

Gentec Energy Ltd
Financial statements
Year ended 31 March 2024

Registered number: 03236581

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Gentec Energy Ltd
Company Information

Directors
Mrs A Khilnani

Company secretary
Numair Khan

Company Number
3236581

Registered office
4th Floor
One Kingdom Street
Paddington
London
W2 6BD

Independent auditor
Kingsley Brackmann Partnership
Chartered Certified Accountants & Statutory Auditors
64 Woodcock Hill
Kenton, Middx
HA3 0JF

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Strategic report

Business model

The Company delivers competent execution of complex power generation projects involving design and engineering, supply of plant and equipment and project management

The scope of these activities is on a worldwide basis with a focus on Sub Saharan Africa and the Company has established capabilities to deliver these services in a number of operating locations around the world by establishing strategic alliances.

Review of business and future developments

During the year, the company reorganised its core spare parts business to strategically align itself with the adaptability of the growing needs of the business by no longer holding inventory for sale, but to purchase goods based on sales orders. It successfully managed to secure significant sales orders for spares and equipment with its core customer base in Nigeria deriving to an increase in revenue to £1,861,850 (2023 - £1,038,024). The company anticipates more such orders from its customers in the ensuing financial year.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy is subject to a number of risks. The key business risks affecting the Company are set out below.

The foreign exchange markets remain volatile and we have seen significant shifts in the exchange rate during the year with the US dollar and Nigerian naira. However, the policy of the Company is to substantially mitigate this risk by purchasing and selling in the same currency and selective use of foreign exchange options where these are considered appropriate.

Financial risk management

The Company is exposed to a variety of financial risks that include credit risk, liquidity risk, compliance risk, foreign exchange risk and technology risk. These risks are managed jointly by the directors and the Company finance department.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company also monitors on a regular basis the overall credit afforded to customers. Bank deposits are held in interest bearing accounts at a large UK banking institution and are not invested in risky or illiquid investments.

The company has material receivable balances owed to it from related parties. The directors have assessed these balances and consider them to be recoverable, however, the payment of these balances is linked to successful completion of certain milestone targets.

Liquidity risk

The directors regularly review the Company's financial position through a robust and accurate ERP system to ensure that there are sufficient funds available to continue in operational existence and to meet liabilities as and when they fall due.

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Strategic report

Compliance risk

The Company maintains the highest standards of compliance for UKBA and all applicable laws, statutes, regulations, and codes including FCPA. There have been no breaches during the year.

Foreign exchange risk

As described above, the Company purchases and sells its products and services in US dollars and Nigerian naira. The main exposure to currency risk is the goods and services purchased in the UK or Europe which are then sold on in dollars or naira. Foreign exchange risk is mitigated by maintaining balances in local currencies wherever possible and only translating balances when rates are favourable.

Technology risk

The Company is exposed to technology risk inherent to the business due to new technologies used in the power plant installation in harsh environment conditions through EPC. New technologies are complex in nature and may not work as planned and, as a result, additional costs (in addition to excessive downtime) could seriously affect the profitability of the EPC. The Company has good project management processes in place and the EPC project is closely monitored with installation carefully checked at each stage. Any installation problem is quickly communicated to management and a solution is sought in good time.

Financial key performance indicators

The key performance indicators used by the Company to monitor performance and run the business are as follows:

1. Gross profit margin.
2. Order book for new customers and existing customer expansion.

These key performance indicators are monitored regularly by management and actions taken where performance requires improvement to maximise the opportunities for the business.

This report was approved by the board on 23 December 2024 and signed on its behalf by:



Mrs A Khilani
Director

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Directors' report

The director presents the report and the audited financial statements for the year ended 31 March 2024.

Directors

The director who served during the year were:

Mrs Asha Khilnani

Results and dividends

The profit for the year, after taxation amounted to £240,744 (2023: loss £170,871).

The directors did not recommend any dividend payment during the year (2023: NIL).

Charitable donations

Charitable donations made during the year amounted to £500 (2023: £500).

Directors' responsibilities statement

The directors are responsible for preparing the Company strategic report, 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 the International Financial Reporting Standards (IFRS). Under the 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 the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Directors' report

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- that directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

In accordance with section 485 of the Companies Act 2006, Kingsley Brackmann Partnership will be proposed for reappointed as auditors.

This report was approved by the board on 23 December 2024 and signed on its behalf by:



Mrs A. Khilnani
Director

Gentec Energy Ltd
Financial statements
For the year ended 31 March 2024
Independent Auditors Report to the Members of Gentec Energy Ltd

Opinion

We have audited the financial statements of Gentec Energy Ltd for the year ended 31 March 2024 which comprise the Company statement of financial position, Company statement of changes in equity, Company statement of cash flows and the related notes. 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 31 March 2024 and of the Company's loss 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 of 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 Auditors' 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 relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 directors are responsible for other information. The other information comprises the information in the Strategic Report and the Report of Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 the fact. We have nothing to report in this regard.

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Independent Auditors Report to the Members of Gentec Energy Ltd

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Strategic Report or the Report of the Directors.

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

Respective responsibilities of directors

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 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.

Auditors' 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 a Report of the Auditors 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.

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Independent Auditors Report to the Members of Gertec Energy Ltd

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

- the nature of the industry and sector, control environment and business performance including the company's remuneration policies, key drivers for directors remuneration, bonus levels and performance targets.
- results of the enquiries of management about their own identification and assessment of risks and irregularities.
- any matters we have identified having obtained and reviewed the company's documentation of their policies.
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non compliance.
- detecting and responding to risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks the company operates in, focusing on provisions of those laws and regulations that had a direct effect in determining of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

Audit response to risks and fraud

Our procedures to respond to risks identified include the following:

- receiving the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having direct effect on the financial statements.
- enquiring of management concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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Independent Auditors Report to the Members of Gentec Energy Ltd

We have communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that occur. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs(UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. The description forms part of our Report of the Auditors.

Use of the 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 a Report of the Auditors 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.


Mohanpal Singh Bharj
Senior Statutory Auditor
Kingsley Brackmann Partnership
Chartered Certified Accountants
Harrow, Middlesex HA3 0JF

Date: 23 December 2024

Gentec Energy Ltd
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Statement of comprehensive Income
For the year ended 31 March 2024

	Notes	2024 £	2023 £
Continuing operations			
Revenue	15	1,861,850	1,038,024
Cost of sales		(743,117)	(332,620)
Gross profit		1,118,733	705,403
Administrative expenses		(876,472)	(418,142)
		242,261	318,086
Other operating income	20	872,445	0
Operating profit		1,114,706	318,086
Finance costs	21	(73,505)	(46,690)
Interest received		61,717	30,824
Vendor finance loan interest receivable		412,832	0
Gain on sale of assets		0	1,110,341
Exceptional items		(1,312,684)	0
Vendor finance loan write off	6	0	(1,345,692)
Exchange gains (losses)		37,441	(218,954)
Profit / (loss) before tax		240,507	(152,085)
Tax (expense) / refund	22	267	12,038
Profit/(loss) after taxation		240,774	(170,871)
Profit/(loss) for the year		240,774	(170,871)

Gentec Energy Ltd**Financial statements****Statement of financial position as at 31 March 2024**

	Notes	2024 £	2023 £
Assets			
Non-current			
Property, plant and equipment	3	4,794	7,155
Non-current assets		4,794	7,155
Current			
Inventories	4	7,196	93,112
Trade and other receivables	5	16,643,176	18,011,567
Cash and cash equivalents	6	2,066,514	880,200
Current assets		18,716,885	18,984,879
Total assets		18,721,679	18,992,034
Equity and liabilities			
Equity			
Share capital	7	56,373	56,373
Share premium	8	904,574	904,574
Retained earnings	9	7,789,499	7,548,725
Total equity		8,750,447	8,509,673
Liabilities			
Deferred tax liabilities	10	894	1,162
Provisions	11	160,327	286,590
Non-current liabilities		161,221	287,752
Trade and other payables	12	9,810,011	10,194,609
Current tax liabilities		0	0
Current liabilities		9,810,011	10,194,609
Total liabilities		9,971,232	10,482,362
Total equity and liabilities		18,721,679	18,992,034



Mrs A Khilnani
Director

Date: 23 December 2024

Gentec Energy Ltd
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Statement of changes in equity as at 31 March 2024

	Share capital	Share premium	Revaluation reserve	Retained earnings
	£	£	£	£
Balance at 1 April 2022	56,373	904,574	964,839	7,719,596
Profit (loss) for the year				(170,871)
Transfer on disposal of property			(964,839)	
Balance at 31 March 2023	56,373	904,574	-	7,548,725
Profit (loss) for the year				240,774
Balance at 31 March 2024	56,373	904,574	-	7,789,499

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 Company statement of cash flows

	2024	2023
	£	£
Profit (loss) before tax	240,507	(182,909)
Adjustments for		
loss (profit) on disposal of assets	-	(1,110,341)
Tax adjustment	267	
Depreciation of property, plant & equipment	2,361	4,023
Operating cash flow before movements in working capital	243,135	(1,289,227)
(Increase) / decrease in inventories	85,917	40,666
(Increase) / decrease in receivables	1,368,391	3,098,699
Increase / (decrease) in payables	(511,129)	(3,654,442)
Cash flow (used in) / from operations	1,186,313	(1,804,304)
Tax refund / (paid)	-	-
Net cash (used in) / from operating activities	1,186,313	(1,804,304)
Investing activities		
Sale proceeds	-	1,838,124
Net cash from / (used in) investing activities	-	1,838,124
Financing activities		
Dividends paid	-	-
Net cash used in financing activities	-	-
Net change in cash and cash equivalents	1,186,313	33,820
Cash and cash equivalents, beginning of year	880,200	846,381
Cash and cash equivalents, end of year	2,066,514	880,200

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Notes to the accounts

1 General information

Gentec Energy Ltd is a private company limited by shares, incorporated in the UK and registered in England and Wales, has no parent company as the majority shareholding is held by Asha Khilnani. Its registered office and principal place of business is 4th Floor, One Kingdom Street, Paddington, London W2 6BD, United Kingdom.

2 Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting

Going concern

The directors consider the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cause significant doubt about the ability of the Company to continue as a going concern.

The going concern basis assumes that the company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business.

Judgements and estimates

The Company makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Recoverability of related party balances

A significant degree of judgement is applied by management when considering whether a related party debtor is recoverable or not. The following factors are taken into account when considering whether a debtor is impaired:

- payment history of the specific customer with the Company;
- indications of financial difficulties of the specific customer through review of their financial position and performance;
- discussion with the management of the counter party and
- general economic conditions.

Management considers all related party balances to be recoverable.

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Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue generated from the sale of equipment is recognised on the date of the supply when goods are shipped to the customer.

Rendering of services

Revenue generated from design and engineering services and project management is recognised at the point when the service is provided to the customer at a fair value.

EPC contracts

For EPC contracts, where the outcome of the transaction cannot be estimated reliably, revenue is only recognised to the extent of the expenses recognised that are recoverable.

Ongoing disputes and litigation

At the balance sheet date there is on-going litigation in respect of trade debtor and the director has after consideration and seeking legal advice concluded to make an appropriate provision for the non recoverability of the debt.

Tangible assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at the following annual rates in order to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives.

Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised through the profit and loss account.

Impairment of non-financial assets

At each reporting date, non-financial assets that are not carried at fair value are assessed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately through the profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset, is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately through the profit and loss.

Inventories

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the commercial arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

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Financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

For the purpose of subsequent measurement financial assets have been classified as loans and receivables upon initial recognition.

Financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade receivables and other receivable fall into this category of financial instrument.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Companies, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

The Company's financial liabilities include borrowings, trade payables and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Inter-company and related entity loans and trading which are due on demand and are initially recognised at fair value and are subsequently recognised at the amount due/payable on an amortised cost basis.

Trade and other debtors

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

Trade and other creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs and subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

readily convertible to known amounts of cash. Cash equivalents are short term with an original maturity of less than 3 months.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Where the Company is a lessee, payments made under an operating lease agreement are recognised as an expense on a straight-line basis over the lease term.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

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Provisions and contingent liabilities

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Where the time value of money is material provisions are discounted to their present values, using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the liability.

Any reimbursement that is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Holiday pay

A provision for annual leave accrued by employees as a result of services rendered, and which employees are entitled to carry forward and use within the next 12 months is recognised in the current period. The provision is measured at the salary cost payable for the period of absence.

Equity, reserves and dividend payments

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity. Transaction costs on the issue of shares are deducted from the share premium account arising on that issue. Dividends on the Company's ordinary shares are recognised directly in equity.

Interim dividends are recognised when they are paid. A liability for unpaid dividends is recognised when the dividends have been approved in a general meeting prior to the reporting date.

Finance income

Finance income is recognised in the period to which it relates.

Borrowing costs

Capitalisation of borrowing costs commences when all of the following conditions are met: the company incurs expenditure for the asset; the company incurs borrowing costs; the company undertakes activities necessary to prepare the asset for intended use or sale.

The capitalisation of borrowing costs ceases when substantially all of the activities necessary to prepare the qualifying asset for intended use or sale are complete or when the active development of an asset are suspended.

All other borrowing costs are expensed in the profit and loss account in the period in which they are incurred.

Foreign currencies

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair values are measured using the exchange rate when fair values were determined.

Foreign exchange gains and losses resulting from the settlement of a transactions and from translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

The current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively been enacted by the reporting date.

Deferred tax balances are recognised in respect of timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees, under which the company pays a 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

3 Property, plant and equipment

Company	Property and improvement to property	Plant and machinery	Motor vehicles	Office furniture and equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2022	2,050,485	41,090	62,980	92,121	2,246,676
Disposals	(2,050,485)	(41,090)	-	(92,121)	(2,183,696)
At 31 March 2023	-	-	62,980	-	62,980
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2024	-	-	62,980	-	62,980
Depreciation					
At 1 April 2022	342,863	41,090	52,247	90,330	526,530
Charge for the year	-	-	3,578	445	4,023
Disposals	(342,863)	(41,090)	-	(90,775)	(474,728)
At 31 March 2023	-	-	55,825	-	55,825
Charge for the year	-	-	2,361	-	2,361
Disposals	-	-	-	-	-
At 31 March 2024	-	-	58,186	-	58,186
Net book value					
At 31 March 2024	-	-	4,794	-	4,794
At 31 March 2023	-	-	7,155	-	7,155

4 Inventories

	2024	2023
	£	£
Finished goods and consumables	7,196	93,112

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5 Trade and other receivables

Trade and other receivables consist of the following:

	2024	2023
	£	£
Trade receivables	6,683	1,415,932
Other receivables and prepayments	160,696	98,553
Vendor finance loan	4,758,433	4,743,048
Amounts due from related parties	11,717,364	11,754,034
Total receivables	16,643,176	18,011,567

The vendor finance loan bears an interest rate of 9.5% and is guaranteed by Ebedei Holdings Ltd and secured by a debenture on the assets of Power Gas Ebedei Ltd (Nigeria). The vendor finance agreement was novated from Natural Gas Technologies Ltd to Gentec Energy Ltd and following negotiations during the year, on 8 November 2023. On 23 November, 2024 the vendor finance loan was novated from Power Gas Ebedei Ltd to Ebedei Holding Ltd effective from 1 January 2023.

The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

Please see note 25 for details of related party transactions.

The age analysis of trade receivables is as stated here-under. The Company believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2024	2023
	£	£
Up to 3 months overdue	-	-
3 to 6 months overdue	-	-
Over 6 months	6,683	1,415,932
	6,683	1,415,932

6 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2024	2023
	£	£
Cash at bank and in hand	2,066,514	880,200

Barclays Bank Plc has a fixed charge over the company for an aggregate principle sum of \$125,403 and all interest, fees, commission charges and expenses which have accrued at any time during the security period dated 31 May 2023. The charge was fully satisfied post year end.

7 Share capital

The share capital of Gentec Energy Ltd consists only of fully paid ordinary shares with a nominal (par) value of £1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings.

	2024	2023	2024	2023
	No.	No.	£	£
Shares issued and fully paid:				
At the beginning of the year	56,373	56,373	56,373	56,373
At the end of the year	56,373	56,373	56,373	56,373

8 Share Premium

Share premium is the excess paid for share capital over and above the par value of the £1 shares.

9 Retained reserves

The profit and loss reserve records retained earnings and accumulated losses.

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10 Deferred tax liabilities

Deferred taxes arising from temporary differences are summarised as follows:

	2024	2023
	£	£
Non-current liabilities	894	1,162
	<u>894</u>	<u>1,162</u>

11 Provisions

All provisions are considered non-current. The carrying amounts and the movements in the warranty provision account are as follows:

	2024	2023
	£	£
Carrying amount brought forward	286,590	726,749
Amounts released in the year	(126,263)	(440,159)
Carrying amount carried forward	<u>160,327</u>	<u>286,590</u>

Over recent years the Company has provided on an annual basis a percentage of contract values as a provision against liabilities on contract execution. These commitments are up to a period of 24 months post shipment and are based on management's best estimate of the expected fault rate. Given the relatively early stage of the business, there is insufficient historic data to reliably estimate the fault rate percentage for the warranty provision. It is management's best estimate at 31 March 2024 this should be 5% (2023 – 5%), management will monitor this on a regular basis and revise the warranty provision accordingly.

12 Trade and other payables

Trade and other payables consist of the following:

	2024	2023
	£	£
Trade payables	1,793,028	2,206,797
Other payables	62,348	95,203
Accruals and deferred income	793,023	827,367
Related parties	7,161,612	7,065,242
	<u>9,810,011</u>	<u>10,194,609</u>

The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

Categories of financial liabilities: All financial liabilities are deemed other liabilities and measured at amortised cost.

Please see note 25 for details of related party transactions.

13 Financial instruments

Risk management

As well as short-term trade receivables, accrued income, trade payables and accruals, as detailed in the notes that arise directly from operations, the Company's financial instruments comprise cash and bank borrowings and payables. The fair values of these instruments are not materially different to their book values. The objective of holding financial instruments is to raise finance for the Company's operations and manage related risks. The Company's activities expose the Company to a number of risks including interest rate risk, credit risk and liquidity risk. The Company manages these risks by regularly monitoring the business and providing ongoing forecasts of the impact on the business.

Liquidity risk

The Company closely monitors its bank financing and other credit facilities in comparison to its outstanding commitments to ensure it has sufficient funds to meet its obligations as they fall due. The Company finance function produces regular forecasts that estimate the cash inflows and outflows for the next 12 months, so that management can ensure that sufficient financing is in place as it is required. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

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Interest rate risk

The Company's interest rate exposure arises mainly from its interest-bearing borrowings. Contractual agreements entered into at floating rates expose the Company to cash flow risk, while fixed-rate borrowings expose the Company to fair value risk.

The Company regularly reviews its funding arrangements to ensure they are competitive with the marketplace.

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

Interest rate sensitivity

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 March 2024, the Company had no borrowings with fixed or floating rates.

Capital risk management

The Company's objectives when managing capital (i.e. equity and borrowings) are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Foreign currency risk

The Company's policy is not to use forward contracts and therefore none were outstanding at the year end (2023: £nil). The Company has no foreign currency exposures at 31 March 2024 or 31 March 2023 so no numerical disclosures have been provided.

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in this note. The main types of risks are market risk, credit risk and liquidity risk.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

14 Segmental disclosure

	2024	2023
	£	£
Africa / Middle East	1,861,850	1,038,024
Europe	-	0
<u>Less discontinued operations</u>	<u>1,861,850</u>	<u>1,038,024</u>
<u>Revenue from continuing activities</u>	<u>1,861,850</u>	<u>1,038,024</u>

15 Operating profit

	2024	2023
	£	£
Operating profit is stated after charging		
Depreciation of property plant and equipment	2,361	4,023
<u>Auditors remuneration</u>	<u>6,000</u>	<u>6,000</u>
	<u>8,361</u>	<u>10,023</u>

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16 Employee benefits expense

Expenses Recognised for employee benefits are analysed below:

	2024	2023
	£	£
Wages, salaries	190,532	187,905
Social security costs	27,660	29,259
Pensions – defined contribution plans	2,712	2,751
	<u>220,904</u>	<u>219,915</u>

17 Employee numbers

The average monthly number of employees, including the directors, during the year was as follows:

	2024	2023
	No.	No.
Admin and management	4	5
	<u>4</u>	<u>5</u>

18 Directors remuneration

	2024	2023
	£	£
Remuneration	59,400	59,400
Pensions – defined contribution plans	12,000	(155,100)
	<u>71,400</u>	<u>(95,700)</u>

19 Other operating income

	2024	2023
	£	£
Commission receivable	872,445	0
	<u>872,445</u>	<u>-</u>

20 Finance costs and finance income

Finance costs for the reporting periods consist of the following:

	2024	2023
	£	£
Interest Expenses	(73,505)	(46,690)
Finance cost	(73,505)	(46,690)
Gross interest received	61,717	30,824
	<u>61,717</u>	<u>30,824</u>

21 Tax expense

	2024	2023
	£	£
Tax expense on continuing activities comprises:		
Current tax expense	-	-
Deferred tax expense	-	1,038
Prior year adjustment	-	11,000
	<u>-</u>	<u>12,038</u>
Effects of:		
Expenses not deductible for tax purposes	-	0
Actual tax expense/(income)	<u>-</u>	<u>12,038</u>

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22 Transactions with key management personnel

Key management of the Company are the executive members of Gentec Energy Ltd is board of directors. Key management personnel remuneration is considered to be the same as Directors remuneration and is disclosed above.

At the year end the director were owed £55,053.52 (2023 - £63,187).

23 Contingent liabilities

There were no contingent liabilities as at 31 March 2024.

24 Ultimate controlling party

The director Mrs Asha Khilnani is the beneficial owner of 51% of the share capital of the entity.

25 Related party

The Company's related parties include its subsidiaries, companies under common ownership and key management, as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

At the balance sheet date, the Company had the following balances owed to/from related parties. These entities are considered to be related parties due to beneficial ownership.

The following are related parties:

Related party	Relationship to company
Clean Energy SA	49% shareholder of the company
CE Power Solutions Limited	Clean Energy SA group entity
Clean Energy Holdings Limited	Clean Energy SA group entity
Ebedei Holdings Ltd	Clean Energy SA group entity
Gentec Energy Nigeria Limited	Clean Energy SA group entity
Gentec EPC (India) Pvt Limited	Clean Energy SA group entity
Power Gas Delta Innovations Limited	Clean Energy SA group entity
Power Gas Global Investments Nigeria Limited	Clean Energy SA group entity
Powergas Africa Limited	Clean Energy SA group entity
Power Gas Ebedei Limited	Clean Energy SA group entity
Saventrix Hybrid Limited	50 % shareholder Asha Khilnani
Saventrix Hybrid Nigeria Limited	100% subsidiary of Saventrix Hybrid Ltd

25.1 Related party transactions

Related companies	Sales 2024 £	Purchase 2024 £	Sales 2023 £	Purchases 2023 £
CE Power Solutions Ltd	119,224		68,782	
Clean Energy Holdings Ltd		147,750	65,420	272,000
Ebedei Holdings Limited			8,970	
Gentec Energy Nigeria Limited	136,219		222,442	
Power Gas Delta Innovations Limited	7,410		17,155	
Powergas Africa Limited		254,000	66,220	
Power Gas Global Investments Nigeria Limited	1,593,648		20,074	
Saventrix Hybrid Limited	3,393		10,842	
Saventrix Hybrid Nigeria Limited	1,956			
Total	1,861,850	401,750	479,905	272,000

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25.2 Related party balances

Related companies	Balance owed from 2024 £	Balance owed to 2024 £	Balance owed from 2023 £	Balance owed to 2023 £
CE Power Solutions Limited	78,674		57,098	
Clean Energy SA		(5,517,262)		(5,117,261)
Clean Energy Holdings Limited	9,271,921		8,424,177	
Ebedei Holdings Ltd	43,260		43,260	
Gentec Energy Nigeria Limited		(137,422)	46,236	(114,020)
Gentec EPC (India) Pvt Limited		(1,506,928)		(1,833,962)
Power Gas Delta Innovations Limited			135,061	
Power Gas Global Investments Nigeria Limited			79,153	
Powergas Africa Limited	2,244,947		2,915,635	
Power Gas Ebedei Limited	6,289		2,610	
Soventrix Hybrid Limited	55,177		35,664	
Soventrix Hybrid Nigeria Limited	17,095		15,139	
Total	11,717,364	(7,161,612)	11,754,034	(7,065,242)

26 Exceptional item

Exceptional item relates to bad debt provision in respect of a trade debtor, the company has been in litigation over the last 11 years and the director is of the opinion that there is a remote probability of recovering the debt.