

C G REFRIGERATION AND AIR CONDITIONING LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

C G Refrigeration and Air Conditioning Ltd
Unaudited Financial Statements
For The Year Ended 30 September 2020

Contents

| | Page |
|-----------------------------------|-------------|
| Balance Sheet | 1—2 |
| Notes to the Financial Statements | 3 8 |

C G Refrigeration and Air Conditioning Ltd
Balance Sheet
As at 30 September 2020

Registered number: 04156646

| | | 2020 | 2019 |
|--|-------|--------------|--------------|
| | Notes | £ | £ |
| FIXED ASSETS | | | |
| Tangible Assets | 3 | 572,130 | 665,476 |
| | | 572,130 | 665,476 |
| CURRENT ASSETS | | | |
| Stocks | 4 | 322,100 | 408,000 |
| Debtors | 5 | 2,055,299 | 2,007,440 |
| Cash at bank and in hand | | 63,951 | 44,269 |
| | | 2,441,350 | 2,459,709 |
| Creditors: Amounts Falling Due Within One Year | 6 | (1,854,456) | (2,360,742) |
| NET CURRENT ASSETS (LIABILITIES) | | 586,894 | 98,967 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,159,024 | 764,443 |
| Creditors: Amounts Falling Due After More Than One Year | 7 | (306,305) | (55,313) |
| PROVISIONS FOR LIABILITIES | | | |
| Provisions For Charges | | - | (400,000) |
| Deferred Taxation | | (54,358) | (70,561) |
| NET ASSETS | | 798,361 | 238,569 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 1,000 | 1,000 |
| Other reserves | | (19,000) | (5,000) |
| Profit and Loss Account | | 816,361 | 242,569 |
| SHAREHOLDERS' FUNDS | | 798,361 | 238,569 |

C G Refrigeration and Air Conditioning Ltd
Balance Sheet (continued)
As at 30 September 2020

For the year ending 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr James Gillespie

Director

12/05/2021

The notes on pages 3 to 8 form part of these financial statements.

C G Refrigeration and Air Conditioning Ltd
Notes to the Financial Statements
For The Year Ended 30 September 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---------------------|--------------------|
| Leasehold | 2% per annum Fixed |
| Plant & Machinery | 20% |
| Motor Vehicles | 20% |
| Fixtures & Fittings | 10% |
| Computer Equipment | 20% |

1.4. Leasing and Hire Purchase Contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

1.6. Foreign Currencies

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

C G Refrigeration and Air Conditioning Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2020

1.7. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.8. Pensions

For a defined benefit scheme, the liability recorded in the balance sheet is the present value of the defined obligation at that date. The defined benefit obligation is calculated on an annual basis by independent actuaries.

Actuarial gains and losses are recognised in full in the period in which they occur and are shown in Other Comprehensive Income.

Current and past service costs, along with settlements or curtailments, are charged to the Income Statement. Interest on pension plan liabilities are recognised within finance expense.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 44 (2019: 43)

C G Refrigeration and Air Conditioning Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2020

3. Tangible Assets

| | Land & Property | | | |
|----------------------------|--------------------------------|----------------------------------|-------------------------------|------------------------------------|
| | Leasehold | Plant & Machinery | Motor Vehicles | Fixtures & Fittings |
| | £ | £ | £ | £ |
| Cost | | | | |
| As at 1 October 2019 | 324,049 | 569,411 | 92,171 | 83,599 |
| Additions | - | 3,768 | - | - |
| Disposals | - | (27,608) | - | - |
| As at 30 September 2020 | 324,049 | 545,571 | 92,171 | 83,599 |
| Depreciation | | | | |
| As at 1 October 2019 | 73,847 | 253,894 | 31,308 | 47,773 |
| Provided during the period | 6,480 | 62,866 | 12,174 | 3,582 |
| Disposals | - | (11,652) | - | - |
| As at 30 September 2020 | 80,327 | 305,108 | 43,482 | 51,355 |
| Net Book Value | | | | |
| As at 30 September 2020 | 243,722 | 240,463 | 48,689 | 32,244 |
| As at 1 October 2019 | 250,202 | 315,517 | 60,863 | 35,826 |
| | | | Computer Equipment | Total |
| | | | £ | £ |
| Cost | | | | |
| As at 1 October 2019 | | | 49,409 | 1,118,639 |
| Additions | | | 7,118 | 10,886 |
| Disposals | | | - | (27,608) |
| As at 30 September 2020 | | | 56,527 | 1,101,917 |
| Depreciation | | | | |
| As at 1 October 2019 | | | 46,341 | 453,163 |
| Provided during the period | | | 3,174 | 88,276 |
| Disposals | | | - | (11,652) |
| As at 30 September 2020 | | | 49,515 | 529,787 |
| Net Book Value | | | | |
| As at 30 September 2020 | | | 7,012 | 572,130 |
| As at 1 October 2019 | | | 3,068 | 665,476 |

4. Stocks

| | 2020 | 2019 |
|-------------------|-------------|-------------|
| | £ | £ |
| Stock - materials | 322,100 | 408,000 |
| | 322,100 | 408,000 |

C G Refrigeration and Air Conditioning Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2020

5. Debtors

| | 2020 | 2019 |
|----------------------------------|------------------|------------------|
| | £ | £ |
| Due within one year | | |
| Trade debtors | 1,195,244 | 1,517,320 |
| Amounts recoverable on contracts | 195,328 | 297,060 |
| Prepayments and accrued income | 113,107 | 31,914 |
| Other debtors | 154,380 | 44,006 |
| Directors' loan accounts | 397,240 | 117,140 |
| | <u>2,055,299</u> | <u>2,007,440</u> |

6. Creditors: Amounts Falling Due Within One Year

| | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| Net obligations under finance lease and hire purchase contracts | 61,911 | 124,995 |
| Trade creditors | 915,680 | 929,702 |
| Bank loans and overdrafts | 9,644 | 11,520 |
| Corporation tax | 21,927 | (84,949) |
| Other taxes and social security | 43,828 | 56,566 |
| VAT | 314,596 | 109,522 |
| Other creditors | 12,983 | 5,935 |
| Credit card | 3,107 | 14,241 |
| Debtor financing | 616 | 1,151,942 |
| Pension scheme liability | 420,000 | - |
| Accruals and deferred income | 50,164 | 41,268 |
| | <u>1,854,456</u> | <u>2,360,742</u> |

7. Creditors: Amounts Falling Due After More Than One Year

| | 2020 | 2019 |
|---|----------------|---------------|
| | £ | £ |
| Net obligations under finance lease and hire purchase contracts | 4,598 | 43,096 |
| Bank loans | 250,000 | 12,217 |
| VAT | 51,707 | - |
| | <u>306,305</u> | <u>55,313</u> |

C G Refrigeration and Air Conditioning Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2020

8. Obligations Under Finance Leases and Hire Purchase

| | 2020 | 2019 |
|---|---------------|----------------|
| | £ | £ |
| The maturity of these amounts is as follows: | | |
| Amounts Payable: | | |
| Within one year | 61,911 | 124,995 |
| Between one and five years | 4,598 | 43,096 |
| | <u>66,509</u> | <u>168,091</u> |
| Less: Finance charges allocated to future periods | <u>-</u> | <u>-</u> |
| | <u>66,509</u> | <u>168,091</u> |

9. Share Capital

| | 2020 | 2019 |
|------------------------------------|--------------|--------------|
| Allotted, Called up and fully paid | <u>1,000</u> | <u>1,000</u> |

10. Pension Commitments

Pension Costs

Employer Pension Obligations

The Company has agreed to fund a defined benefit pension scheme in respect of key employees. The most recent actuarial valuation of the obligations of £420,000 was on 30/09/2020. During the year the expense incurred was £406,000.

The principal assumptions used are:

- Discount rate - 1.5%
- Inflation RPI - 3.0%
- Inflation CPI - 1.8%
- Pre and Post Retirement mortality - S3PA tables with improvements in the CMI 2019 model and a long term rate of improvement of 1.25%

2020

| | |
|--|----------|
| Present value of defined benefit obligations | £420,000 |
| Fair value of scheme assets | £0 |
| Liability recognised in the balance sheet | £420,000 |

Movements in the present value of the defined benefit obligations were as follows:

2020

| | |
|------------------------------------|----------|
| At the beginning of the year | £0 |
| Current Service Cost | £400,000 |
| Interest cost | £6,000 |
| Actuarial losses | £14,000 |
| At the end of the year | £420,000 |

11. Directors Advances, Credits and Guarantees

Included within Debtors are the following loans to directors:

| | As at 1 October 2019 | Amounts advanced | Amounts repaid | Amounts written off | As at 30 September 2020 |
|--------------------|-------------------------|---------------------|----------------|------------------------|----------------------------|
| | £ | £ | £ | £ | £ |
| Mr James Gillespie | 117,140 | 285,596 | 5,496 | - | 397,240 |

The above loan is unsecured, repayable on demand and interest is charged annually at the HMRC Official Rate.

C G Refrigeration and Air Conditioning Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 September 2020

12. Related Party Transactions

During the year, the following transactions were carried out with related parties:

Cooling Projects Limited

Mutual directorship - Mr James Gillespie

£150,000 loaned to the related party. The full amount was outstanding at the balance sheet date.

13. General Information

C G Refrigeration and Air Conditioning Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 04156646 . The registered office is Enterprise House Ramsden Road, Rotherwas Industrial Estate, Hereford, HR2 6LR.

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