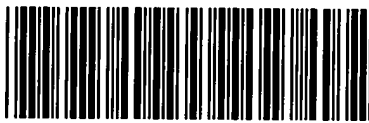


Company Registration No. 03745080 (England and Wales)

LIVEWIRE TELECOM LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2022

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LIVEWIRE TELECOM LIMITED

COMPANY INFORMATION

Director	R J Gallant
Secretary	E Gallant
Company number	03745080
Registered office	Unit 1143 Silverstone Park Silverstone Northamptonshire NN12 8FU England
Auditor	Mercer & Hole, Chartered Accountants Silbury Court 420 Silbury Boulevard Milton Keynes MK9 2AF

LIVEWIRE TELECOM LIMITED

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LIVEWIRE TELECOM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The director presents the strategic report for the year ended 30 September 2022.

Fair review of the business

The principal activity of the company is the retail and wholesale distribution of consumer products.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

Livewire Telecom Limited are involved in the distribution and online retail of major brands such as Huawei, Infnix, Oclean, Xiaomi, ZTE, TCL, Oppo, TP Link and Honor. Livewire Telecom Limited have direct supply agreements with most of these brands to bring their product ranges to market via online retail platforms.

The company's client list includes all the major tier one distributors of telecoms equipment in the UK and is working with the network operators/carriers directly. The company has close relationships with Amazon and social media platforms such as Tiktok stores.

The company is looking to continue to extend its growing relationship with online and offline retail partners in 2023. This will develop further into working with the social media platforms to increase sales and awareness to the company's portfolio of brands.

Principal risks and uncertainties

The supply issues with some chipsets continue to result in restricted supply of telecoms equipment globally.

Development and performance

The company considers that its key financial performance indicators are turnover, gross profit margin, debtor days and stock levels. These indicators are monitored on a monthly basis. As at 30 September, these KPIs are:

	2022	2021
Turnover	£21.9m	£38.3m
Gross profit margin	12.67%	9.40%
Debtor days	28.7	16.4
Stock levels	£4.8m	£4.8m

The director considers the company's performance against these KPIs to be satisfactory.

On behalf of the board

Richard Gallant

.....
R J Gallant
Director

Date: 27/06/23
.....

LIVEWIRE TELECOM LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The director presents his annual report and financial statements for the year ended 30 September 2022.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £510,883. The director does not recommend payment of a further dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

R J Gallant

Research and development

Livewire will continue to invest in the development of software to automate its business practices.

Future developments

Livewire will look to develop its new offices in the Netherlands seeking partnerships with European network operators. This extension of Livewire is to negate the negative impact of Brexit on EU trade.

Auditor

The company's auditor, Mercer & Hole, incorporated on 1st October 2022 to become Mercer & Hole LLP. The director has consented to treating the incorporation of Mercer & Hole LLP as continuation of the existing audit arrangement and in accordance with the company's articles. A resolution proposing that Mercer & Hole LLP be re-appointed as auditor of the company will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management objectives and policies.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Richard Gallant

.....
R J Gallant

Director

27/06/23
Date:

LIVEWIRE TELECOM LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVEWIRE TELECOM LIMITED

Opinion

We have audited the financial statements of Livewire Telecom Limited (the 'company') for the year ended 30 September 2022 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVEWIRE TELECOM LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of director

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of noncompliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVEWIRE TELECOM LIMITED (CONTINUED)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

mercer & hole LLP

Steve Robinson FCA (Senior Statutory Auditor)

For and on behalf of Mercer & Hole, Chartered Accountants, Statutory Auditor

Chartered Accountants

Silbury Court

420 Silbury Boulevard

Milton Keynes

MK9 2AF

27/06/23
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LIVEWIRE TELECOM LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	21,887,103	38,298,845
Cost of sales		(19,114,791)	(34,700,396)
Gross profit		2,772,312	3,598,449
Administrative expenses		(2,265,128)	(2,747,653)
Other operating income	4	7,923	46,305
Operating profit		515,107	897,101
Interest payable and similar expenses	9	(41,742)	(22,132)
Other gains and losses	10	-	(1,000)
Profit before taxation		473,365	873,969
Tax on profit	11	(75,879)	(201,411)
Profit for the financial year		397,486	672,558
Retained earnings brought forward		3,843,360	3,758,521
Dividends	12	(510,883)	(587,719)
Retained earnings carried forward		3,729,963	3,843,360

The notes on pages 10 to 22 form part of these financial statements.

LIVEWIRE TELECOM LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	13		14,450		14,450
Tangible assets	14		518,769		574,639
			<u>533,219</u>		<u>589,089</u>
Current assets					
Stocks	15	4,810,597		4,791,752	
Debtors	16	2,010,277		2,008,081	
Cash at bank and in hand		417,145		69,108	
			<u>7,238,019</u>		<u>6,868,941</u>
Creditors: amounts falling due within one year	17	(3,862,997)		(3,084,544)	
Net current assets			<u>3,375,022</u>		<u>3,784,397</u>
Total assets less current liabilities			<u>3,908,241</u>		<u>4,373,486</u>
Creditors: amounts falling due after more than one year	18		(76,090)		(384,308)
Provisions for liabilities	21		(102,088)		(145,718)
Net assets			<u>3,730,063</u>		<u>3,843,460</u>
Capital and reserves					
Called up share capital	24		100		100
Profit and loss reserves	25		3,729,963		3,843,360
Total equity			<u>3,730,063</u>		<u>3,843,460</u>

The financial statements were approved and signed by the director and authorised for issue on 27/06/23

Richard Gallant

R J Gallant
Director

The notes on pages 10 to 22 form part of these financial statements.

LIVEWIRE TELECOM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26		857,079		448,790
Interest paid			(41,742)		(22,132)
Income taxes paid			-		(325,628)
			<u> </u>		<u> </u>
Net cash inflow from operating activities			815,337		101,030
Investing activities					
Purchase of intangible assets		-		(14,450)	
Purchase of tangible fixed assets		(67,368)		(80,211)	
Proceeds on disposal of tangible fixed assets		102,000		15,975	
Grants received		-		14,624	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			34,632		(64,062)
Financing activities					
Repayment of borrowings		104		100	
Repayment of bank loans		(400,000)		(300,000)	
Payment of finance leases obligations		(102,036)		(3,756)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(501,932)		(303,656)
Net increase/(decrease) in cash and cash equivalents			348,037		(266,688)
Cash and cash equivalents at beginning of year			69,108		335,796
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			417,145		69,108
			<u> </u>		<u> </u>

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Livewire Telecom Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 1143 Silverstone Park, Silverstone, Northamptonshire, England, NN12 8FU.

The company's principal activities and nature of its operations are disclosed in the Director's Report and Strategic Report.

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, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover 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 and it is probable that the economic benefits associated with the transaction will flow to the entity.

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.

No amortisation has been charged on development costs. Amortisation will be recognised so as to write off the cost of assets over their useful lives when the asset comes into use.

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

Tangible fixed assets

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

Subsequent costs, including replacement parts and major inspections, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts of previous inspections are then derecognised. Where it is impractical to identify the carrying amount of a replaced part, it is estimated using the current cost of the replacement part, adjusted for depreciation and impairment. All other costs of repairs and maintenance are charged to profit or loss as incurred.

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

Leasehold improvements	10% on cost
Plant and equipment	25% reducing balance
Fixtures and fittings	25% on cost
Computers	33% straight line
Motor vehicles	25% 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.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being transaction price less any amounts settled and impairment losses.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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.

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, amounts owed to group undertakings, accruals, other borrowings, other taxation and social security 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 statement of financial position 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.

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date 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 director is 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.

Development costs capitalised

The directors considered the capitalisation of development costs incurred in the year and made a judgement as to where these met the criteria for capitalisation.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Retail and wholesale distribution	21,887,103	38,298,845
	<u>21,887,103</u>	<u>38,298,845</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	10,454,042	14,096,285
Europe	8,515,676	12,772,594
Rest of World	2,917,385	11,429,966
	<u>21,887,103</u>	<u>38,298,845</u>

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Other operating income

During the year the company received £nil (2021: £14,624) from the Government in relation to Coronavirus grants as well as £3,967 relating to distribution and carriage (2021: £31,681) and £3,956 relating to insurance claims (2021: £nil).

5 Employees

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

	2022 Number	2021 Number
Administration	11	10
Warehouse	5	7
Total	16	17

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	653,245	713,375
Social security costs	57,323	56,977
Pension costs	15,118	14,291
	725,686	784,643

6 Director's remuneration

	2022 £	2021 £
Remuneration for qualifying services	8,970	8,814

7 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(50,129)	171,521
Government grants	-	(14,624)
Fees payable to the company's auditor for the audit of the company's financial statements	26,500	25,000
Depreciation of owned tangible fixed assets	120,524	127,263
Depreciation of tangible fixed assets held under finance leases	27,888	6,799
Profit on disposal of tangible fixed assets	(22,678)	-
Impairment of stocks recognised or reversed	77,472	60,000
Operating lease charges	189,643	144,696

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

8 Auditor's remuneration	2022	2021
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	26,500	25,000
	<u> </u>	<u> </u>
9 Interest payable and similar expenses	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	7,937	14,852
Other finance costs:		
Interest on finance leases and hire purchase contracts	33,784	7,164
Other interest	21	116
	<u> </u>	<u> </u>
	41,742	22,132
	<u> </u>	<u> </u>
10 Other gains and losses	2022	2021
	£	£
Loss on disposal of investments	-	(1,000)
	<u> </u>	<u> </u>
11 Taxation	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	106,569	156,867
Adjustments in respect of prior periods	12,940	-
	<u> </u>	<u> </u>
Total current tax	119,509	156,867
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(21,837)	12,594
Changes in tax rates	(6,897)	31,950
Previously unrecognised tax loss, tax credit or timing difference	(14,896)	-
	<u> </u>	<u> </u>
Total deferred tax	(43,630)	44,544
	<u> </u>	<u> </u>
Total tax charge	75,879	201,411
	<u> </u>	<u> </u>

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	473,365	873,969
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	89,939	166,054
Tax effect of expenses that are not deductible in determining taxable profit	-	385
Under/(over) provided in prior years	(1,956)	-
Fixed asset differences	(5,208)	-
Remeasurement of deferred tax for changes in tax rates	(6,896)	34,972
Taxation charge for the year	75,879	201,411

In the Spring Budget 2021, the Government announced measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023.

As a result, deferred tax assets and liabilities at the reporting periods have been calculated at 25% (2021: 19%).

12 Dividends

	2022 £	2021 £
Final paid	510,883	587,719

13 Intangible fixed assets

	Development costs £
Cost	
At 1 October 2021 and 30 September 2022	14,450
Carrying amount	
At 30 September 2022	14,450
At 30 September 2021	14,450

No amortisation has been charged on the development costs as the asset has not yet come into use.

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

14 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 October 2021	539,678	148,525	163,791	36,784	110,224	999,002
Additions	-	40,654	-	5,815	125,395	171,864
Disposals	-	-	-	-	(108,784)	(108,784)
At 30 September 2022	539,678	189,179	163,791	42,599	126,835	1,062,082
Depreciation and impairment						
At 1 October 2021	243,713	62,510	75,767	34,134	8,239	424,363
Depreciation charged in the year	53,968	21,504	40,948	4,104	27,888	148,412
Eliminated in respect of disposals	-	-	-	-	(29,462)	(29,462)
At 30 September 2022	297,681	84,014	116,715	38,238	6,665	543,313
Carrying amount						
At 30 September 2022	241,997	105,165	47,076	4,361	120,170	518,769
At 30 September 2021	295,965	86,015	88,024	2,650	101,985	574,639

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2022 £	2021 £
Motor vehicles	120,170	101,895

15 Stocks

	2022 £	2021 £
Finished goods and goods for resale	4,810,597	4,791,752

The difference between the carrying value of stock and its replacement cost is not material.

An impairment loss of £77,472 was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

16 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	1,718,211	1,725,242
Other debtors	122,640	228,993
Prepayments and accrued income	169,426	53,846
	<u>2,010,277</u>	<u>2,008,081</u>

17 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	19	300,000	400,000
Obligations under finance leases	20	26,398	15,720
Other borrowings	19	2,192	2,088
Trade creditors		2,006,944	2,164,382
Amounts owed to group undertakings		147,319	147,319
Corporation tax		276,376	156,867
Other taxation and social security		15,633	42,261
Other creditors		340,786	3,370
Accruals and deferred income		747,349	152,537
		<u>3,862,997</u>	<u>3,084,544</u>

The finance leases are secured against the assets to which they relate.

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment. These amounts are repayable on demand.

18 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans and overdrafts	19	-	300,000
Obligations under finance leases	20	76,090	84,308
		<u>76,090</u>	<u>384,308</u>

The finance leases are secured against the assets to which they relate.

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Borrowings

	2022	2021
	£	£
Bank loans	300,000	700,000
Other loans	2,192	2,088
	<u>302,192</u>	<u>702,088</u>
Payable within one year	302,192	402,088
Payable after one year	-	300,000
	<u>-</u>	<u>300,000</u>

During 2020 the company took out a Coronavirus Business Interruption Loan Scheme loan which was secured by a fixed and floating charge over the company's assets. The loan was bearing interest at 3% repayable in monthly instalments of £33,333, which commenced in January 2021.

As part of the scheme the first 12 months were interest free for the recipient and the Government cover the interest during this period. The Government assistance has therefore been accounted for within other operating income with the relevant interest expense recognised in the profit and loss. Interest became payable on the loan balance in April 2022.

The Government provide the lender with an 100% guarantee over the loan as part of the scheme.

20 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Less than one year	26,398	15,720
Between one and five years	76,090	84,308
	<u>102,488</u>	<u>100,028</u>

Finance lease payments represent rentals payable by the company for motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Provisions for liabilities

	Notes	2022	2021
		£	£
Deferred tax liabilities	22	102,088	145,718
		<u>102,088</u>	<u>145,718</u>

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

22 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Fixed asset timing differences	119,271	122,260
Short term timing differences	(17,183)	23,458
	<u>102,088</u>	<u>145,718</u>
		2022
Movements in the year:		£
Liability at 1 October 2021		145,718
Credit to profit or loss		(43,630)
		<u>102,088</u>

23 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	15,118	14,291

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £3,735 (2021: £3,370) were payable to the fund at the year end and are included in creditors.

24 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

Ordinary share rights

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

25 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

26 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	397,486	672,558
Adjustments for:		
Government grants	-	(14,624)
Taxation charged	75,879	201,411
Finance costs	41,742	22,132
Gain on disposal of tangible fixed assets	(22,678)	-
Depreciation and impairment of tangible fixed assets	148,412	134,062
Other gains and losses	-	1,000
Movements in working capital:		
Increase in stocks	(18,845)	(577,657)
(Increase)/decrease in debtors	(2,196)	99,365
Increase/(decrease) in creditors	237,279	(89,457)
Cash generated from operations	<u>857,079</u>	<u>448,790</u>

27 Analysis of changes in net funds/(debt)

	1 October 2021 £	Cash flows £	New finance leases £	30 September 2022 £
Cash at bank and in hand	69,108	348,037	-	417,145
Borrowings excluding overdrafts	(702,088)	399,896	-	(302,192)
Obligations under finance leases	(100,028)	102,036	(104,496)	(102,488)
	<u>(733,008)</u>	<u>849,969</u>	<u>(104,496)</u>	<u>12,465</u>

28 Operating lease commitments

Lessee

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

	2022 £	2021 £
Within one year	112,202	112,202
Between one and five years	448,810	561,012
In over five years	336,608	336,608
	<u>897,620</u>	<u>1,009,822</u>

LIVEWIRE TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

29 Related party transactions

At the end of the year, Livewire Telecom Ltd owed Livewire USA £147,319 (2021: £148,319). Livewire USA is 51% owned by Richard Gallant.

During the year Livewire Telecom Limited sold goods amounting to £nil (2021: £48,755) to Livewire Telecom (Thailand) Co Ltd, and purchased goods and commission amounting to £nil (2021: £266,802) from Livewire Telecom (Thailand) Co Ltd. At the end of the year Livewire Telecom Ltd owed Livewire Telecom (Thailand) Limited £nil (2021: £820). Livewire Telecom Thailand was a separate company which was 49% owned by Richard Gallant before it was dissolved in the year.

During the year Livewire Telecom Limited sold goods amounting to £1,632,301 (2021: £nil) to Livewire BV Ltd. At the end of the year Livewire Telecom Ltd was owed £6,950 (2021: £nil) by Livewire BV Ltd.

30 Ultimate controlling party

The controlling party is R J Gallant.