Gen2 Systems Limited

Annual Report and Financial Statements
Year Ended 31 December 2024

Registration number: 06403282

Gen2 Systems Limited

Contents

Gen2 Systems Limited

Company Information

Directors	Mr A Fischer Mr N Koerner Ms J Augostine Ms J Ioannidou Mr N K Mangle
Registered office	Lewis Building Bull Street Birmingham B4 6AF
Bankers	Lloyds Bank plc 9 Birmingham Road Sutton Coldfield West Midlands B72 1QA
Auditors	PKF Smith Cooper Audit Limited Statutory Auditor Cornerblock 2 Cornwall Street Birmingham B3 2DX

Strategic Report for the Year Ended 31 December 2024

The directors present their strategic report for the year ended 31 December 2024.

Principal activity

The principal activity of the Company is the supply of Software as a Service (SaaS) and software services pertaining to digitisation, storage, and management of aviation records, for airlines, aircraft and engine leasing companies, Maintenance, Repair and Overhaul (MRO) organisations and Original Equipment Manufacturers (OEM). The business continues to offer technical services to clients in support of aviation records management and in particular Aircraft Transition Management (ATM).

Review of the business

These financial statements present the financial performance for the Company for the year ended 31 December 2024.

Performance for the period, saw Company turnover improve around 6% to £12m, compared to £11.4m (2023) with underlying gross margins increased to 67.4% versus 65.5% (2023). The Company continued to expand its client base through the period and exited the year investing in further product innovation with a particular focus on user interface and experience to cement its strong position in the market, investing for future product launches through 2025 and 2026 by increasing product development focus and resource allocation.

The Company delivered a profit after tax for the period of £0.29m compared to £0.06m for 2023 due to stronger gross margins. The Company has invested in its staff to recruit and retain talent to drive the company forward resulting in an additional £0.4m spent on staff costs in 2024.

The Directors are satisfied with the results for the period, showing growth in the financial KPIs, cash reserves and distribution of a £2m dividend. The Directors are confident in the long-term strategic vision and direction of the Company.

Principal risks and uncertainties

The Company trades in Sterling, US Dollars, Australian Dollars, Euro and Indian Rupee. As such the Company is at risk from exchange rate fluctuations. Currently the Company holds bank accounts in each currency and endeavours to make payments in those currencies. Where required, the Company trades currency at spot rates using the purchasing power of the shareholder’s (LHT) treasury function, converting foreign currency to its functional currency Sterling.

In order to minimise cash flow / liquidity risk, cash flow forecasts are prepared and reviewed by the Board of Directors and the Company reviews its cash flow needs and financing arrangements regularly. The Company’s policy has been to ensure continuity of funding through the generation of cashflow from operating activities, which has been enhanced by introducing prepayment terms for one-off projects, aligned to prompt invoice raising and follow-up to terms. The financial strength of Lufthansa Technik (LHT)/Deutsche Lufthansa AG trading as the Lufthansa Group (DLH AG), provides opportunities to access further working capital and the business retains access to commercial loan funding through its banking partners if required.

Competitor risk is managed by providing high quality software, technical services aligned to value added mid-term and end of lease services on a cloud based “Software as a Service” (SaaS) platform, differentiating the Company from competitors. Its continued investment in the software platform and new products for launch in 2025-26, is aimed at ensuring significant differentiation exists to provide a market advantage in the aviation records management space, whilst continuing to develop innovative and complementary products. The Company continues to invest in technology and infrastructure to enhance its service offering, alongside utilising innovative technology to improve the user experience and automate system functionality.

The Company’s principal financial assets are trade and other debtors. The Company continually monitors its credit exposure with all customers and given the focussed credit control procedures operated by the group, the Directors are satisfied that any bad debt risks are low and have been partially protected by the continued use of prepayment terms for new projects.

Environmental and macro-economic factors continue to be monitored by the business. The ongoing disruption to the global economy and supply chains caused by the war in Ukraine, continues to have an effect across the aviation industry, impacting travel routes and flight scheduling adding to operator cost constraints. The aviation industry was hit hard by the COVID-19 pandemic and had a long lasting impact with air traffic only reaching pre-pandemic levels in early 2024. Flydocs has been well positioned to take advantage of outsourced digital and technical solutions, which clients need to support their own business rationalisation activities and also assist in growth.

The Company has continued to leverage our long term contracted client base and continues to see a strong pipeline for software and technical services growth, and provide solutions to clients for their short-term operational and cashflow issues. The Company has successfully retained clients and added a number of new relationships through 2024, being successful in a tough market. Client feedback is utilised to focus business priorities, drive enhancements to existing solutions, whilst creating the development environment for new software solutions for launch in 2025-26.

The Directors and Leadership Team, continue to take prudent and decisive action to strengthen the business in the long-term interests of employees, clients and the wider Group. Revenue has grown year on year, particularly in software. This gave the directors and leadership team the confidence to continue to invest in software solutions, increasing focus, capacity and investment in new product development, as well as leveraging new technology to supplement business processes.

The Company completed the year with strong cash reserves, and will continue to focus on increasing investment in people and technology, to continue to support, fund and implement its digitisation strategy, investing in software and software support services worldwide. The Company continues to focus on expanding its worldwide client portfolio and remains well placed to respond quickly to changing market and customer requirements, and the Directors remain confident in delivering profitable growth.

The KPIs of the business are turnover, gross margin, and EBIT. Turnover has increased by £694k, up by 6% from 2023, due to an increase annual recurring revenue from SaaS. EBIT has also increased by £345k due to the higher in year revenue and also strong control of the operational expenses of the business. The underlying gross margin increased to 67.4% versus 65.5% in 2023, benefiting from the higher margins achieved with SaaS compared to Engineering Services.

Strategic Report for the Year Ended 31 December 2024

The Directors are satisfied with the results for the period and the Company's financial position as at the balance sheet date and remain convinced of the long-term strategic vision and direction of the Company.

Approved by the Board on 30 September 2025 and signed on its behalf by:

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Mr N Koerner

Director

Directors' Report for the Year Ended 31 December 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Directors of the Company

The directors who held office during the year were as follows:

Mr A Fischer

Mr N Koerner

The following directors were appointed after the year end:

Ms J Augostine (appointed 1 September 2025)

Ms J Ioannidou (appointed 1 September 2025)

Mr N K Mangle (appointed 1 September 2025)

Financial instruments

Objectives and policies

The Company uses a combination of trade debtors, trade creditors and intercompany accounts to fund its working capital requirements. All financial instruments within the Company are assessed as being basic in nature. The company did not participate in any form of foreign currency or other hedging transactions during the current financial year.

Price risk, credit risk, liquidity risk and cash flow risk

There are no exposures of the company relating to price risk, credit risk, liquidity risk and cash flow risk which are material for the assessment of the assets, liabilities, financial position and profit of the company as a whole.

Going concern

The Company is exposed to various risks outlined in the strategic report, “principal risks” section, and whilst crystallisation of such risks, where not fully mitigated, would have a detrimental impact on the Company’s financial results, none are deemed sufficiently material to prevent the Company continuing as a going concern for the foreseeable future, being no less than 12 months from the date of approval of these financial statements.

The Directors and Leadership team use a robust monthly ERM process, to identify risks and necessary actions to be taken by the business. First line leadership and the wider organisation use a system of bi-monthly action reviews, supplemented by regular risk and compliance training, including various scenarios and sensitivities to revenue, costs and cashflows, to enhance business protection for clients, employees and all stakeholders.

The business operates significantly in the aviation market, as such macro-economic factors causing global economic uncertainty, could have an impact. As such market conditions continue to be variable, most recently due to the changes in Global tariffs. Other macro-economic factors which the business continues to monitor are the risks associated with war in Ukraine, rise in cybercrime within the sector, decisions by OPEC in managing fuel pricing, aligned with greater focus from the “green Lobby”, in regards Aviation’s credentials for sustainability and aircraft emissions.

Directors' Report for the Year Ended 31 December 2024

The Directors and Leadership team continue to monitor the strength of the business, and aligned to the current product portfolio, the business is ready to support outsourced digitisation in key markets, leaving the Directors confident that the Company is well positioned to manage overall risks successfully.

The Company was able to meet its day to day working capital requirements through available cash funds generated from client invoicing during the year. The Directors did not need to access external loan facilities from our banking partner and currently does not foresee a need to do this, although recognise this is an additional source of funds should the need arise. Consequently, the Directors have a reasonable expectation that the Company has adequate resources to continue operationally for the foreseeable future and continues to adopt the going-concern basis for preparation of its financial statements.

Future developments

The company has taken advantage of Section 414C (11) of the Companies Act 2006 and included details of future developments in the Strategic Report.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 30 September 2025 and signed on its behalf by:

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Mr N Koerner

Director

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Gen2 Systems Limited

Opinion

We have audited the financial statements of Gen2 Systems Limited (the 'Company') for the year ended 31 December 2024, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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 Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis 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 responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Gen2 Systems Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 Auditors' 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.

Independent Auditor's Report to the Members of Gen2 Systems Limited

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and industry, key laws and regulations that we identified included:

- Companies Act 2006;
- Tax legislation; and
- Health and safety and employment legislation.

We identified that the principal risk of fraud and non compliance with laws and regulations related to:

- Management bias in respect of accounting estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the Company's financial statements.

Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims including instances of non compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance, where available;
- Reviewing legal expenditure in the year to identify instances of non compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, in particular revenue recognition on long-term contracts, amounts recoverable on contracts and deferred income.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Independent Auditor's Report to the Members of Gen2 Systems Limited

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.

....
Richard Haydon (Senior Statutory Auditor)
PKF Smith Cooper Audit Limited, Statutory Auditor

Cornerblock
2 Cornwall Street
Birmingham
B3 2DX

30 September 2025

Gen2 Systems Limited

Profit and Loss Account

Year Ended 31 December 2024

	Note	2024 £	2023 £
Turnover	3	12,124,509	11,430,064
Cost of sales		(3,950,255)	(3,932,542)
Gross profit		8,174,254	7,497,522
Administrative expenses		(7,574,164)	(7,242,230)
Operating profit	4	600,090	255,292
Interest payable and similar expenses	8	(223,786)	(255,312)
Profit/(loss) before tax		376,304	(20)
Tax on profit/(loss)	9	(86,160)	59,493
Profit for the financial year		290,144	59,473

There was no other comprehensive income for 2024 (2023: £nil).

The notes on pages 15 to 27 form an integral part of these financial statements.

Gen2 Systems Limited

Balance Sheet

31 December 2024

	Note	2024 £	(As restated) 2023 £
Fixed assets			
Tangible assets	11	23,045	33,074
Current assets			
Debtors due after more than one year	12	2,905,394	2,673,293
Debtors due within one year	13	3,604,941	5,269,682
Cash at bank and in hand	14	4,156,633	3,559,999
		10,666,968	11,502,974
Creditors: Amounts falling due within one year	15	(4,858,729)	(4,006,216)
Net current assets		5,808,239	7,496,758
Total assets less current liabilities		5,831,284	7,529,832
Deferred income		(1,075,078)	(1,063,770)
Net assets		4,756,206	6,466,062
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account		4,756,106	6,465,962
Shareholder funds		4,756,206	6,466,062

Approved and authorised by the Board on 30 September 2025 and signed on its behalf by:

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Mr N Koerner

Director

Company Registration Number: 06403282

The notes on pages 15 to 27 form an integral part of these financial statements.

Gen2 Systems Limited

Statement of Changes in Equity

Year Ended 31 December 2024

	Share capital £	Profit and loss account £	Total £
At 1 January 2024	100	6,465,962	6,466,062
Profit for the year	-	290,144	290,144
Dividends	-	(2,000,000)	(2,000,000)
At 31 December 2024	100	4,756,106	4,756,206

	Share capital £	Profit and loss account £	Total £
At 1 January 2023	100	6,406,489	6,406,589
Profit for the year	-	59,473	59,473
At 31 December 2023	100	6,465,962	6,466,062

The notes on pages 15 to 27 form an integral part of these financial statements.

1 General information

The Company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:
Lewis Building
Bull Street
Birmingham
B4 6AF

These financial statements were authorised for issue by the Board on 30 September 2025.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There are no material departures from FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The presentational and functional currency of the company is considered to be Pound Sterling.

All amounts have been rounded to the nearest £1 Sterling, unless otherwise indicated.

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements on the basis that it is included in the consolidated financial statements of Flydocs Systems (Topco) Limited, a company incorporated in England & Wales, which can be obtained from Lewis Building, Bull Street, Birmingham, B4 6AF. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management.

Going concern

The Company is exposed to various risks outlined in the strategic report, “principal risks” section, and whilst crystallisation of such risks, where not fully mitigated, would have a detrimental impact on the Company’s financial results, none are deemed sufficiently material to prevent the Company continuing as a going concern for the foreseeable future, being no less than 12 months from the date of approval of these financial statements.

The Directors and Leadership team use a robust monthly ERM process, to identify risks and necessary actions to be taken by the business. First line leadership and the wider organisation use a system of bi-monthly action reviews, supplemented by regular risk and compliance training, including various scenarios and sensitivities to revenue, costs and cashflows, to enhance business protection for clients, employees and all stakeholders.

The business operates significantly in the aviation market, as such macro-economic factors causing global economic uncertainty, could have an impact. As such market conditions continue to be variable, most recently due to the changes in Global tariffs. Other macro-economic factors which the business continues to monitor are the risks associated with war in Ukraine, rise in cybercrime within the sector, decisions by OPEC in managing fuel pricing, aligned with greater focus from the “green Lobby”, in regards Aviation’s credentials for sustainability and aircraft emissions.

The Directors and Leadership team continue to monitor the strength of the business, and aligned to the current product portfolio, the business is ready to support outsourced digitisation in key markets, leaving the Directors confident that the Company is well positioned to manage overall risks successfully.

Key accounting judgements and sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the directors, there are no key judgements as at 31 December 2024.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is recognition of amounts recoverable on contracts. The company applies its policy on contract accounting when recognising revenue and profit on partially completed contracts. The application of this policy requires estimates to be made in respect of the stage of completion of each element of the company's contracts. The carrying value of amounts recoverable on contracts is £740,694 (2023 - £2,102,027).

Revenue recognition

The turnover shown in the profit and loss account represents amounts chargeable in respect of services provided, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion, which is dependent on the individual contracts.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income. The company receives some tax losses from wider group companies via group relief. It makes payment for these losses at an agreed rate for the financial period in which these losses are relieved.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Trademarks	10% straight line

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture and fittings	15% straight line
Equipment	25% and 33% straight line
Plant and machinery	25% and 33% straight line

Leases

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

Research and development costs

Research and development costs are expensed as incurred.

Finance costs

Finance costs are charged to profit or loss 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.

Defined contribution pension obligation

The Company contributes to defined contribution personal pension plans for eligible staff. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Reserves

Share capital represents the nominal value of shares that have been issued.

The profit and loss account includes all current and prior period accumulated retained profits and losses.

Financial instruments

Classification
The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intercompany debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement
The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Equity instruments are measured at the fair value of cost or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred, and the time value of money is material, the initial measurement is on a present value basis.

3 Revenue

The analysis of the Company's Turnover for the year from continuing operations is as follows:

	2024 £	2023 £
Rendering of services	12,124,509	11,430,064

The analysis of the Company's Turnover for the year by market is as follows:

	2024 £	2023 £
UK	1,360,018	1,585,580
Europe	3,275,435	3,080,553
Rest of world	7,489,056	6,763,931
	12,124,509	11,430,064

4 Operating profit

Arrived at after charging

	2024 £	2023 £
Depreciation expense	15,967	17,035
Foreign exchange losses	154,060	461,458

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024 £	2023 £
Wages and salaries	3,295,557	2,891,825
Social security costs	307,773	286,103
Pension costs, defined contribution scheme	169,294	146,864
	3,772,624	3,324,792

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2024 No.	2023 No.
Administration and support	8	13
Technical	11	13
Sales	12	7
Software	13	9
	44	42

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2024 £	2023 £
Remuneration	229,279	202,307
Contributions paid to money purchase schemes	17,060	15,134
	246,339	217,441

During the year the number of directors who were receiving benefits was as follows:

	2024 No.	2023 No.
Accruing benefits under money purchase pension scheme	1	1

In respect of the highest paid director:

	2024 £	2023 £
Remuneration	229,279	202,307
Company contributions to money purchase pension schemes	17,060	15,134

One of the directors is remunerated wholly by another member of the Deutsche Lufthansa AG group.

7 Auditor's remuneration

	2024 £	2023 £
Audit of the financial statements	15,000	14,000

8 Interest payable and similar expenses

	2024 £	2023 £
Interest payable to group undertakings	223,786	255,312

9 Taxation

Tax charged/(credited) in the profit and loss account

	2024 £	2023 £
Current taxation		
UK corporation tax	1	(2,396)
UK corporation tax adjustment to prior periods	23,357	(130,076)
Group relief payable/(receivable)	62,802	25,479
	86,160	(106,993)
Deferred taxation		
Arising from origination and reversal of timing differences	-	47,579
Arising from changes in tax rates and laws	-	(79)
Total deferred taxation	-	47,500
Tax expense/(receipt) in the profit and loss account	86,160	(59,493)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2023 - lower than the standard rate of corporation tax in the UK) of 25% (2023 - 23.52%).

The differences are reconciled below:

	2024 £	2023 £
Profit/(loss) before tax	376,304	(20)
Corporation tax at standard rate	94,076	(5)
Effect of expenses not deductible for tax purposes	26,833	12,036
Adjustment to deferred tax in respect of changes in tax rates	-	(973)
(Decrease)/increase from timing differences for which no deferred tax asset was recognised	(44,555)	64,021
Adjustments in respect of previous periods	23,357	(130,076)
Tax decrease arising from group relief claimed	(73,885)	(4,496)
Tax increase from group relief payment	62,802	-
Foreign tax suffered	(2,468)	-
Total tax charge/(credit)	86,160	(59,493)

10 Intangible assets

	Trademarks £	Total £
Cost or valuation		
At 1 January 2024	2,005	2,005
At 31 December 2024	2,005	2,005
Amortisation		
At 1 January 2024	2,005	2,005
At 31 December 2024	2,005	2,005
Carrying amount		
At 31 December 2024	-	-
At 31 December 2023	-	-

The aggregate amount of research and development expenditure recognised as an expense during the period is £463,285 (2023 - £442,876).

11 Tangible assets

	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2024	83,286	195,109	278,395
Additions	5,938	-	5,938
At 31 December 2024	89,224	195,109	284,333
Depreciation			
At 1 January 2024	50,212	195,109	245,321
Charge for the year	15,967	-	15,967
At 31 December 2024	66,179	195,109	261,288
Carrying amount			
At 31 December 2024	23,045	-	23,045
At 31 December 2023	33,074	-	33,074

12 Debtors due after more than one year

	Note	2024 £	(As restated) 2023 £
Amounts owed by group undertakings	21	2,905,394	2,673,293
		2,905,394	2,673,293

13 Debtors due within one year

	2024 £	(As restated) 2023 £
Trade debtors	2,532,730	2,959,753
Other debtors	13,959	24,563
Prepayments	317,558	183,339
Amounts recoverable on contracts	740,694	2,102,027
	3,604,941	5,269,682

14 Cash and cash equivalents

	2024 £	2023 £
Cash on hand	51,312	20,719
Cash at bank	4,105,321	3,539,280
	4,156,633	3,559,999

15 Creditors

	2024 £	2023 £
Due within one year		
Trade creditors	75,529	376,999
Amounts due to group undertakings	3,619,379	2,406,269
Social security and other taxes	84,761	86,098
Outstanding defined contribution pension costs	28,859	26,183
Other creditors	-	4,408
Accrued expenses	1,050,201	1,106,259
	4,858,729	4,006,216

16 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2024 £	2023 £
Not later than one year	21,801	16,355
Later than one year and not later than five years	11,333	-
	33,134	16,355

The amount of non-cancellable operating lease payments recognised as an expense during the year was £77,409 (2023 - £39,251).

17 Pension schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £169,294 (2023 - £146,864).

Contributions totalling £28,859 (2023 - £26,183) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	2024 No.	2024 £	2023 No.	2023 £
Ordinary shares of £1 each	100	100	100	100

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:
Full voting, dividend and capital distribution (including on winding up) rights.

19 Contingent liabilities

The Company is registered for VAT in the United Kingdom as part of a VAT group, and so is jointly liable for any VAT owed with the members of the group. The current members are:

Gen2 Systems Limited
Flydocs Systems (Midco) Limited
Flydocs Systems (TopCo) Limited
Flydocs Systems Limited

At the year end the group debtor was £13,959 (2023 - liability of £3,683).

20 Prior year adjustment

During the year, management concluded that the amounts due from group undertakings, as at 31 December 2023 should have been disclosed as debtors due after more than one year. The correction is a reclassification of £2,673,293 from debtors due within one year to debtors due after more than one year. The correction does not change the prior year profit, balance sheet position at 31 December 2023 or the opening balance sheet position at 1 January 2023.

21 Related party transactions

Group companies

The company has taken advantage of the exemption in FRS 102 from disclosing transactions with other wholly-owned members of the Flydocs Systems (Topco) Limited group.

Transactions with other related parties

Fellow subsidiaries

During the period, the company made sales of £1,519,280 (2023 - £991,169) to members of the wider Deutsche Lufthansa AG group. Of this amount, £1,519,280 (2023 - £944,624) was raised as sales invoices and £nil (2023 - £46,545) recognised as amounts recoverable on contracts. In addition, £226,063 (2023 - £175,472) of sales invoices were raised and deferred at the period end.

At the period end, the balance due from fellow subsidiaries was £105,000 (2023 - £399,295), being £105,000 (2023 - £352,749) included in trade debtors and £nil (2023 - £46,545) included in amounts recoverable on contracts.

During the period, the company made purchases of £1,433,280 (2023 - £456,404) from members of the wider Deutsche Lufthansa AG group. In addition, £402,942 (2023 - £596,561) of costs were accrued at the period end.

During the period, the company recognised an expense within its current tax charge of £62,802 (2023 - £33,531) payable to a member of the wider Deutsche Lufthansa AG group in respect of tax losses received. At the period end, the balance due to the fellow subsidiary was £86,159 (2023 - £25,479).

22 Parent and ultimate parent undertaking

The Company's immediate parent company is Flydocs Systems Limited, incorporated in England & Wales.

The ultimate parent company is Deutsche Lufthansa AG, incorporated in Germany.

The parent of the smallest and largest group in which these financial statements are consolidated is Flydocs Systems (Topco) Limited, incorporated in England and Wales.

The address of Flydocs Systems (Topco) Limited is:
Lewis Building, Bull Street, Birmingham, B4 6AF