

COMPANY REGISTRATION NUMBER 4480097

GEN-X IT LIMITED
Financial Statements
31 December 2009



WRIGLEY PARTINGTON
Chartered Accountants & Statutory Auditor
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

GEN-X IT LIMITED

Financial Statements

YEAR ENDED 31 DECEMBER 2009

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GEN-X IT LIMITED**Officers and Professional Advisers**

The board of directors	Mr A Gould Miss K Stewart
Company secretary	Mr A Gould
Registered office	Sol House 24 Dark Lane Ardwick Green Manchester United Kingdom M12 6FA
Auditor	Wrigley Partington Chartered Accountants & Statutory Auditor Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
Bankers	The Royal Bank of Scotland 1st Floor, Waterside House Waterside Drive Wigan WN3 5AZ
Solicitors	Turner Parkinson Hollins Chamber 64A Bridge Street Manchester M3 3BA

GEN-X IT LIMITED

The Directors' Report

YEAR ENDED 31 DECEMBER 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the sale of computer hardware

As with 2008, 2009 was a turbulent year for the global economy which for an international trader like Gen-x it Ltd was particularly significant. As a result of the business model operated by the company, which enables the company to prosper in bad times as well as good, we have managed to reduce the impact of the economic downturn. Many more vendors and channel suppliers have continued to seek dramatic inventory reductions which in simple terms affords a company like Gen-x it Ltd the opportunity to buy more goods at better prices.

In addition the company's new official franchises have been successful allowing the company to offer a broader range of products to existing and completely new customers.

The consequence of this is an increase in sales revenues of 21%, and more importantly an increase in gross profit of 18% on 2008.

Unfortunately operating profits for 2009 are down 34% on 2008 to £102,557. This reduction was caused due to an unprecedented level of bad debts totalling £140,625. The economic downturn and cash flow problems of many companies has impacted hard on the company and without these bad debts operating profits for the year would have been higher than 2008. This has all occurred despite the company striving to have effective credit control.

DIRECTORS

The directors who served the company during the year were as follows:

Mr A Gould
Miss K Stewart

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 directors are 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. They are 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.

GEN-X IT LIMITED

The Directors' Report (*continued*)

YEAR ENDED 31 DECEMBER 2009

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

Wrigley Partington are deemed to be re-appointed under section 487(2) of the Companies Act 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
Sol House
24 Dark Lane
Ardwick Green
Manchester
United Kingdom
M12 6FA

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'Mr Gould', with a long, sweeping horizontal stroke extending to the right.

MR A GOULD
Company Secretary

Approved by the directors on 28 September 2010

GEN-X IT LIMITED**Independent Auditor's Report to the Shareholders of Gen-X IT Limited****YEAR ENDED 31 DECEMBER 2009**

We have audited the financial statements of Gen-X IT Limited for the year ended 31 December 2009. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

GEN-X IT LIMITED

Independent Auditor's Report to the Shareholders of Gen-X IT Limited *(continued)*

YEAR ENDED 31 DECEMBER 2009

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 and the directors' report in accordance with the small companies regime



DOMINIC JAMES HUXLEY (Senior
Statutory Auditor)
For and on behalf of
WRIGLEY PARTINGTON
Chartered Accountants
& Statutory Auditor

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

28 September 2010

GEN-X IT LIMITED**Profit and Loss Account****YEAR ENDED 31 DECEMBER 2009**

		2009	2008
	Note	£	£
TURNOVER	2	7,799,247	6,445,061
Cost of sales		<u>6,128,431</u>	<u>5,028,105</u>
GROSS PROFIT		1,670,816	1,416,956
Administrative expenses		1,574,334	1,267,202
Other operating income	3	<u>(6,075)</u>	<u>(6,100)</u>
OPERATING PROFIT	4	102,557	155,854
Interest receivable		11,685	4,609
Interest payable and similar charges		<u>(85,771)</u>	<u>(70,295)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		28,471	90,168
Tax on profit on ordinary activities	5	<u>10,014</u>	<u>23,814</u>
PROFIT FOR THE FINANCIAL YEAR		<u>18,457</u>	<u>66,354</u>

GEN-X IT LIMITED**Balance Sheet****31 DECEMBER 2009**

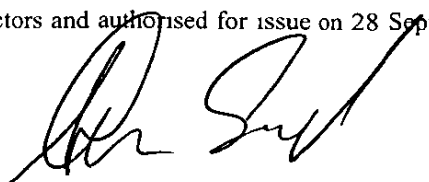
	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	7	16,587	25,197
CURRENT ASSETS			
Stocks		338,692	221,027
Debtors	8	1,786,417	1,706,224
Cash at bank and in hand		69,350	76,595
		<u>2,194,459</u>	<u>2,003,846</u>
CREDITORS: Amounts falling due within one year	9	<u>1,422,914</u>	<u>1,259,368</u>
NET CURRENT ASSETS		<u>771,545</u>	<u>744,478</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>788,132</u>	<u>769,675</u>
CREDITORS: Amounts falling due after more than one year	10	<u>598,919</u>	<u>598,919</u>
		<u>189,213</u>	<u>170,756</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	2,000	2,000
Profit and loss account	15	187,213	168,756
SHAREHOLDERS' FUNDS		<u>189,213</u>	<u>170,756</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 28 September 2010, and are signed on their behalf by

MR A GOULD
Director

Company Registration Number 4480097



GEN-X IT LIMITED**Notes to the Financial Statements****YEAR ENDED 31 DECEMBER 2009**

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- Over the term of the lease
Equipment	- 25% straight line

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Foreign currencies

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 rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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

2. TURNOVER

Overseas turnover amounted to 30.00% (2008 - 42.94%) of the total turnover for the year

GEN-X IT LIMITED**Notes to the Financial Statements****YEAR ENDED 31 DECEMBER 2009****3 OTHER OPERATING INCOME**

	2009	2008
	£	£
Management charges receivable	6,000	6,000
Other operating income	75	100
	<u>6,075</u>	<u>6,100</u>

4 OPERATING PROFIT

Operating profit is stated after charging

	2009	2008
	£	£
Directors' remuneration	188,445	185,460
Depreciation of owned fixed assets	18,264	20,014
Auditor's fees	5,000	5,000
Net loss on foreign currency translation	<u>25,751</u>	<u>13,652</u>

5 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2009	2008
	£	£
Current tax		
UK Corporation tax based on the results for the year at 21% (2008 - 20 75%)	10,014	23,814
Total current tax	<u>10,014</u>	<u>23,814</u>

6 DIVIDENDS

Equity dividends

	2009	2008
	£	£
Paid		
Equity dividends on ordinary shares	<u>-</u>	<u>100,000</u>

GEN-X IT LIMITED**Notes to the Financial Statements****YEAR ENDED 31 DECEMBER 2009****7 TANGIBLE FIXED ASSETS**

	Leasehold Property £	Equipment £	Total £
COST			
At 1 January 2009	46,487	52,778	99,265
Additions	4,383	5,271	9,654
At 31 December 2009	50,870	58,049	108,919
DEPRECIATION			
At 1 January 2009	28,106	45,962	74,068
Charge for the year	14,664	3,600	18,264
At 31 December 2009	42,770	49,562	92,332
NET BOOK VALUE			
At 31 December 2009	8,100	8,487	16,587
At 31 December 2008	18,381	6,816	25,197

8 DEBTORS

	2009 £	2008 £
Trade debtors	1,382,214	1,322,973
Other debtors	262,631	277,547
Directors current accounts	106,479	85,662
Prepayments and accrued income	35,093	20,042
	1,786,417	1,706,224

The debtors above include the following amounts falling due after more than one year

	2009 £	2008 £
Other debtors	73,742	73,742

9 CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Overdrafts	24,584	142,486
Trade creditors	412,360	352,475
Other creditors including taxation and social security		
Invoice discounting	879,061	661,085
Corporation tax	10,014	23,814
PAYE and social security	26,665	21,577
VAT	3,974	—
Other creditors	12,108	11,522
Accruals and deferred income	54,148	46,409
	985,970	764,407
	1,422,914	1,259,368

GEN-X IT LIMITED**Notes to the Financial Statements****YEAR ENDED 31 DECEMBER 2009****9 CREDITORS: Amounts falling due within one year (continued)**

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2009	2008
	£	£
Overdrafts	24,584	142,486
Invoice discounting	879,061	661,085
	<u>903,645</u>	<u>803,571</u>

10 CREDITORS: Amounts falling due after more than one year

	2009	2008
	£	£
Other creditors including		
Related party loan	<u>598,919</u>	<u>598,919</u>

11 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2009	2008
	£	£
Operating leases which expire		
Within 1 year	54,066	45,517
Within 2 to 5 years	<u>6,226</u>	<u>13,281</u>
	<u>60,292</u>	<u>58,798</u>

12 TRANSACTIONS WITH THE DIRECTORS

Included in debtors is £106,479 due from two directors. Further details are

	2009	2008
	£	£
Mr A Gould	48,722	45,699
Miss K Stewart	<u>57,757</u>	<u>39,963</u>
	<u>106,479</u>	<u>85,662</u>

	Maximum balance £
Mr A Gould	48,722
Miss K Stewart	57,757

GÉN-X IT LIMITED**Notes to the Financial Statements****YEAR ENDED 31 DECEMBER 2009****13 RELATED PARTY TRANSACTIONS**

In the directors opinion the company is not under the control of any one person

As at the balance sheet date there is a loan outstanding to Mr J Calderwood, a fifty percent shareholder of the company, of £598,919 (2008 - £598,919) for which interest is charged at 12% per annum The interest charged for the period amounted to £84,346 (2008 - £62,688) There is no formal repayment date for the loan, however the loan is not repayable within one year of the year end

Included in other debtors is an amount due from Syskal Distribution Limited, a company which Alan Gould, a director, is also a director of, amounting to £73,742 (2008 - £73,742) The company has been in administration however the directors are confident the monies will be repaid in due course

Also included in debtors is an amount due from Actus Global Europe Limited, a company for which Alan Gould and Kelley Stewart are also directors, amounting to £102,512 (2008 - £145,291)

14 SHARE CAPITAL**Authorised share capital**

	2009	2008
	£	£
2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

Allotted, called up and fully paid:

	2009		2008
	No	£	No
	2,000	2,000	2,000
2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

15 PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
Balance brought forward	168,756	202,402
Profit for the financial year	18,457	66,354
Equity dividends	<u>-</u>	<u>(100,000)</u>
Balance carried forward	<u>187,213</u>	<u>168,756</u>