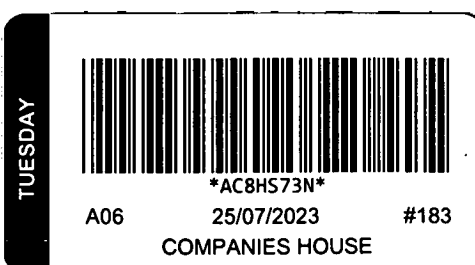


Registration number: 05191512

# Gen 2 Carbon Limited

Unaudited Financial Statements  
for the Year Ended 30 December 2022



# **Gen 2 Carbon Limited**

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## **Gen 2 Carbon Limited**

### **Company Information**

<b>Directors</b>	F Barnes M Hitchmough
<b>Registered office</b>	Cannon Business Park Gough Road Coseley Dudley West Midlands WV14 8XR
<b>Accountants</b>	Hawsons Chartered Accountants Pegasus House 463a Glossop Road Sheffield South Yorkshire S10 2QD

# Gen 2 Carbon Limited

(Registration number: 05191512)

## Balance Sheet as at 30 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	3	10,136	12,724
Tangible assets	4	<u>691,496</u>	<u>1,040,825</u>
		<u>701,632</u>	<u>1,053,549</u>
<b>Current assets</b>			
Stocks		749,216	940,429
Debtors	5	263,935	572,240
Cash at bank and in hand		<u>122,797</u>	<u>988,605</u>
		<u>1,135,948</u>	<u>2,501,274</u>
<b>Creditors: Amounts falling due within one year</b>	6	<u>(1,583,867)</u>	<u>(1,169,195)</u>
<b>Net current (liabilities)/assets</b>		<u>(447,919)</u>	<u>1,332,079</u>
<b>Net assets</b>		<u>253,713</u>	<u>2,385,628</u>
<b>Capital and reserves</b>			
Called up share capital		1,417	1,417
Profit and loss account		<u>252,296</u>	<u>2,384,211</u>
Shareholders' funds		<u>253,713</u>	<u>2,385,628</u>

For the financial year ending 30 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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 Directors' Report and the Profit and Loss Account has been taken.

These financial statements, which 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 and in accordance with the provisions of FRS 102 Section 1A Small Entities, were approved and authorised for issue by the Board on 14/7/23 and signed on its behalf by:



F Barnes  
Director

## **Gen 2 Carbon Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 December 2022**

#### **1 Accounting policies**

##### **Statutory information**

Gen 2 Carbon Limited is a private company, limited by shares, domiciled in England and Wales, company number 05191512. The registered office is at Cannon Business Park, Gough Road, Coseley, Dudley, WV14 8XR.

##### **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 were prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

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

##### **Going concern**

The company has seen several projects progress from the development to the production phase, and the additional sales volumes provided by these projects combined with new sales from recently launched product groups give the company confidence that it will generate sufficient cash to enable the company to meet its obligations as they fall due for a period of not less than 12 months from the date of approval of the financial statements. Additionally, the parent company has agreed terms with a potential investor that will provide funds to increase the capability and capacity of the UK facility, which will allow it to enter into long term supply agreements with its suppliers and customers.

Accordingly, the directors continue to adopt the going concern basis in the preparation of the financial statements.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts. Sales of goods are recognised when control of the goods has passed to the customer. In the case of UK sales, this is when goods are delivered to the customer. In the case of overseas sales, this is when the shipping documents are passed to the customer.

##### **Government grants**

Grants relating to the financing of projects to expand operations of the business are amortised over the expected useful economic lives of the assets or projects concerned. Grants relating to revenue expenditure are credited to the profit and loss account when receivable.

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. These differences on exchange are recognised in profit or loss.

## Gen 2 Carbon Limited

### Notes to the Unaudited Financial Statements for the Year Ended 30 December 2022 (continued)

#### 1 Accounting policies (continued)

##### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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.

##### Tangible assets

Tangible assets are stated in the balance sheet 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, less any estimated residual value, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Improvements to property	Over the lease term
Assets under construction	Not depreciated
Plant and machinery	10% - 20% straight line
Motor vehicles	20% straight line
Office equipment	20% straight line

##### Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent impairment losses. Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life.

##### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website costs	20% straight line

## **Gen 2 Carbon Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 December 2022 (continued)**

#### **1 Accounting policies (continued)**

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the average weighted cost method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

##### **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.

##### **Defined contribution pension obligation**

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.

##### **Financial instruments**

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 in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in profit or loss.

#### **2 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 23 (2021 - 47).

## Gen 2 Carbon Limited

### Notes to the Unaudited Financial Statements for the Year Ended 30 December 2022 (continued)

#### 3 Intangible assets

	Website £
<b>Cost or valuation</b>	
At 31 December 2021	12,940
At 30 December 2022	12,940
<b>Amortisation</b>	
At 31 December 2021	216
Amortisation charge	2,588
At 30 December 2022	2,804
<b>Carrying amount</b>	
At 30 December 2022	10,136
At 30 December 2021	12,724

#### 4 Tangible assets

	Improvements to property £	Plant and machinery £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 31 December 2021	452,368	2,181,445	291,125	2,924,938
Disposals	-	(41,252)	-	(41,252)
At 30 December 2022	452,368	2,140,193	291,125	2,883,686
<b>Depreciation</b>				
At 31 December 2021	329,237	1,373,602	181,274	1,884,113
Charge for the year	123,131	175,045	51,153	349,329
Eliminated on disposal	-	(41,252)	-	(41,252)
At 30 December 2022	452,368	1,507,395	232,427	2,192,190
<b>Carrying amount</b>				
At 30 December 2022	-	632,798	58,698	691,496
At 30 December 2021	123,131	807,843	109,851	1,040,825

## Gen 2 Carbon Limited

### Notes to the Unaudited Financial Statements for the Year Ended 30 December 2022 (continued)

#### 5 Debtors

	2022 £	2021 £
Trade debtors	11,686	95,432
Prepayments	220,578	403,098
Other debtors	31,671	73,710
	<u>263,935</u>	<u>572,240</u>

#### 6 Creditors

	2022 £	2021 £
<b>Due within one year</b>		
Trade creditors	431,101	230,567
Amounts owed to group undertakings	195,000	-
Taxation and social security	152,176	28,128
Accruals and deferred income	702,838	900,518
Other creditors	102,752	9,982
	<u>1,583,867</u>	<u>1,169,195</u>

#### 7 Financial commitments, guarantees and contingencies

At the balance sheet date, the total amount of non-cancellable operating lease commitments not included in the balance sheet is £226,412 (2021 - £734,598).

#### 8 Parent undertaking

The company's immediate and ultimate parent undertaking is Gen 2 Composites Ltd, a company incorporated in England and Wales.