

Company Registration No. 09183927 (England and Wales)

**ENHANCED TELECOMMUNICATIONS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**

# ENHANCED TELECOMMUNICATIONS LIMITED

## CONTENTS

---

	<b>Page</b>
Company information	1
Balance sheet	2 - 3
Notes to the financial statements	4 - 11

---

# ENHANCED TELECOMMUNICATIONS LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr B R Fisher Mr F Gine Mr K M Hoyer Mr P M Pifer Mr M Dissington
<b>Company number</b>	09183927
<b>Registered office</b>	Unit B Stowe Court Stowe Street Lichfield Staffordshire WS13 6AQ
<b>Accountants</b>	Baldwins (Coventry) Limited 3Mc Middlemarch Business Park Siskin Drive Coventry CV3 4FJ

# ENHANCED TELECOMMUNICATIONS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Goodwill	3	499,551	564,710
Other intangible assets	3	174,380	205,153
Total intangible assets		673,931	769,863
Tangible assets	4	18,998	21,130
Investments	5	1	1
		692,930	790,994
<b>Current assets</b>			
Stocks		-	100,000
Debtors	6	394,545	155,632
Cash at bank and in hand		159,834	13,578
		554,379	269,210
<b>Creditors: amounts falling due within one year</b>	7	(160,992)	(1,323,614)
<b>Net current assets/(liabilities)</b>		393,387	(1,054,404)
<b>Total assets less current liabilities</b>		1,086,317	(263,410)
<b>Provisions for liabilities</b>		(4,226)	-
<b>Net assets/(liabilities)</b>		1,082,091	(263,410)
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Equity reserve		1,460,062	-
Profit and loss reserves		(377,972)	(263,411)
<b>Total equity</b>		1,082,091	(263,410)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial Year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

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

## **ENHANCED TELECOMMUNICATIONS LIMITED**

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

***AS AT 31 DECEMBER 2016***

---

The financial statements were approved by the board of directors and authorised for issue on 28 September 2017 and are signed on its behalf by:

Mr B R Fisher  
**Director**

Mr M Dissington  
**Director**

**Company Registration No. 09183927**

# ENHANCED TELECOMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 1 Accounting policies

#### Company information

Enhanced Telecommunications Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit B Stowe Court, Stowe Street, Lichfield, Staffordshire, WS13 6AQ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the Year ended 31 December 2016 are the first financial statements of Enhanced Telecommunications Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 6 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Going concern

The Group manages its day-to-day working capital requirements through a combination of cash inflows from sales, tight management of expenses and support, if required, from its parent company Enhanced Telecommunications Inc.. Having assessed current trading, the strength of customer relationships, the current sales pipeline and the relationship with the parent company, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and accounts.

#### 1.3 Turnover

Turnover is recognised when revenue and associated costs can be measured reliably and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, VAT and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Maintenance Contracts

Income in respect of maintenance contracts is invoiced on annual basis and recognised as earned.

##### Software Licences

For perpetual licences revenues are recognised once the software has been fully installed.

##### Consultancy Services

Revenues in respect of consultancy services are recognised on a percentage of completion basis calculated pro-rata on the number of man days completed to the estimated total project man days.

# ENHANCED TELECOMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Intangible fixed assets - goodwill

Positive goodwill acquired on a business combination is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over ten years or its useful life if less. Goodwill has been revalued using the Purchase Price Allocation method.

#### 1.6 Intangible fixed assets other than goodwill

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development Costs	8 years straight line
-------------------	-----------------------

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% reducing balance
Computer equipment	20% reducing balance

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 credited or charged to profit or loss.

#### 1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# ENHANCED TELECOMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 1 Accounting policies

(Continued)

#### 1.9 Impairment of fixed assets

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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.

#### 1.10 Stocks

Stocks 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 stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

#### 1.12 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



# ENHANCED TELECOMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

### 1.13 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 profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

# ENHANCED TELECOMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

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

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 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 are included in the profit and loss account for the period.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the Year was 12 (2015 - 15).

### 3 Intangible fixed assets

	Goodwill £	Other £	Total £
<b>Cost</b>			
At 1 January 2016 and 31 December 2016	651,589	246,184	897,773
<b>Amortisation and impairment</b>			
At 1 January 2016	86,879	41,031	127,910
Amortisation charged for the Year	65,159	30,773	95,932
At 31 December 2016	152,038	71,804	223,842
<b>Carrying amount</b>			
At 31 December 2016	499,551	174,380	673,931
At 31 December 2015	564,710	205,153	769,863

# **ENHANCED TELECOMMUNICATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### **4 Tangible fixed assets**

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2016	27,871
Additions	2,178
	<u>30,049</u>
At 31 December 2016	
<b>Depreciation and impairment</b>	
At 1 January 2016	6,741
Depreciation charged in the Year	4,310
	<u>11,051</u>
At 31 December 2016	
<b>Carrying amount</b>	
At 31 December 2016	18,998
	<u>21,130</u>
At 31 December 2015	<u>21,130</u>

### **5 Fixed asset investments**

	2016 £	2015 £
Investments	1	1
	<u>1</u>	<u>1</u>

### **Movements in fixed asset investments**

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2016 & 31 December 2016	1
	<u>1</u>
<b>Carrying amount</b>	
At 31 December 2016	1
	<u>1</u>
At 31 December 2015	<u>1</u>

# **ENHANCED TELECOMMUNICATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### **6 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	181,612	131,403
Amounts due from group undertakings	151,490	-
Other debtors	22,536	24,229
	<u>355,638</u>	<u>155,632</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	38,907	-
	<u>394,545</u>	<u>155,632</u>
<b>Total debtors</b>		

### **7 Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	27,652	34,713
Amounts due to group undertakings	-	1,154,929
Other taxation and social security	15,859	16,807
Other creditors	117,481	117,165
	<u>160,992</u>	<u>1,323,614</u>

### **8 Called up share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary of £1 each	<u>1</u>	<u>1</u>

### **10 Related party transactions**

#### **Transactions with related parties**

During the Year the company entered into the following transactions with related parties:

	<b>Sale of goods</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Entities with control, joint control or significant influence over the company	<u>45,970</u>	<u>304,716</u>

## ENHANCED TELECOMMUNICATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2016*

---

**10 Related party transactions** **(Continued)**

The following amounts were outstanding at the reporting end date:

	<b>2016</b>
	<b>Balance</b>
<b>Amounts owed by related parties</b>	<b>£</b>
Entities with control, joint control or significant influence over the company	151,490
	<u><u>          </u></u>
Entities with control, joint control or significant influence over the company	6,850
	<u><u>          </u></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.