Registration number: 04077681

PREPARED FOR THE REGISTRAR

ENATE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Enate Limited

Contents

Enate Limited

Company Information

Directors	Mr C M Cox Mr J P Hall Mr U Jose Mr W J Thomas Mr P J Williamson Mr J G Viggars
Company secretary	Mr C M Cox
Registered office	167-169 Great Portland Street 5th Floor London W1W 5PF
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

Enate Limited

(Registration number: 04077681)
Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	11,483	11,565
Investments	5	981	981
		12,464	12,546
Current assets			
Debtors	6	319,983	407,603
Cash at bank and in hand		638,510	1,373,662
		958,493	1,781,265
Creditors: Amounts falling due within one year	7	(2,573,359)	(1,988,235)
Net current liabilities		(1,614,866)	(206,970)
Total assets less current liabilities		(1,602,402)	(194,424)
Creditors: Amounts falling due after more than one year	7	(1,124,380)	(49,649)
Net liabilities		(2,726,782)	(244,073)
Capital and reserves			
Called up share capital	8	4,856	4,849
Share premium reserve		6,309,792	6,280,495
Profit and loss account		(9,041,430)	(6,529,417)
Shareholders' deficit		(2,726,782)	(244,073)

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 2 January 2024 and signed on its behalf by:

Mr C M Cox
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
167-169 Great Portland Street
5th Floor
London
W1W 5PF
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Group accounts not prepared

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small group.

Going concern

The directors have reviewed a range of detailed financial forecasts prepared for the year, together with the strategic plan, and believe that Enate has sufficient resources and liquidity available to continue to meet its liabilities as they fall due.
Enate is financed by a combination of debt, equity and retained earnings. The nature of the business is such that non-discretionary spend could be funded indefinitely from repeatable revenue. The directors are currently targeting the remainder, combined with equity funding, on discretionary customer acquisition expenditure which could quickly be stopped if necessary. Written assurances have been received from existing investors that they will continue to be supportive investors for at least the next 12 months and that they have sufficient funds readily available.
The directors therefore believe that it is appropriate to prepare the accounts on a going concern basis.

Critical accounting 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 amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements
No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods and services provided, net of discounts and value added taxes. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Revenue from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Research and development

Research expenditure is written off to the profit and loss in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied that it is probable that the expected future economic benefits attributable to the intangible asset created will flow to the company and the cost of the intangible asset can be measured reliably. Where these criteria are met, the expenditure is deferred and amortised over the period during which the company are expected to benefit.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.
Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of either reclaimable SMER&D relief or a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives. Computer equipment is depreciated over 2 years.

Investments

Investments in subsidiaries are measured at cost less any accumulated impairment losses.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.
Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.
Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.
Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed in the year, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.
When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.
Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Financial instruments

Classification
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.
Recognition and measurement
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
Impairment
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.
A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.
For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.
For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.
Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 30 (2022 - 26).

4 Tangible assets

	Computer equipment £
Cost	
At 1 October 2022	30,809
Additions	10,209
Disposals	(5,144)
At 30 September 2023	35,874
Depreciation	
At 1 October 2022	19,244
Charge for the year	9,574
Eliminated on disposal	(4,427)
At 30 September 2023	24,391
Carrying amount	
At 30 September 2023	11,483
At 30 September 2022	11,565

5 Investments

	2023 £	2022 £
Investments in subsidiaries	981	981

The above investment relates to Enate Technologies Private (India) Ltd, a company incorporated in India that is wholly owned subsidiary of Enate Ltd.

6 Debtors

	2023 £	2022 £
Trade debtors	7,955	24,864
Other debtors	25,013	77,042
Prepayments	117,860	155,360
Corporation tax asset	169,155	150,337
	319,983	407,603

7 Creditors

	Note	2023 £	2022 £
Due within one year			
Loans and borrowings		643,019	46,121
Trade creditors		60,150	100,530
Amounts due to related parties	11	946,230	544,141
Social security and other taxes		62,982	63,366
Other creditors		107,493	91,393
Accrued expenses		753,485	1,142,684
		2,573,359	1,988,235

	2023 £	2022 £
Due after one year		
Loans and borrowings	1,124,380	49,649

Included within total loans and borrowings is £1,300,000 (2022 - £Nil) of convertible loan notes which are secured by a fixed charge over all of the assets of the company and a floating charge over all of the property or undertaking of the company. £200,000 (2022 - £Nil) is due within one year, with the balance due in more than one year. Repayment of the balance due within one year has been facilitated post year end by receipt of further related party loans. Further detail is disclosed within note 12 to the accounts.

Additional borrowing of £443,019 (2022 - £46,121) relates to an unsecured finance creditor drawn down against the value of trade receivables.

Also included within total loans and borrowings is £49,648 (2022 - £49,648) of convertible loan notes which are unsecured. Further detail is disclosed within note 12 to the accounts.

8 Share capital

Allotted, called up and fully paid shares

	2023 No.	2023 £	2022 No.	2022 £
Ordinary shares of £0.01 each	345,357	3,454	344,676	3,447
A ordinary shares of £0.01 each	126,233	1,262	126,233	1,262
B ordinary shares of £0.01 each	14,025	140	14,025	140
	485,615	4,856	484,934	4,849

A and B Ordinary shares rank pari passu to Ordinary shares except regarding the appointment of directors and in certain other limited circumstances such as insolvency, winding up of the company, material or persistent breach of agreements by either a Director or shareholder holding more than 5% of allotted share capital. In these limited circumstances the rights of A and B Ordinary shares are significantly enhanced.

During the year, on 27 June 2023, 681 Ordinary shares of £0.01 were issued for consideration of £43.03 each.

9 Share based payment

At the end of the year there were 66,204 options available for exercise (35,773 were vested and 30,431 unvested). During the year 45,810 options were issued, of which 30,210 were attached to convertible loan notes and 15,600 were employee share options. Within the year 43,072 options were either forfeited or lapsed. Unvested options vest either before the sale of either the share capital of the company or substantially the whole of the business, two days before the tenth anniversary of the option being granted or where held for at least five years, immediately prior to the company issuing new shares. Employee share options are valued at fair value by at their grant date. If their terms and conditions are subsequently modified, any incremental fair value increase (but not decrease) is recognised at the point of modification. Options attached to convertible loans are valued by reference to compound instrument accounting treatment.

10 Obligations under leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	-	36,160

11 Related party transactions

In a previous year convertible loans of £49,649 were advanced to the company by the directors and connected persons. The loans are repayable upon demand and interest is incurred on £10,000 of the balance at 1.5%, with the remaining loans being interest free. Interest was paid to the directors and connected persons in the year on these loans of £150 (2022 - £150).
During the year additional convertible loans totalling £1,300,000 were advanced to the company by the directors and connected persons. The loans are repayable as follows: £200,000 repayable 29 February 2024 and the balance repayable on 29 February 2026. Interest is incurred on £1,100,000 of the balance at a similar borrowings interest rate to the company's third party debt and on £200,000 of the loan at 2% above a similar borrowings interest rate. Interest was paid to the directors and connected persons in the year on these loans of £15,786.
As at 30 September 2023, the aggregate balance owed to the directors and connected persons was £1,349,908 (2022 - £49,649).
During the year purchases of £59,865 (2022 - £34,621) were made from related parties under common control. At the year end the company owed £1,200 (2022 - £1,200).
During the year sales of £709,454 (2022 - £172,608) and purchases of £1,373,739 (2022 - £1,124,844) in the usual course of business were made to / from the company's subsidiary. As at 30 December 2023 £418,731 (2022 - £79,340) of these sales were deferred. At the year end the company owed a net balance relating to these transactions of £946,230 (2022 - £544,141).

12 Audit report

The Independent Auditor's Report was unqualified, and included a material uncertainty in relation to going concern paragraph. The name of the Senior Statutory Auditor who signed the audit report on 2 January 2024 was Felicity Sang, who signed for and on behalf of Hazlewoods LLP.