

Registered number: 03016796

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**GENERATION PHOENIX LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2025**

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**GENERATION PHOENIX LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P Deninger – Chairman A Sharkawy J P Kennedy - Chief Executive
<b>Company secretary</b>	M Harvey
<b>Registered number</b>	03016796
<b>Registered office</b>	Unit 1, Forli Strada Alwalton Hill Peterborough PE7 3HH
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 101 Cambridge Science Park Milton Road Cambridge CB4 0FY
<b>Bankers</b>	HSBC Bank Plc 8 Canada Square London E15 5HQ United Kingdom

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**GENERATION PHOENIX LIMITED**

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## GENERATION PHOENIX LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2025

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#### Principal activities

The principal activities of the Group and the Company are the development, manufacture and sale of premium high performance sustainable materials. All products are designed using recycled materials and produced using a large scale, efficient patented process which delivers very high performing materials that enables our customers to achieve their environmental goals. In a rapidly evolving landscape for increasingly sustainable materials, Generation Phoenix Limited ("Gen Phoenix") has earned an unparalleled reputation for delivering consistently high-quality materials at scale. Gen Phoenix offers class-leading sustainable solutions for the following markets:

Aviation, rail and bus seating;  
Footwear;  
Luxury leather goods;  
Consumer Electronics;  
Public spaces seating;  
Commercial and domestic furniture upholstery; and  
Automotive seating and interiors.

The Group includes a subsidiary located in the USA.

#### Business review

Gen Phoenix leverages a revolutionary, patented circular process to rescue leather offcuts destined for landfill and regenerates them into a premium recycled leather material coveted by the world's most iconic brands in fashion, footwear and transportation for its beauty and durability. The company's groundbreaking technology innovation breaks waste textiles down to the fibre level and then leverages the power of recycled water to build them back up stronger than before, resulting in a premium and durable recycled material.

During the year:

- Revenue from our core markets of Aviation, Rail and Bus dropped by £5.1m. The decrease was caused partly by large customers accelerating refurbishment programmes in the previous financial year, together with a slow down in the supply of aircraft to our airline customers from both Boeing and Airbus.
- Working in close partnership with leading brands, Gen Phoenix made great strides in developing class leading materials to meet the demanding technical requirements in the footwear and luxury leather goods markets and that these materials generated revenue of £0.5m during the year-ended April 2025 with an encouraging future pipeline.
- We continued to invest in people and process capability at our state-of-the-art factory which provides significantly greater flexibility to extend our technology platform to address a wider range of sustainable input materials.

The loss after tax for the year end 30 April 2025 was £15,246,108.

#### Underlying Business Performance

Gen Phoenix's reputation for producing durable, high-performing recycled materials to the aviation, rail and bus industries ensures that we retain existing relationships and win new customers throughout the economic cycle. The gross profit was £4,455,981 (2024: £7,194,145) and the operating loss was £14,406,726 (2024: £9,973,753). Gross margin declined by 6% primarily due to lower volumes. The Company also made a conscious decision to recruit and train additional direct labour in anticipation of the scale up of our consumer revenue that is anticipated in the year ended April 2026. The Directors made the conscious decision to invest into research and development as well as commercial teams in order to take advantage of the market opportunity. This investment into the business, combined with the reduction in gross margin resulted in the net cash consumed by operating activities increasing to £9,467,310 compared to £2,767,318 in the prior year.

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## GENERATION PHOENIX LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2025

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During the year ended 30 April 2025 the Group continued to invest in research and development of new products for existing and new markets.

#### **Strategy and sustainability**

We are witnessing a watershed as end-consumers and conscientious brands reject greenwashing and insist on high quality and auditable ESG data, including carbon emissions and water usage. This changing dynamic has increased our momentum as brands have identified that Gen Phoenix will be a key enabler to support their consumer-driven and ambitious carbon reduction goals. As a result, during the year ended April 2025 saw Gen Phoenix continue to transition from hundred million dollar to billion dollar markets, dramatically increasing the potential for positive impact.

*Our mission is to become the leading supplier of premium sustainable materials as an alternative to traditional leather. Our strategy is to commercialise at scale leather-alternative materials that are better for the planet, perform without compromise, and are at a price point that allows adoption at scale. We have been supplying recycled leather at scale into aviation, rail and bus markets for more than 15 years, and more recently have successfully expanded this into footwear, luxury leather-goods, consumer electronics and automotive interiors. We work closely with our customers to bring real-world solutions that enable them to deliver on their environmental goals of carbon reduction, circularity and reduced virgin plastic without compromising the offering to their customers. Delivering solutions at scale is essential in order to have a meaningful impact, and we are uniquely positioned to offer this.*

While Gen Phoenix's focus today is on manufacturing a premium, durable recycled leather at scale our innovative patented technology process is adaptable to a wide variety of inputs, including plant-based materials and post-consumer / post industrial leather and textile waste. We are uniquely positioned to be a leading material supplier to the new circular economy, helping brands to close this loop and bring new sustainable materials to market.

The Group has been at the forefront of producing sustainable materials for over 15 years and is delighted that in recent years consumer demand has led to significantly increased interest in our technology platform from our target markets. As our core product is made from waste leather that would otherwise go to landfill we are extremely proud of the fact that up to 77% our product is recycled.

We are proud of the third-party verifications we have received as we recognise the importance of providing confidence to our customers. The group maintains accreditations for ISO 14001, Recycled Content Standard ("RCS") and the Global Recycling Standard ("GRS"). Our sustainability data is verified, transparent and honest. Our approach is to work with our customers to understand their reporting needs and to provide data and evidence to inform and support the claims they can make. During the year-ended April 2025 we invested further into a comprehensive Life Cycle Inventory for each product that enables us to provide a Life Cycle Analyses for our customers that can be tailored to reflect their policies and requirements.

#### **Financial key performance indicators**

The business uses the following key performance indicators to manage its business:

KPI	2025	2024
Revenue growth %	(20%)	38%
Gross Margin % excl. depn	21%	27%
Average stock days	80	72
Average debtor days	40	33

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## GENERATION PHOENIX LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2025

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#### Principal risks and uncertainties

##### Overview

The Group is developing new sustainable products, expanding into new markets and trading with customers on a global basis. The Directors consider the principal risks and uncertainties to be:

##### New product risk

The Group continues to develop innovative sustainable materials. The ultimate success of product development and the timelines to completion are unknown. The Group is iterating existing products as well as investigating novel new materials. The Group manages the risk by having a robust product and technology development governance process.

##### New market risk

The Group is providing materials to markets it is well established in as well as new markets and customers. During 2023 the Group attracted investment from partners in our new markets and this has enabled the Group to continue to access their experience. The Group also addresses the risk of understanding new markets by employing people with the requisite experience and knowledge in those markets.

##### Financial risk

The Group uses various financial instruments including loans, cash, equity instruments, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. The main risks arising from the Group's financial instruments are credit, currency and liquidity risk.

##### Credit risk

The Group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from the Group's trade debtors. In order to manage credit-risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

##### Currency risk

The Group is exposed to foreign exchange risk. The Group has sought to manage currency risk by matching as closely as possible the currency that sales are priced in to the currency that costs are incurred in. The Group may also seek to hedge its exposure using forward exchange contracts. The Group had no open forward exchange contracts at either 30 April 2025 or 2024.

##### Liquidity Risk

The Group has built a business capable of providing sustainable products at scale and has been able to secure additional equity to fund this. The Group mitigates liquidity risk by rigorously forecasting its cash forecasts and will raise additional debt or equity when necessary.

This report was approved by the board and signed on its behalf.



**J P Kennedy - Chief Executive**  
Director

Date: 7<sup>th</sup> January 2025

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## GENERATION PHOENIX LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2025

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The directors present their report and the financial statements for the year ended 30 April 2025.

#### Results and dividends

The loss for the year, after taxation, amounted to £15,246,108 (2024: £9,736,351).

The directors do not recommend the payment of a dividend (2024 £Nil).

#### Directors

The directors who served during the year and to the date of this report were:

P Deninger - Chairman  
A Sharkawy  
J P Kennedy -Chief Executive

#### Future developments

The directors anticipate no significant changes in the Group's activities in the foreseeable future.

#### Research and development

The Group has carried out research and development activities during the year, the spend in the year was £3m (2024 £3.1m).

#### Financial risk management

The Group uses various financial instruments including loans, cash, equity investments, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail in note 21. The main risks arising from the Group's financial instruments are credit risk and currency risk.

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report, the consolidated and the company 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

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## GENERATION PHOENIX LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2025

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#### Directors' responsibilities statement (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as the Directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the 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 Company and the Group's auditor is aware of that information.

#### Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in place during the year and remain in force at the date of this report.

#### Going concern

The Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis. The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due. The company and group expect to continue to incur trading losses and consume cash due to the decision to invest in new innovative sustainable materials, the period of time to scale with large global customers and the ongoing investment in our world class manufacturing facilities.

The Directors have considered the future cash needs of the business for the period of at least 12 months from the date of approval of the financial statements. This cash flow assessment considers the extent and pace of the revenue scale up with our largest customers, the current cost base, the costs associated with scaling the business and the requirement to repay the current debt. The Company is currently in breach of a debt covenant by not filing annual accounts within 180 days after the year end and has legal advice to confirm that this will be remedied by the subsequent filing of these annual accounts. The Board has liaised with the company's controlling shareholder and concluded that it is appropriate to continue to invest heavily into the commercial and technical capabilities of the business in order to take advantage of the significant interest from new and existing large customers in both new and existing end markets.

As a result, the cashflow forecasts indicate that the company and group will require additional funding within the next 12 months to meet its obligations as they fall due and to support the investments being made in developing new products and bringing new products to market.

The Directors are in discussions with new and existing debt providers and equity investors and are very confident that additional funding will be secured. However, as the funding round is not yet committed, there is a material uncertainty related to events or conditions that may cast significant doubt on the parent and group's ability to continue as a going concern. Notwithstanding this uncertainty, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

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**GENERATION PHOENIX LIMITED**

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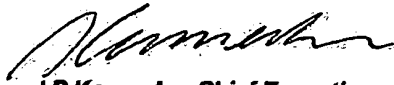
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2025**

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**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**J P Kennedy - Chief Executive  
Director**

Date: *7<sup>th</sup> January 2026*

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERATION PHOENIX LIMITED

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### Opinion

We have audited the financial statements of Generation Phoenix Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2025, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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 group's and of the parent company's affairs as at 30 April 2025 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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.

### Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the group's and parent company's ability to continue to meet their obligations as they fall due and to support the investments being made in developing new products and bringing new products to market for a period of at least 12 months from the date of approval of these financial statements is dependent on the raising of further funding. However, the funding round is not committed at the date of approving the financial statements. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

### Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERATION PHOENIX LIMITED

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### **Other information**

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. 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.

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 there is 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 that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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 is 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERATION PHOENIX LIMITED

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### Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the group and parent company and determined that the most significant are those that relate to the operational environment, the financial reporting framework (FRS102 and Companies Act 2006) and relevant tax compliance regulations.
- We obtained an understanding of how the group and parent company is complying with these legal and regulatory frameworks by making enquiries to management. We have corroborated our enquiries through our review of board minutes;
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement including how fraud might occur. Audit procedures included:
  - Assessing the design and implementation of management's controls designed to prevent and detect irregularities
  - Challenging assumptions and judgements made by management in its evaluation of accounting estimates
  - Identifying and testing those journal entries matching certain risk criteria
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- It is the audit partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations based on understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- We communicated relevant 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

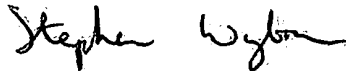
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERATION PHOENIX LIMITED**

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**Use of our 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen J Wyborn**

**Senior Statutory Auditor**

**for and on behalf of Grant Thornton UK LLP**

**Statutory Auditor, Chartered Accountants**

**Cambridge**

**Date** 7/1/2026

**GENERATION PHOENIX LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2025**

	Notes	2025 £	2024 £
Revenue	4	21,219,745	26,553,775
Cost of sales		(16,763,764)	(19,359,630)
<b>Gross profit</b>		<b>4,455,981</b>	<b>7,194,145</b>
Administrative expenses		(19,455,636)	(17,167,898)
Other operating income	5	592,929	-
<b>Operating loss</b>	<b>6</b>	<b>(14,406,726)</b>	<b>(9,973,753)</b>
Interest receivable and similar income	10	177,696	409,911
Interest payable and fair value movements	11	(850,000)	(846,508)
Loss before taxation		(15,079,030)	(10,410,350)
<b>Tax on loss</b>	<b>12</b>	<b>(167,078)</b>	<b>673,999</b>
<b>Loss for the financial year</b>		<b><u>(15,246,108)</u></b>	<b><u>(9,736,351)</u></b>
Currency translation differences		(122,480)	(47,744)
Other comprehensive expense for the year		(122,480)	(47,744)
<b>Total comprehensive loss for the year</b>		<b><u>(15,368,588)</u></b>	<b><u>(9,784,095)</u></b>

There were no recognised gains and losses for 2025 or 2024 other than those included in the consolidated statement of comprehensive income.

The notes on pages 23 to 44 form part of these financial statements.

**GENERATION PHOENIX LIMITED**  
**REGISTERED NUMBER:03016796**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2025**

	Note	2025 £	2025 £	2024 £	2024 £
<b>Fixed assets</b>					
Tangible assets	13		25,628,632		29,935,940
			<u>25,628,632</u>		<u>29,935,940</u>
<b>Current assets</b>					
Stocks	15	3,664,023		3,803,162	
Debtors: amounts falling due within one year	16	7,818,234		8,499,845	
Cash at bank and in hand	17	1,725,804		11,625,676	
			<u>13,208,061</u>		<u>23,928,683</u>
Creditors: amounts falling due within one year	18	(7,389,657)		(7,729,625)	
<b>Net current assets</b>			<u>5,818,404</u>		<u>16,199,058</u>
<b>Total assets less current liabilities</b>			<u>31,447,036</u>		<u>46,134,998</u>
Creditors: amounts falling due after more than one year	19		(10,347,487)		(9,497,487)
<b>Provisions for liabilities</b>					
Provisions	22	(1,543,924)		(2,125,591)	
			<u>(1,543,924)</u>		<u>(2,125,591)</u>
<b>Net assets</b>			<u>19,555,625</u>		<u>34,511,920</u>

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**GENERATION PHOENIX LIMITED**  
**REGISTERED NUMBER:03016796**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 APRIL 2025**

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	Note	2025 £	2024 £
<b>Capital and reserves</b>			
Called up share capital	23	37,800,967	37,800,967
Share premium account	24	55,736,661	55,736,661
Capital redemption reserve	24	466	466
Other reserves	24	378,981	378,981
Retained earnings	24	(74,361,450)	(59,405,155)
		<hr/>	<hr/>
<b>Equity attributable to owners of the parent Company</b>		<b><u>19,555,625</u></b>	<b><u>34,511,920</u></b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*J P Kennedy* 7<sup>th</sup> January 2026

**J P Kennedy - Chief Executive**  
Director

The notes on pages 23 to 44 form part of these financial statements.

**GENERATION PHOENIX LIMITED**  
**REGISTERED NUMBER:03016796**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2025**

	Notes	2025 £	2025 £	2024 £	2024 £
<b>Fixed assets</b>					
Tangible assets	13		25,628,632		29,935,940
<b>Current assets</b>					
Stocks	15	3,636,977		3,729,439	
Debtors: amounts falling due within one year	16	6,940,872		7,312,995	
Cash at bank and in hand	17	1,461,852		11,395,923	
		<u>12,039,701</u>		<u>22,438,357</u>	
Creditors: amounts falling due within one year	18	<u>(7,650,729)</u>		<u>(7,752,060)</u>	
<b>Net current assets</b>					14,686,297
			<u>4,388,972</u>		
<b>Total assets less current liabilities</b>			<u>30,017,604</u>		<u>44,622,237</u>
Creditors: amounts falling due after more than one year	19	(10,347,487)		(9,497,487)	
<b>Provisions for liabilities</b>					
Provisions	22	(1,543,924)		(2,125,591)	
			<u>(1,543,924)</u>		<u>(2,125,591)</u>
<b>Net assets</b>			<u>18,126,193</u>		<u>32,999,159</u>

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**GENERATION PHOENIX LIMITED**  
**REGISTERED NUMBER:03016796**

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**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 APRIL 2025**

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	Notes	30 April 2025 £	30 April 2024 £
<b>Capital and reserves</b>			
Called up share capital	23	37,800,967	37,800,967
Share premium account	24	55,736,661	55,736,661
Capital redemption reserve	24	466	466
Other reserves	24	378,981	378,981
Retained earnings	24	(75,790,882)	(60,917,916)
		<u>18,126,193</u>	<u>32,999,159</u>

The loss for the company for the year was £15,285,259 (2024: £9,776,252)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*Normandy 7th January 2026*  
**J P Kennedy - Chief Executive**  
Director

The notes on pages 23 to 44 form part of these financial statements..

GENERATION PHOENIX LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2025

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£	£
<b>At 1 May 2023</b>	<b>37,800,937</b>	<b>55,736,661</b>	<b>466</b>	<b>378,981</b>	<b>(50,040,607)</b>	<b>43,876,438</b>
Loss for the year	-	-	-	-	(9,736,351)	(9,736,351)
Share based payment reserve	-	-	-	-	419,547	419,547
Currency translation differences	-	-	-	-	(47,744)	(47,744)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,364,548)</b>	<b>(9,364,548)</b>
Equity shares issued	30	-	-	-	-	30
<b>Total transactions with owners recognised directly in equity</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30</b>
<b>At 1 May 2024</b>	<b>37,800,967</b>	<b>55,736,661</b>	<b>466</b>	<b>378,981</b>	<b>(59,405,155)</b>	<b>34,511,920</b>
Loss for the year	-	-	-	-	(15,246,108)	(15,246,108)
Share based payment reserve	-	-	-	-	412,293	412,293
Currency translation differences	-	-	-	-	(122,480)	(122,480)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,956,295)</b>	<b>(14,956,295)</b>
<b>At 30 April 2025</b>	<b>37,800,967</b>	<b>55,736,661</b>	<b>466</b>	<b>378,981</b>	<b>(74,361,450)</b>	<b>19,555,625</b>

The notes on pages 23 to 44 form part of these financial statements

**GENERATION PHOENIX LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2025**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total equity £
<b>At 1 May 2023</b>	<b>37,800,937</b>	<b>55,736,661</b>	<b>466</b>	<b>378,981</b>	<b>(51,561,211)</b>	<b>42,355,834</b>
Loss for the year	-	-	-	-	(9,776,252)	(9,776,252)
Share based payment	-	-	-	-	419,547	419,547
<b>Total comprehensive profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,356,705)</b>	<b>(9,356,705)</b>
Equity shares issued	30	-	-	-	-	30
<b>Total transactions with owners recognised directly in equity</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30</b>
<b>At 1 May 2024</b>	<b>37,800,967</b>	<b>55,736,661</b>	<b>466</b>	<b>378,981</b>	<b>(60,917,916)</b>	<b>32,999,159</b>
Loss for the year	-	-	-	-	(15,285,259)	(15,285,259)
Share based payment	-	-	-	-	412,293	412,293
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,872,966)</b>	<b>(14,872,966)</b>
<b>At 30 April 2025</b>	<b>37,800,967</b>	<b>55,736,661</b>	<b>466</b>	<b>378,981</b>	<b>(75,790,882)</b>	<b>18,126,193</b>

The notes on pages 23 to 44 form part of these financial statements.

**GENERATION PHOENIX LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 APRIL 2025**

	2025 £	2024 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(15,246,108)	(9,736,351)
<b>Adjustments for:</b>		
Depreciation of tangible assets	4,886,413	4,864,334
Loss on disposal of tangible assets	31,153	85,950
Share based payment charge	412,293	419,547
Interest payable and similar charges	850,000	846,508
Interest receivable and similar income	(177,696)	(409,911)
Taxation charge/(credit)	167,078	(673,999)
R&D tax credit	(592,929)	-
(Increase)/decrease in stocks	139,139	(323,509)
(Increase)/decrease in debtors	161,884	(725,297)
Increase/(decrease) in creditors	(339,968)	556,708
Increase/(decrease) in provisions	(581,667)	1,028,734
Corporation tax (paid)/received	945,578	1,347,712
Net foreign exchange losses	(122,480)	(47,744)
<b>Net cash consumed by operating activities after tax</b>	<b>(9,467,310)</b>	<b>(2,767,318)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(610,258)	(676,539)
Interest received	177,696	409,911
<b>Net cash used in investing activities</b>	<b>(432,562)</b>	<b>(266,628)</b>

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**GENERATION PHOENIX LIMITED**

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**Cash flows from financing activities**

Issue of shares	-	30
<b>Net cash raised through financing activities</b>	<u>-</u>	<u>30</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,899,872)</b>	<b>(3,033,916)</b>
Cash and cash equivalents at beginning of year	<b>11,625,676</b>	<b>14,659,592</b>
<b>Cash and cash equivalents at the end of year</b>	<u><b>1,725,804</b></u>	<u><b>11,625,676</b></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u><b>1,725,804</b></u>	<u><b>11,625,676</b></u>

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## GENERATION PHOENIX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

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#### 1. General Information

Generation Phoenix Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is located at Unit 1, Forti Strada, Alwalton Hill, Peterborough, PE7 3HH.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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 estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company has taken advantage of the exemption conferred by FRS 102 not to prepare a parent cashflow.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 May 2014.

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## GENERATION PHOENIX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

The Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis. The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due. The company and group expect to continue to incur trading losses and consume cash due to the decision to invest in new innovative sustainable materials, the period of time to scale with large global customers and the ongoing investment in our world class manufacturing facilities.

The Directors have considered the future cash needs of the business for the period of at least 12 months from the date of approval of the financial statements. This cash flow assessment considers the extent and pace of the revenue scale up with our largest customers, the current cost base, the costs associated with scaling the business and the requirement to repay the current debt. The Company is currently in breach of a debt covenant by not filing annual accounts within 180 days after the year end and has legal advice to confirm that this will be remedied by the subsequent filing of these annual accounts. The Board has liaised with the company's controlling shareholder and concluded that it is appropriate to continue to invest heavily into the commercial and technical capabilities of the business in order to take advantage of the significant interest from new and existing large customers in both new and existing end markets.

As a result, the cashflow forecasts indicate that the company and group will require additional funding within the next 12 months to meet its obligations as they fall due and to support the investments being made in developing new products and bringing new products to market.

The Directors are in discussions with new and existing debt providers and equity investors and are very confident that additional funding will be secured. However, as the funding round is not yet committed, there is a material uncertainty related to events or conditions that may cast significant doubt on the parent and group's ability to continue as a going concern. Notwithstanding this uncertainty, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

##### 2.4 Revenue

Product revenue is recognised at the point of the legal transfer of goods as defined by the contract terms and represents amounts invoiced in respect of those goods supplied during the year, exclusive of Value Added Tax.

Service revenue is recognised as work is performed and development milestones are delivered.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date, the directors consider whether there have been events that suggest that fixed assets have been impaired. Should a trigger event be identified a review is performed to compare the carrying value of the assets to their recoverable amounts. If an impairment is required, the asset is written down to its recoverable amount in accordance with FRS 102 Section 27 Impairment of Assets.

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## GENERATION PHOENIX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

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#### 2. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- 10% straight line
Plant & machinery	- 10 to 20% straight line
Office equipment	- 20 to 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Work in progress and finished goods are valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### 2.7 Debtors

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

#### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### 2.9 Financial instruments

The Group normally enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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**GENERATION PHOENIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

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**2. Accounting policies (continued)**

The convertible loan notes that were settled in March 2023 in a variable number of the Company's own equity instruments, were recognised as an other financial instrument in accordance with FRS102. The proceeds received on issue were initially measured at transaction price and subsequently measured at fair value through the profit and loss at the end of each reporting period.

**2.10 Creditors**

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

**2.11 Foreign currency translation**

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 rates 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 value are measured using the exchange rate when fair value was determined.

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

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**GENERATION PHOENIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

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**2. Accounting policies (continued)**

**2.12 Financial liabilities**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities considered complex under FRS 102 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

**Interest bearing loans and borrowings**

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

**2.13 Finance costs**

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.14 Dividends**

Dividends on shares are recognised as equity and pass through retained earnings.

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## GENERATION PHOENIX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

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#### 2. Accounting policies (continued)

##### 2.15 Share based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the Consolidated statement of comprehensive income with a corresponding credit to profit and loss reserves.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

##### 2.16 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 2.17 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

##### 2.18 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

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**GENERATION PHOENIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

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**2. Accounting policies (continued)**

**2.19 Borrowing costs**

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

**2.20 Provision for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Consolidated statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated statement of financial position.

**2.21 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

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**GENERATION PHOENIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements require that management makes significant judgements and estimates. The Group's main area where a level of significant judgement and estimate are applied is the carrying value of the group's plant and machinery. The Directors recorded an impairment in the year-ended 30 April 2022 and in the current year applied judgement to consider whether there has been a further indicator or impairment or whether significant change to the financial forecasts that would have required a reversal of the impairment. The Directors confirmed that there were no such indicators noted for further impairment or reversal.

**4. Revenue**

The revenue is attributable to product sales and development services.  
An analysis of revenue is given below:

	2025	2024
	£	£
Product sales	21,217,995	26,331,350
Services sales	<u>1,750</u>	<u>222,425</u>
	<u>21,219,745</u>	<u>26,553,775</u>

	2025	2024
	£	£
United Kingdom	1,489,542	2,301,576
Europe	7,103,415	10,543,473
United States of America and Canada	7,856,753	11,106,194
Rest of the World	<u>4,770,035</u>	<u>2,602,532</u>
	<u>21,219,745</u>	<u>26,553,775</u>

**5. Other operating income**

The operating loss is stated after crediting:

	2025	2024
	£	£
R&D tax relief	<u>592,929</u>	-
	<u>592,929</u>	-

From April 2024 the R&D tax relief scheme has changed so the tax credit is now shown as taxable income in the year with a corresponding tax charge.

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**6. Operating loss**

The operating loss is stated after charging:

	2025 £	2024 £
Share based payment charge	412,293	419,547
Exchange differences	(129,008)	(41,175)
Other operating lease rentals	2,015,355	1,852,906
Research and development expenses	2,964,645	3,151,940

**7. Auditor's remuneration**

	2025 £	2024 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>62,315</u>	<u>69,049</u>

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Wages and salaries	8,105,186	6,819,834	7,531,491	6,640,873
Social security costs	1,068,750	907,655	928,998	838,568
Cost of defined contribution pension scheme	347,697	272,901	347,697	272,901
Share based payment charge	412,293	419,547	412,293	419,547
	<u>9,933,926</u>	<u>8,419,937</u>	<u>9,220,479</u>	<u>8,171,889</u>

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**8. Employees (continued)**

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

	<b>Group 2025 No.</b>	<b>Group 2024 No.</b>	<b>Company 2025 No.</b>	<b>Company 2024 No.</b>
Manufacturing	90	86	90	86
Sales and marketing	17	14	13	13
Administration and management	20	18	20	18
Research and development	25	19	25	19
	<u>152</u>	<u>137</u>	<u>148</u>	<u>136</u>

**9. Directors' remuneration**

	<b>2025 £</b>	<b>2024 £</b>
Directors' emoluments	<u>316,198</u>	<u>226,506</u>

The highest paid director received remuneration of £316,198 (2024 - £226,506).

The total compensation receivable by key management personnel was £1,862,281 (2024: £1,041,808).

Key management personnel includes the directors and the wider senior management team.

**10. Interest receivable and similar income**

	<b>2025 £</b>	<b>2024 £</b>
Bank interest receivable	<u>(177,696)</u>	<u>(409,911)</u>

**11. Interest payable and fair value movements**

	<b>2025 £</b>	<b>2024 £</b>
Loan interest payable and related charges	850,000	846,508
	<u>850,000</u>	<u>846,508</u>

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**GENERATION PHOENIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

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**12. Taxation**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Corporation tax charge/(credit) for the year	<b>112,656</b>	<b>(567,132)</b>
Adjustments in respect of previous years	<b>19,461</b>	<b>(138,242)</b>
Foreign tax on income for the year	<b>34,961</b>	<b>31,375</b>
	<b>167,078</b>	<b>(673,999)</b>
<b>Taxation on loss on ordinary activities</b>	<b><u>167,078</u></b>	<b><u>(673,999)</u></b>

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**12. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 25% (2024 - 25.0%). The differences are explained below:

	2025 £	2024 £
(Loss)/Profit on ordinary activities before tax	(15,079,030)	(10,410,350)
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25.0%)	(3,769,758)	(2,602,588)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	141,443	562,350
Income not taxable for tax purposes	-	-
Depreciation for year in excess of capital allowances	1,049,078	1,009,093
Overseas income not subject to UK tax	(18,528)	(17,819)
Higher rate taxes on overseas earnings	34,961	31,375
Adjustments to tax charge in respect of prior periods	19,461	(138,242)
Deduction for R&D expenditure	-	(655,555)
Adjustment for R&D tax rate	-	850,698
Notional tax deduction for R&D credit	112,656	-
Losses brought forward utilised	(44,424)	(102,478)
Unrecognised tax losses carried forward	2,642,189	389,167
<b>Total tax charge/(credit) for the year</b>	<b><u>167,078</u></b>	<b><u>(673,999)</u></b>

**Factors that may affect future tax charges**

A deferred tax asset of £23.6m (2024: £21.5m) has not been recognised at 30 April 2025 on unutilised losses carried forward of £94m (2024: £86m) as the directors consider that it is unlikely that they will be utilised in the foreseeable future against taxable profits.

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**13. Tangible fixed assets**

**Group and Company**

	Leasehold property £	Plant & machinery £	Office equipment £	Asset under construction £	Total £
<b>Cost</b>					
At 1 May 2024	808,556	81,738,856	957,194	47,253	83,551,859
Additions	27,700	301,741	161,985	118,832	610,258
Disposals	-	-	(34,614)	-	(34,614)
At 30 April 2025	<u>836,256</u>	<u>82,040,597</u>	<u>1,084,565</u>	<u>166,085</u>	<u>84,127,503</u>
<b>Depreciation</b>					
At 1 May 2024	752,340	52,024,515	839,064	-	53,615,919
Charge for the year on owned assets	14,523	4,805,456	66,434	-	4,886,413
Disposals	-	-	(3,461)	-	(3,461)
At 30 April 2025	<u>766,863</u>	<u>56,829,971</u>	<u>902,037</u>	<u>-</u>	<u>58,498,871</u>
<b>Net book value</b>					
At 30 April 2025	<u>69,393</u>	<u>25,210,626</u>	<u>182,528</u>	<u>166,085</u>	<u>25,628,632</u>
At 30 April 2024	<u>56,216</u>	<u>29,714,341</u>	<u>118,130</u>	<u>47,253</u>	<u>29,935,940</u>

All of the Group's tangible fixed assets are held in the Parent Company.

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**14. Fixed asset investment**

**Subsidiary undertaking**

As at 30 April 2025 the following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding	Principal activity
Generation Phoenix Inc. 2530 Meridian Parkway Suite 200 Durham NC 27713 USA	Ordinary	100%	Distributor of high performance material

The aggregate of the share capital and reserves as at 30 April 2025 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
Generation Phoenix Inc.	1,429,433	(108,475)

**15. Stocks**

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Raw materials	2,014,802	2,155,999	2,014,802	2,155,935
Work in progress	865,540	575,822	865,540	575,822
Finished goods and goods for resale	783,681	1,071,341	756,635	997,682
	<u>3,664,023</u>	<u>3,803,162</u>	<u>3,636,977</u>	<u>3,729,439</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**16. Debtors**

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade debtors	2,344,749	2,371,565	1,467,387	1,184,715
Other debtors	3,596,297	3,746,216	3,596,297	3,746,216
Prepayments and accrued income	829,783	814,932	829,783	814,932
Tax recoverable	1,047,405	1,567,132	1,047,405	1,567,132
	<u>7,818,234</u>	<u>8,499,845</u>	<u>6,940,872</u>	<u>7,312,995</u>

Included within other debtors is an amount of £2,325,024 (2024: £2,325,024) which is recoverable after more than 12 months.

**17. Cash and cash equivalents**

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Cash at bank and in hand	<u>1,725,804</u>	<u>11,625,676</u>	<u>1,461,852</u>	<u>11,395,923</u>

**18. Creditors: Amounts falling due within one year**

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Other loans	-	-	-	-
Trade creditors	1,799,235	1,309,616	1,799,235	1,290,941
Amounts owed to subsidiary undertaking	-	-	1,191,916	1,044,792
Other taxation and social security	298,252	179,804	298,252	179,804
Other creditors	268,473	295,259	262,348	241,978
Accruals and deferred income	5,023,897	5,944,946	4,098,978	4,994,545
	<u>7,389,657</u>	<u>7,729,625</u>	<u>7,650,729</u>	<u>7,752,060</u>

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2025 £</b>	<b>Group 2024 £</b>	<b>Company 2025 £</b>	<b>Company 2024 £</b>
Other loans	10,347,487	9,497,487	10,347,487	9,497,487
	<u>10,347,487</u>	<u>9,497,487</u>	<u>10,347,487</u>	<u>9,497,487</u>

**20. Loans**

Other loans are aged as follows:

	<b>Group 2025 £</b>	<b>Group 2024 £</b>	<b>Company 2025 £</b>	<b>Company 2024 £</b>
<b>Amounts falling due within one year</b>				
Other loans	-	-	-	-
<b>Amounts falling due 1-2 years</b>				
Other loans	1,666,629	-	1,666,629	-
<b>Amounts falling due 2-5 years</b>				
Other loans	6,198,658	4,768,368	6,198,658	4,768,368
<b>Amounts falling due after more than 5 years</b>				
Other loans	2,482,200	4,729,119	2,482,200	4,729,119
	<u>10,347,487</u>	<u>9,497,487</u>	<u>10,347,487</u>	<u>9,497,487</u>

On 7th March 2023 as part of the debt and equity restructure £4,653,130 of the loans were converted into 5,066,666 Series A shares. Following the conversion and the waiver the company owed £8,500,000, equally between Ampleforth Investments and Bootstrap with interest accruing at 10% per annum.

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**21. Financial instruments**

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
<b>Financial assets</b>				
Cash and cash equivalents	1,725,804	11,625,676	1,461,852	11,395,923
Financial assets measured at amortised cost	5,489,677	5,951,289	5,359,119	4,764,440
	<u>7,215,481</u>	<u>17,576,965</u>	<u>6,820,971</u>	<u>16,160,363</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	17,170,417	15,815,694	18,184,420	16,932,750
	<u>17,170,417</u>	<u>15,815,694</u>	<u>18,184,420</u>	<u>16,932,750</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors and amounts owed by subsidiary companies.

Financial liabilities measured at amortised cost comprise loans, trade and other creditors, accruals and amounts owed to subsidiary undertaking.

**Financial risk management**

The Group uses various financial instruments including loans, cash, equity investments, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. The main risks arising from the Group's financial instruments are credit risk and currency risk.

**Credit risk**

The Group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from the Group's trade debtors. In order to manage credit risk management set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

**Currency risk**

The Group is exposed to foreign exchange risk. The Group has sought to manage currency risk by matching as closely as possible the currency that sales are priced in to the currency that costs are incurred in.

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**22. Provisions**

**Group**

See group and company note below:

	<b>Product warranty provision £</b>	<b>Dilapidation provision £</b>	<b>Total £</b>
At 1 May 2024	1,242,515	883,076	2,125,591
Charged/(credited) to profit or loss	(727,534)	145,869	(581,665)
<b>At 30 April 2025</b>	<b><u>514,981</u></b>	<b><u>1,028,943</u></b>	<b><u>1,543,924</u></b>

**Product warranty provision**

The provision is to cover the potential costs of supplying replacement material to customers under normal terms of business. It is expected that most of these costs will be incurred in the next financial period and will have been fully incurred within two years of the statement of financial position date.

**Dilapidation provision**

The dilapidation provision represents the 'wear and tear' costs likely to be incurred to return the properties to their original condition at the end of their leases.

**Company**

	<b>Product warranty provision £</b>	<b>Dilapidation provision £</b>	<b>Total £</b>
At 1 May 2024	1,242,515	883,076	2,125,591
Charged to profit or loss	(727,534)	145,867	(581,667)
<b>At 30 April 2025</b>	<b><u>514,981</u></b>	<b><u>1,028,943</u></b>	<b><u>1,543,924</u></b>

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**GENERATION PHOENIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

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**23. Share capital**

	2025 £	2024 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
8,666,666 – Series A shares of £0.01 each	86,667	86,667
15,000,000 – Series B shares of £0.01 each	150,000	150,000
2,989,785 – C Ordinary Shares of £0.00001	30	30
3,756,427,061 – Deferred shares of £0.01 each	37,564,270	37,564,270
	<u>37,800,967</u>	<u>37,800,937</u>

**Shareholder rights**

The Series B shares have the most senior liquidation preference after the Deferred shares (see below) and shall confer on the holder each Series B share ten votes per share. In certain circumstances B shares are convertible into Ordinary shares.

The Series A shares have the second most senior liquidation preference and shall confer on the holder of each share one vote per share. In certain circumstances A Shares are convertible into Ordinary shares.

New C Ordinary shares rank behind the Series B and the Series A shares in liquidation preference and have no voting rights.

The D Ordinary shares participate when a surplus on exit is greater than £250m and they have no voting rights. Warrants over 596,884 D Ordinary Shares were issued to founder and early stage investors.

The Deferred shares have the most senior liquidation preference where there is a surplus of assets on a distribution. It is noted that the Deferred Shareholders would be entitled to an amount of £1 for the entire class of Deferred shares.

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**24. Reserves**

**Share premium**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Capital redemption reserve**

Includes the nominal value of the shares re-purchased by the company.

**Other reserves**

Includes amounts related to a share based payment reserve measured at fair value on the grant date.

**Retained earnings**

Included in retained earnings is an amount that represents the difference in the fair value and the liquidated sum of the convertible loan note that was written off as part of the restructure in the year.

**25. Share based payments**

On 16 May 2023 and 5 September 2023 the Company allotted and issued a number of new C shares; and granted options over a number of new C shares to employees.

**Growth Share Plan**

Details of the number of new C Shares allotted and issued is provided below:-

Group and Company	2025	2024
	Number	Number
Outstanding at start of year	2,989,785	-
Issued during the year	-	2,989,785
Forfeited during the year	(55,383)	-
Issued at end of year	2,934,402	2,989,785

Under the rules of the Growth Share Plan the new C Shares are only subject to a non-market condition. The rights to the C Shares vest over 48 months subject to continued employment. It was agreed by the Board that these C Shares should vest from 7 March 2023.

**Share Option Plan**

Details of the number of share options over the Company's C Shares and their weighted average exercise price is provided below:-

Group and Company	2025	
	Number	WAEP £
Outstanding at start of year	991,537	0.00001
Granted during the year	884,575	0.00001
Exercised during the year	-	-
Forfeited during the year	(230,000)	0.00001
Outstanding at end of year	1,646,112	0.00001
Exercisable at end of year	-	-

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**GENERATION PHOENIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

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Under the rules of the Generation Phoenix Share Option Plan the options are only exercisable on a non-market condition. The options vest over 48-months subject to continued employment. Vested options expire 10 years after the grant date.

In relation to the Growth Share Plan and the Share Option Plan, the share based payment compensation charge recorded in the income statement during the year was £412,293 (2024: £419,547) as per Note 5.

**25. Share based payment (continued)****Fair value assumptions of share-based payment**

The fair value of services received in return for new C Shares or share options is measured by reference to the fair value of new C Shares issued or share options granted. The estimated fair value is measured using a combination of the Black-Scholes model and Monte-Carlo simulations.

The key assumptions used in determining the fair value of C Shares issued, or options granted in the current period is summarised below: -

<b>Group and Company</b>	<b>2025</b>	<b>2024</b>
Share price Series B share at grant £	£1.00	£1.00
Exercise price £	£0.00001	£0.00001
Expected time to expiry (years)	4-5	4-5
Risk-free interest rate (%)	3.65%-3.71%	3.65%-3.71%
Implied market risk premium (%)	5.07%	5.07%
Expected volatility of share price (%)	45.8%	45.8%
Fair value of C Shares issued, or options granted (£)	£0.38	£0.38

Expected volatility was determined using a weighted median volatility of comparator sector companies.

**26. Contingent liabilities**

There were no contingent liabilities at 30 April 2025 or 30 April 2024.

**27. Capital commitments**

Capital commitments outstanding at the year-end amounted to £117,618 (2024: £54,056).

**28. Pension commitments**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £347,697 (2024: £272,901).

**GENERATION PHOENIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2025**

**29. Commitments under operating leases**

At 30 April 2025 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Not later than 1 year	2,091,416	2,091,416	2,091,416	2,091,416
Later than 1 year and not later than 5 years	8,505,481	8,505,481	8,505,481	8,505,481
Later than 5 years	24,103,013	26,200,255	24,103,013	26,200,255
	<u>34,699,910</u>	<u>36,797,152</u>	<u>34,699,910</u>	<u>36,797,152</u>

**30. Post balance sheet events**

On 3rd July 2025 the company raised £15,000,000 by issuing 15,403,672 Series B Shares to existing investors. As part of the investment an existing investor converted a £5,000,000 convertible loan note that was accruing interest at 10% that had been issued on 6th May 2025.

**31. Controlling party**

At 30 April 2025 the Company's controlling party was Material Impact Partners LLC, USA.

**32. Analysis of net debt**

	At 1 May 2024 £	Cash flows £	Interest £	Other non-cash changes £	At 30 April 2025 £
Cash at bank and in hand	11,625,676	(9,899,872)	-	-	1,725,804
Debt due after 1 year	(9,497,487)	-	(850,000)	-	(10,347,487)
Debt due within 1 year	-	-	-	-	-
	<u>2,128,189</u>	<u>(9,899,872)</u>	<u>(850,000)</u>	<u>-</u>	<u>(8,621,683)</u>

7<sup>th</sup> January 2026

**To whom it may concern**

**Re:** Letter of Appointment

This letter is to inform you that we have appointed Mercer Marsh Benefits to our current benefit plans as listed below:

<b>Plan</b>	<b>Provider /Insurer</b>	<b>Group/Policy Number</b>
Private Medica Insurance	Bupa	55313232350
Life Insurance	MetLife	421A0323
Cash Plan	Bupa	55316775719

We confirm that a copy of this letter will have the same authority as the original.

I confirm acceptance of MMB's Engagement Letter incorporating Mercer Terms and Conditions, Data Processing Addendum dated 7<sup>th</sup> January 2026, and agree to the services being provided.

Yours sincerely



Name: Landy Hosli  
Position: HR Manager

To be signed by the Group Secretary as on file at the Provider/Insurer