

Company registration number 09183927 (England and Wales)

ENHANCED TELECOMMUNICATIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

ENHANCED TELECOMMUNICATIONS LIMITED

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ENHANCED TELECOMMUNICATIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	4	-	20,515
Tangible assets	5	17,486	28,454
Investments	6	1	1
		<u>17,487</u>	<u>48,970</u>
Current assets			
Debtors	7	34,315	182,530
Cash at bank and in hand		29,817	18,029
		<u>64,132</u>	<u>200,559</u>
Creditors: amounts falling due within one year	8	<u>(2,342,208)</u>	<u>(2,061,989)</u>
Net current liabilities		<u>(2,278,076)</u>	<u>(1,861,430)</u>
Total assets less current liabilities		<u>(2,260,589)</u>	<u>(1,812,460)</u>
Creditors: amounts falling due after more than one year	9	<u>(39,463)</u>	<u>(6,314)</u>
Net liabilities		<u><u>(2,300,052)</u></u>	<u><u>(1,818,774)</u></u>
Capital and reserves			
Called up share capital		1	1
Equity reserve		1,287,612	1,287,612
Profit and loss reserves		<u>(3,587,665)</u>	<u>(3,106,387)</u>
Total equity		<u><u>(2,300,052)</u></u>	<u><u>(1,818,774)</u></u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 11 September 2023 and are signed on its behalf by:

Mr. M Dissington
Director

Company Registration No. 09183927

ENHANCED TELECOMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Enhanced Telecommunications Limited is a private company limited by shares incorporated in England and Wales. The registered office is Swadlincote Innovation Centre, George Holmes Way, Swadlincote, Derbyshire, DE11 9DF.

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.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Enhanced Telecommunications Inc as at 31 December 2021 and these financial statements may be obtained from Enhanced Telecommunications Inc, 6065 Atlantic Boulevard, Norcross, GA 30071, United States America.

1.2 Going concern

In assessing the appropriateness of the going concern assumption, the Directors have reviewed detailed profit and loss forecasts and cash flow forecasts, considering all reasonably foreseeable potential scenarios and uncertainties in relation to revenue and expenditure for a period of at least 12 months from the date these financial statements have been signed. The ultimate parent company has confirmed its willingness to financially support the company to ensure it is able to meet its liabilities as they fall due. Based on these forecasts and offers of financial support, the Directors have a reasonable expectation that the company is a going concern and as such have prepared the financial statements on the going concern basis. The Directors note that the business has made a loss for the year and continues to trade at a loss post year end. The Directors of the ultimate parent company have made a loss for the year and continues to trade at a loss post year end. As such, the Directors acknowledge that a material uncertainty does exist in respect of the entity's going concern status.

ENHANCED TELECOMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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 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
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1.6 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.

1.7 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 2022

1 Accounting policies

(Continued)

1.8 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.

1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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.

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.

ENHANCED TELECOMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

1.11 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. The company has decided not to provide for a deferred tax asset on the losses generated as they do not believe they will crystallise in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. 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.

1.12 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.

ENHANCED TELECOMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.13 Retirement benefits

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Completeness of deferred income

Estimation is required in determining the appropriate recognition and completeness of deferred income. Deferred income is shown within current liabilities and is recognised as revenue on the profit and loss account in the period in which it relates.

3 Employees

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

	2022 Number	2021 Number
Total	6	8

ENHANCED TELECOMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 January 2022 and 31 December 2022	651,589	246,184	897,773
Amortisation and impairment			
At 1 January 2022	651,589	225,669	877,258
Amortisation charged for the year	-	20,515	20,515
At 31 December 2022	651,589	246,184	897,773
Carrying amount			
At 31 December 2022	-	-	-
At 31 December 2021	-	20,515	20,515

5 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 January 2022	27,936	33,347	61,283
Additions	1,167	-	1,167
Disposals	(25,871)	(1,470)	(27,341)
At 31 December 2022	3,232	31,877	35,109
Depreciation and impairment			
At 1 January 2022	22,167	10,662	32,829
Depreciation charged in the year	1,171	4,536	5,707
Impairment losses	-	2,030	2,030
Eliminated in respect of disposals	(21,808)	(1,135)	(22,943)
At 31 December 2022	1,530	16,093	17,623
Carrying amount			
At 31 December 2022	1,702	15,784	17,486
At 31 December 2021	5,769	22,685	28,454

6 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	1	1

ENHANCED TELECOMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	9,561	104,651
Corporation tax recoverable	-	22,439
Other debtors	24,754	55,440
	<u>34,315</u>	<u>182,530</u>

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,323	2,839
Amounts owed to group undertakings	2,176,925	1,858,551
Taxation and social security	10,277	46,229
Other creditors	152,683	154,370
	<u>2,342,208</u>	<u>2,061,989</u>

9 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	39,463	6,314
	<u>39,463</u>	<u>6,314</u>

10 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.

Senior Statutory Auditor:	Mr Stephen Harcourt
Statutory Auditor:	Azets Audit Services

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
	48,000	56,000
	<u>48,000</u>	<u>56,000</u>

ENHANCED TELECOMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Ultimate Controlling Party

The ultimate controlling party of Enhanced Telecommunications Limited is Enhanced Telecommunications Inc and its registered office is 6065 Atlantic Boulevard, Norcross, GA 30071.

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.