

Company registration number 06542483 (England and Wales)

SUN GENERATION LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

SUN GENERATION LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 7

SUN GENERATION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	\$US	\$US
Fixed assets			
Intangible assets	4	17,221	16,947
Investments	5	1,623,288	1,623,288
		<u>1,640,509</u>	<u>1,640,235</u>
Current assets			
Debtors falling due after more than one year	6	504,541	-
Debtors falling due within one year	6	553,721	2,690,575
Cash at bank and in hand		8,555	110,436
		<u>1,066,817</u>	<u>2,801,011</u>
Creditors: amounts falling due within one year	7	<u>(3,803,843)</u>	<u>(5,502,431)</u>
Net current liabilities		<u>(2,737,026)</u>	<u>(2,701,420)</u>
Net liabilities		<u>(1,096,517)</u>	<u>(1,061,185)</u>
Capital and reserves			
Called up share capital	8	1,462	1,462
Profit and loss reserves		<u>(1,097,979)</u>	<u>(1,062,647)</u>
Total equity		<u>(1,096,517)</u>	<u>(1,061,185)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 July 2023 and are signed on its behalf by:

Mr D Morkotonov
Director

Company Registration No. 06542483

SUN GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Sun Generation Limited is a private company limited by shares incorporated in England and Wales. The registered office is Market House, 10 Market Walk, Saffron Walden, Essex, CB10 1JZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in US Dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$US.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

During the year, the difficult political and economic conditions affecting Ukraine, which constitutes the company's major market, have continued to depress the company's business, though growth continues to be seen in the Polish market, where the company's subsidiary, SG Poland Sp z o.o operates. Most sales are now being carried out through this Polish subsidiary company, and as a result, reported turnover has decreased significantly in the year, compared to prior periods. This change has had relatively limited impacts on the company's operating performance. As a result of previous investment write offs that have been reported, the company's Balance Sheet continues to show a large deficit.

Despite the above noted factors, good relationships continue to be maintained with the company's key suppliers, and taking this into account, plus noting the level of cash available to the business, the directors are confident that the company remains, and will remain, a going concern for the foreseeable future, despite the current Balance Sheet position. Accordingly, the accounts are prepared on the going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

SUN GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks	20% per annum straight line
------------	-----------------------------

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SUN GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, and loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

SUN GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Foreign exchange

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of the transaction. Exchange rate differences are taken into account in arriving at the operating profit.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	1	1

4 Intangible fixed assets

	Other \$US
Cost	
At 1 January 2022	1,242,555
Additions	6,307
At 31 December 2022	1,248,862
Amortisation and impairment	
At 1 January 2022	1,225,608
Amortisation charged for the year	6,033
At 31 December 2022	1,231,641
Carrying amount	
At 31 December 2022	17,221
At 31 December 2021	16,947

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

- 6 -

SUN GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Related party transactions (Continued)

	Sales 2022 \$US	Sales 2021 \$US	Purchases 2022 \$US	Purchases 2021 \$US
Entities over which the entity has control, joint control or significant influence	-	1,171,384	-	24,707

During the year, the company made sales amounting to \$nil (2021: \$1,113,975) to its subsidiary company, SG Poland Sp z.o.o. At 31 December 2022, there was a balance outstanding of \$78,133 (2021: balance of \$124,723).

In addition, the company also made sales amounting to \$nil (2021: \$57,408) to its other subsidiary company, Sun Generation (UK) Limited. At 31 December 2022, a balance of \$57,181 remained outstanding.

The company also made purchases from SG Poland Sp z.o.o. amounting to \$nil (2021: \$24,707). At 31 December 2022, there was a balance outstanding of \$24,707 (2021: \$24,707).

	2022 \$US	2021 \$US
--	--------------	--------------

Amounts due from related parties

Entities over which the entity has control, joint control or significant influence	899,541	231,000
--	---------	---------

During the year, the company continued to advance loans totalling to Sun Generation (UK) Limited, a subsidiary company. These loans were advanced on an interest-free basis and are repayable subject to one months notice. The balance outstanding as at 31 December 2022 amounted to \$395,000 (2021: \$231,000).

In addition, during the year, the rights to collection of a debt due to the company were assigned to SG Poland SP z.o.o., and as a result, a balance is now due from this company to Sun Generation Limited. The balance assigned amounted to \$504,541, and this amount currently remains outstanding. Under the terms of the agreement, this balance must be paid within three years of the date of assignment being 1 April 2025. As a result, this balance is shown within debtors due after more than one year.

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.