

**GEN3 SYSTEMS LIMITED
UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

GEN3 SYSTEMS LIMITED
UNAUDITED ACCOUNTS
CONTENTS

	Page
<u>Company information</u>	<u>3</u>
<u>Statement of financial position</u>	<u>4</u>
<u>Notes to the accounts</u>	<u>5</u>

GEN3 SYSTEMS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors

Mr G K Naisbitt
Mrs L A Naisbitt
Mr A A K Naisbitt

Company Number

04639449 (England and Wales)

Registered Office

Unit B2 Armstrong Mall
Southwood Business Park
Farnborough
Hampshire
GU14 0NR

Accountants

Wellden Turnbull Limited
Albany House
Claremont Lane
Esher
Surrey
KT10 9FQ

GEN3 SYSTEMS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	4	55,345	52,748
Current assets			
Inventories	5	490,546	428,539
Debtors	6	763,945	724,032
Cash at bank and in hand		977,188	612,683
		<u>2,231,679</u>	<u>1,765,254</u>
Creditors: amounts falling due within one year	7	(384,622)	(370,648)
Net current assets		<u>1,847,057</u>	<u>1,394,606</u>
Total assets less current liabilities		<u>1,902,402</u>	<u>1,447,354</u>
Creditors: amounts falling due after more than one year	8	(128,408)	(133,860)
Net assets		<u><u>1,773,994</u></u>	<u><u>1,313,494</u></u>
Capital and reserves			
Called up share capital	9	352,340	352,340
Profit and loss account		1,421,654	961,154
Shareholders' funds		<u><u>1,773,994</u></u>	<u><u>1,313,494</u></u>

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 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 accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities. The profit and loss account has not been delivered to the Registrar of Companies.

The financial statements were approved by the Board of Directors and authorised for issue on 3 August 2023 and were signed on its behalf by

Mr A A K Naisbitt
Director

Company Registration No. 04639449

GEN3 SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Statutory information

Gen3 Systems Limited is a private company, limited by shares, registered in England and Wales, registration number 04639449. The registered office is Unit B2 Armstrong Mall, Southwood Business Park, Farnborough, Hampshire, GU14 0NR.

2 Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

3 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of preparation

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

Presentation currency

The accounts are presented in £ sterling, and rounded to the nearest £.

Revenue

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

Sale of goods:

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services:

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

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

GEN3 SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Tangible fixed assets and depreciation

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

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

The estimated useful lives range as follows:

Land & buildings	Straight line over the life of the lease
Plant & machinery	25% straight line
Motor vehicles	25% straight line
Fixtures & fittings	20% straight line
Computer equipment	20% - 25% straight line

Inventories

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

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

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Creditors

Short term creditors are measured at the transaction price.

Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

GEN3 SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pension costs

Defined contribution pension plan:

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

Taxation

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

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

GEN3 SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Research and development

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

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

Government grants

Government grants in relation to tangible fixed assets are credited to profit and loss account over the useful lives of the related assets, whereas those in relation to expenditure are credited when the expenditure is charged to profit and loss.

4 Tangible fixed assets	Land & buildings	Plant & machinery	Motor vehicles	Fixtures & fittings	Computer equipment	Total
	£	£	£	£	£	£
Cost or valuation	At cost	At cost	At cost	At cost	At cost	
At 1 January 2022	4,529	98,598	13,948	83,765	90,689	291,529
Additions	-	857	20,271	-	15,390	36,518
Disposals	-	(570)	(13,948)	-	(7,856)	(22,374)
At 31 December 2022	4,529	98,885	20,271	83,765	98,223	305,673
Depreciation						
At 1 January 2022	3,974	88,535	13,948	63,681	68,643	238,781
Charge for the year	453	6,937	1,689	11,855	12,978	33,912
On disposals	-	(570)	(13,948)	-	(7,847)	(22,365)
At 31 December 2022	4,427	94,902	1,689	75,536	73,774	250,328
Net book value						
At 31 December 2022	102	3,983	18,582	8,229	24,449	55,345
At 31 December 2021	555	10,063	-	20,084	22,046	52,748

5 Inventories	2022	2021
	£	£
Raw materials	490,546	428,539
	490,546	428,539

6 Debtors	2022	2021
	£	£
Amounts falling due within one year		
Trade debtors	622,971	428,802
Accrued income and prepayments	101,136	238,619
Other debtors	39,838	56,611
	763,945	724,032
Amounts due after more than one year	8,960	40,944

GEN3 SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Creditors: amounts falling due within one year	2022	2021
	£	£
Bank loans and overdrafts	34,927	24,192
Obligations under finance leases and hire purchase contracts	11,373	11,360
Trade creditors	148,983	166,841
Taxes and social security	34,753	34,585
Loans from directors	303	1,397
Accruals	47,769	62,000
Deferred income	106,514	70,273
	<u>384,622</u>	<u>370,648</u>

Obligations due under finance leases are secured on the assets in which they relate to.

8 Creditors: amounts falling due after more than one year	2022	2021
	£	£
Bank loans	90,881	125,808
Obligations under finance leases and hire purchase contracts	11,001	8,052
Taxes and social security	26,526	-
	<u>128,408</u>	<u>133,860</u>

9 Share capital	2022	2021
	£	£
Allotted, called up and fully paid:		
1,800 Ordinary shares of £1 each	1,800	1,800
400 Ordinary A shares of £1 each	400	400
400 Ordinary B shares of £1 each	400	400
240 Ordinary C shares of £1 each	240	240
	<u>2,840</u>	<u>2,840</u>
349,500 Preference shares of £1 each	349,500	349,500
	<u>352,340</u>	<u>352,340</u>

10 Operating lease commitments	2022	2021
	£	£
At 31 December 2022 the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:		
Not later than one year	17,999	68,931
Later than one year and not later than five years	2,044	20,043
	<u>20,043</u>	<u>88,974</u>

11 Average number of employees

During the year the average number of employees was 22 (2021: 21).

