

5th Generation Limited

Annual Report and Unaudited Financial Statements
for the Period from 1 December 2016 to 31 October 2017

Williamson & Croft LLP
Barnett House
53 Fountain Street
Manchester
M2 2AN

5th Generation Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Financial Statements	<u>4</u> to <u>10</u>

5th Generation Limited

Company Information

Director	Mr David Cassidy
Registered office	Ivy Business Centre Crown Street Failsworth Manchester M35 9BG
Accountants	Williamson & Croft LLP Barnett House 53 Fountain Street Manchester M2 2AN

5th Generation Limited

(Registration number: 09651157) Balance Sheet as at 31 October 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	<u>4</u>	-	580
Tangible assets	<u>5</u>	162,019	63,706
		<u>162,019</u>	<u>64,286</u>
Current assets			
Stocks	<u>6</u>	50,000	83,951
Debtors	<u>7</u>	520,228	434,772
Cash at bank and in hand		7,763	8,530
		<u>577,991</u>	<u>527,253</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(1,387,117)</u>	<u>(483,671)</u>
Net current (liabilities)/assets		<u>(809,126)</u>	<u>43,582</u>
Total assets less current liabilities		<u>(647,107)</u>	<u>107,868</u>
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(91,581)</u>	<u>(32,658)</u>
Provisions for liabilities		<u>-</u>	<u>(10,966)</u>
Net (liabilities)/assets		<u><u>(738,688)</u></u>	<u><u>64,244</u></u>
Capital and reserves			
Called up share capital		102	102
Profit and loss account		<u>(738,790)</u>	<u>64,142</u>
Total equity		<u><u>(738,688)</u></u>	<u><u>64,244</u></u>

For the financial period ending 31 October 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

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

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 and Directors' Report has been taken.

The notes on pages 4 to 10 form an integral part of these financial statements.

5th Generation Limited
(Registration number: 09651157)
Balance Sheet as at 31 October 2017

Approved and authorised by the director on 27 November 2017

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Mr David Cassidy

Director

The notes on pages 4 to 10 form an integral part of these financial statements.
Page 3

5th Generation Limited

Notes to the Financial Statements for the Period from 1 December 2016 to 31 October 2017

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:

Ivy Business Centre
Crown Street
Failsworth
Manchester
M35 9BG

These financial statements were authorised for issue by the director on 27 November 2017.

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 - '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.

Summary of disclosure exemptions

The accounts do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Going concern

At the balance sheet date, the Company has a net current liability position of £809,126 and a net liability position of £738,688. On 1 November 2017 the creditors of the Company approved a Company Voluntary Arrangement (CVA). As a result of this arrangement, a significant proportion of the amounts payable to creditors was eliminated. The Directors have prepared working capital forecasts which cover the next 12 months. Based on the forecasts the directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing 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.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

5th Generation Limited

Notes to the Financial Statements for the Period from 1 December 2016 to 31 October 2017

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 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, as follows:

Asset class	Depreciation method and rate
Plant and machinery	20% Straight line
Motor vehicles	20% Straight line
Furniture, fixtures and equipment	33% Straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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 receivables.

5th Generation Limited

Notes to the Financial Statements for the Period from 1 December 2016 to 31 October 2017

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) 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.

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 subsequently measured at amortised cost using the effective interest method.

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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

5th Generation Limited

Notes to the Financial Statements for the Period from 1 December 2016 to 31 October 2017

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including the director) during the period, was 12 (2016 - 7).

4 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
Additions acquired separately	587	587
Disposals	(587)	(587)
At 31 October 2017	-	-
Amortisation		
At 1 December 2016	7	7
Amortisation eliminated on disposals	(7)	(7)
At 31 October 2017	-	-
Carrying amount		
At 31 October 2017	-	-
At 30 November 2016	580	580

5th Generation Limited

Notes to the Financial Statements for the Period from 1 December 2016 to 31 October 2017

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 December 2016	4,136	67,563	-	71,699
Additions	4,712	111,154	10,801	126,667
At 31 October 2017	8,848	178,717	10,801	198,366
Depreciation				
At 1 December 2016	600	7,393	-	7,993
Charge for the period	2,131	24,868	1,355	28,354
At 31 October 2017	2,731	32,261	1,355	36,347
Carrying amount				
At 31 October 2017	6,117	146,456	9,446	162,019
At 30 November 2016	3,536	60,170	-	63,706

6 Stocks

	2017 £	2016 £
Work in progress	50,000	83,951

7 Debtors

	2017 £	2016 £
Trade debtors	514,961	407,694
Prepayments	-	1,554
Other debtors	5,267	25,524
	520,228	434,772

5th Generation Limited

Notes to the Financial Statements for the Period from 1 December 2016 to 31 October 2017

8 Creditors

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	508,981	112,883
Trade creditors		676,473	204,727
Taxation and social security		198,413	73,515
Other creditors		<u>3,250</u>	<u>92,546</u>
		<u>1,387,117</u>	<u>483,671</u>
Due after one year			
Loans and borrowings	<u>10</u>	<u>91,581</u>	<u>32,658</u>

9 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	102	102	102	102

10 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Finance lease liabilities	<u>91,581</u>	<u>32,658</u>
Current loans and borrowings		
Finance lease liabilities	49,074	16,142
Invoice discounting loan	<u>459,907</u>	<u>96,741</u>
	<u>508,981</u>	<u>112,883</u>

Invoice discounting loan relates to short term trade finance facilities which are repayable in 90 days. The loan is secured by a fixed and floating charge over the company's assets.

Finance leases relate to the purchase of plant and machinery and/or motor vehicles through hire purchase agreements. The loans are secured by a fixed charge over the asset to which they relate.

5th Generation Limited

Notes to the Financial Statements for the Period from 1 December 2016 to 31 October 2017

11 Non adjusting events after the financial period

On 1 November 2017 the creditors of the Company approved a Company Voluntary Arrangement (CVA), which released the Company of some of its debt obligations which the directors estimate will be in the region of £550,000, subject to the Company's continued compliance with the CVA.

Page 10

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.