364	71,665
Charge for the year on owned assets	1,860	1,076	57	12,317	15,310
Disposals	-	(75)	(325)	(1,167)	(1,567)
At 31 December 2022	7,133	5,716	1,045	71,514	85,408
Net book value					
At 31 December 2022	1,856	1,418	35	117,947	121,256
At 31 December 2021	3,316	1,790	92	9,730	14,928

IOVOX LIMITED

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

7. Fixed asset investments

Company

Investments
in subsidiary
companies
£

Cost or valuation

At 1 January 2022

2,686,244

At 31 December 2022

2,686,244

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
IOVOX Inc	Ordinary	100%
IOVOX Australia PTY Limited	Ordinary	100%
Wannaspeak	Ordinary	100%

IOVOX Inc is incorporated in the USA, its registered office is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, 19808

IOVOX Australia PTY Limited is incorporated in Australia, its registered office is 4 Bellambi Place, Glenning Vale, NSW 2261.

Wannaspeak is incorporated in France, its registered office is 19 Villa Croix Nivert 75015, Paris.

IOVOX LIMITED

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

8. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	867,912	500,934	400,199	278,917
Amounts owed by group undertakings	-	-	5,366,409	-
Other debtors	305,367	233,546	297,457	222,781
Prepayments and accrued income	97,681	91,060	43,863	16,544
Tax recoverable	277,496	800,210	200,000	675,588
	<u>1,548,456</u>	<u>1,625,750</u>	<u>6,307,928</u>	<u>1,193,830</u>

9. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	<u>1,379,787</u>	<u>617,410</u>	<u>1,135,956</u>	<u>366,772</u>

10. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	1,220,915	59,302	1,220,915	59,302
Trade creditors	824,662	439,617	629,657	399,441
Amounts owed to group undertakings	-	-	241,424	427,002
Other taxation and social security	237,545	229,416	182,353	168,647
Other creditors	370,513	504,544	310,945	316,556
Accruals and deferred income	1,054,211	579,121	490,683	461,186
	<u>3,707,846</u>	<u>1,812,000</u>	<u>3,075,977</u>	<u>1,832,134</u>

11. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	<u>3,779,085</u>	<u>-</u>	<u>3,779,085</u>	<u>-</u>
	<u>3,779,085</u>	<u>-</u>	<u>3,779,085</u>	<u>-</u>

Details of security against the bank loan has been disclosed in note 12 of these financial statements.

IOVOX LIMITED

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

12. Loans

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	1,220,915	59,302	1,220,915	59,302
Amounts falling due 2-5 years				
Bank loans	3,779,085	-	3,779,085	-
	<u>5,000,000</u>	<u>59,302</u>	<u>5,000,000</u>	<u>59,302</u>

Secured loans

The bank loan is secured by fixed and floating charges over all the assets, intellectual property and real estate in the group.

13. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through profit or loss	<u>1,379,787</u>	<u>617,410</u>	<u>1,135,956</u>	<u>366,772</u>

Financial assets measured at fair value through profit or loss comprise cash at bank.

IOVOX LIMITED

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

14. Provisions

Group

	Onerous lease provision £
At 1 January 2022	558,338
Utilised in the year	(328,510)
At 31 December 2022	229,828

Company

	Onerous lease provision £	Total £
At 1 January 2022	558,338	558,338
Utilised in the year	(328,510)	(328,510)
At 31 December 2022	229,828	229,828

IOVOX LIMITED

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

15. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,885,314 (2021 - 1,885,314) Ordinary shares of £0.0010 each	1,885	1,885
201,370 (2021 - 201,370) A Ordinary shares of £0.0001 each	20	20
1,077,376 (2021 - 1,077,376) A2 Ordinary shares of £0.0001 each	108	108
34,610 (2021 - 34,610) B Ordinary shares of £0.0010 each	35	35
1,878,785 (2021 - 1,617,222) A3 Ordinary shares of £0.0001 each	188	162
	<u>2,236</u>	<u>2,210</u>

Ordinary shares have full voting and dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. During the year nil (nil) shares were allotted at a nominal value of £0.001 each. Total consideration received was £nil (2021 - £nil).

A, A2 and A3 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. During the year 261,563 (2021 - nil) A3 shares were allotted at a nominal value of £0.0001 each. Total consideration received was £1,137,799 (2021 - £nil) which was paid by converting the convertible loan into equity shares.

B Ordinary shares have full dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

16. Reserves

Share premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Foreign exchange reserve

The foreign exchange reserve represents translation differences arising from the translation of financial statements of the group's foreign entities into sterling (£).

Equity reserve

The equity reserve represents the equity component of convertible debt instruments.

Other reserves

Other reserves represents equity-settled schemes.

Profit and loss account

The Profit and Loss account represents cumulative profits and losses net of dividends and other adjustments.

IOVOX LIMITED

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

17. Share-based payments

Equity settled share based payment arrangements, in the form of share options, existed at the year end. The share options relate to ordinary shares. The exercise price on all options granted up to 1 January 2016 is £1 per share. The exercise price on all options granted after 1 January 2016 is £1.66. All shares are equity based, options granted before the transition date have not been recognised in accordance with FRS102 section 35.

For options granted during 2016, one third of the options vest immediately at the date of grant. The remaining two thirds of the shares shall vest each month in 24 equal tranches whilst the option holder remains an employee. No further vesting shall take place following cessation of employment unless the Board exercises its discretion.

For options granted during 2017, the shares shall vest each month in 36 equal tranches whilst the option holder remains an employee. No further vesting shall take place following cessation of employment unless the Board exercises its discretion.

For options granted during 2020, one third of the options vest on the first anniversary of the grant. The remaining shall vest each month in 24 equal tranches from the first anniversary whilst the option holder remains an employee. No further vesting shall take place following cessation of employment unless the Board exercises its discretion.

For options granted during 2021, one third of the options vest on the first anniversary of the grant. The remaining shall vest each month in 24 equal tranches from the first anniversary whilst the option holder remains an employee. No further vesting shall take place following cessation of employment unless the Board exercises its discretion.

For options granted during 2022, one third of the options vest on the first anniversary of the grant. The remaining shall vest each month in 24 equal tranches from the first anniversary whilst the option holder remains an employee. No further vesting shall take place following cessation of employment unless the Board exercises its discretion.

The fair value of each option award is estimated on the date of the grant by applying the Black-Scholes option pricing model and by using market data to the greatest extent possible as inputs for the model.

The assumptions used in the calculation were as follows:

Share price: £5.80
Risk free rate: 0.0180%
Volatility: 0.84%

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	152	628,080	151	575,839
Granted during the year	166	80,200	166	52,241
Lapsed during the year	(159)	(63,799)	N/A	-
Exercised during the year	N/A	-	N/A	-
Expired during the year	N/A	-	N/A	-
Outstanding at the end of the year	162	644,481	152	628,080

IOVOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**17. Share-based payments (continued)**

*On 5 April 2017, the Company undertook a share option split. Previously the exercise price per share option was £10 per share. Each option was split on a 1:10 basis such that each share option now has an exercise price of £1.

	2022	2021
Equity-settled schemes	102,936	589,340
	<u>102,936</u>	<u>589,340</u>

18. Off balance sheet arrangements

The company granted share options in December 2010, May 2014, February 2015 and April 2015 to 6 employees (2021 - 6) which gives the option holders the right to subscribe 97,910 (2021 - 97,910) ordinary shares of £0.01 each in the company in total at an exercise price of £1.00 per share.

The options may be exercised following the earliest of the third anniversary of the date of grant, the death of the option holder, share capital is increased by a subscription from new investors whereby the new investors own more than 25% of the enlarged share capital, a disqualifying event as defined by the option agreements or seven days after notification to the option holder of a decision taken at the discretion of the board.

The options lapse on the earliest of the tenth anniversary of the date of grant, the first anniversary of the option holders death, immediately following the option holder ceasing to be a director or employee of the company (other than by reason of his death), a release has been effected in connection with the takeovers and liquidations rule of the option agreements, the option holder being adjudicated bankrupt or forty days after any disqualifying event as defined by the option agreements.

19. Contingent liabilities

The Company has guaranteed a bank loan available to another group company. At 31 December 2022, the total of the bank loans covered by these guarantees amounted to £nil (2021 - £59,302). This debt is secured by a fixed and floating charge over all the assets of the Company.

20. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	216,667	247,500	216,667	247,500
Later than 1 year and not later than 5 years	-	216,667	-	216,667
	<u>216,667</u>	<u>464,167</u>	<u>216,667</u>	<u>464,167</u>

IOVOX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Transactions with directors

As at 31 December 2022, the Company is owed £51,270 (2021 - £51,266) by a director as a result of advances in previous years. No further advances were made during the year and no repayments were made.

The maximum amount outstanding during the year was £51,270 (2021 - £51,266), no interest was charged by the company.

22. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on **24 May 2023** by Darren Amott (Senior statutory auditor) (Senior Statutory Auditor) on behalf of Price Bailey LLP.