

COMPANY REGISTRATION NUMBER: 05075986

GDL Air Systems Limited
Filleted Financial Statements
For the year ended
31 December 2019



GDL Air Systems Limited

Financial Statements

Year ended 31 December 2019

Contents	Page
Officers and professional advisers	1
Statement of financial position	2
Notes to the financial statements	4

GDL Air Systems Limited

Officers and Professional Advisers

The board of directors	T Callaghan J Callaghan P J Callaghan P J Callaghan L Henderson
Company secretary	T Callaghan
Registered office	Air Diffusion Works Woolley Bridge Road Hadfield Glossop Derbyshire SK13 1AB
Auditor	Ford Campbell Freedman Limited Chartered accountants & statutory auditor 2nd Floor 33 Park Place Leeds LS1 2RY
Bankers	Barclays Bank Plc Market Place Dewsbury WF13 1XE

GDL Air Systems Limited
Statement of Financial Position
31 December 2019

	Note	2019 £	£	2018 £
Fixed assets				
Tangible assets	6		112,789	120,747
Current assets				
Stocks		579,486		531,112
Debtors	7	1,222,608		1,104,577
Cash at bank and in hand		18,441		25,786
		<u>1,820,535</u>		<u>1,661,475</u>
Creditors: amounts falling due within one year	8	<u>1,480,706</u>		<u>1,349,782</u>
Net current assets			<u>339,829</u>	<u>311,693</u>
Total assets less current liabilities			<u>452,618</u>	<u>432,440</u>
Creditors: amounts falling due after more than one year	9		6,880	12,825
Provisions				
Taxation including deferred tax			<u>19,784</u>	<u>19,948</u>
Net assets			<u><u>425,954</u></u>	<u><u>399,667</u></u>
Capital and reserves				
Called up share capital			6,175	6,175
Capital redemption reserve			3,825	3,825
Profit and loss account			<u>415,954</u>	<u>389,667</u>
Shareholders funds			<u><u>425,954</u></u>	<u><u>399,667</u></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

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

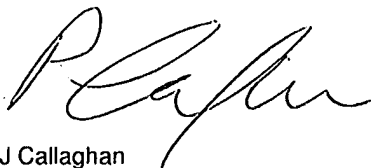
The statement of financial position
continues on the following page.
The notes on pages 4 to 9 form part of these financial statements.

GDL Air Systems Limited

Statement of Financial Position *(continued)*

31 December 2019

These financial statements were approved by the board of directors and authorised for issue on 23 October 2020, and are signed on behalf of the board by:



P J Callaghan
Director

Company registration number: 05075986

The notes on pages 4 to 9 form part of these financial statements.

GDL Air Systems Limited

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Air Diffusion Works, Woolley Bridge Road, Hadfield, Glossop, Derbyshire, SK13 1AB.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

As with all business throughout the UK the company has been hit by the Covid 19 pandemic, the impact to us was post year end. The company quickly adapted bringing in appropriate safeguards for staff and ultimately ceased to manufacture for a short period of time in April 2020. The company has made use of the government furlough scheme together with certain directors injecting funds to the company prior to receiving a government backed CBILS loan. The directors do not intend to withdraw these funds until the company has sufficient cashflow.

The directors and company have adapted and reforecast the expectations for the coming year. Therefore the directors consider it appropriate to prepare the accounts on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover shown in the profit and loss account is recognised on delivery where goods are sold on a supply only basis. Where installation is required turnover is recognised on completion of the installation.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Taxation *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - Amortised over 10 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Improvement	- 10% straight line
Plant & Machinery	- 20% Straight line & reducing balance
Motor Vehicles	- 30% straight line

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 61 (2018: 64).

5. Intangible assets

	Goodwill £
Cost	
At 1 January 2019 and 31 December 2019	2
Amortisation	
At 1 January 2019 and 31 December 2019	2
Carrying amount	
At 31 December 2019	—
At 31 December 2018	—

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

6. Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2019	24,000	378,147	29,590	431,737
Additions	–	11,496	–	11,496
Disposals	–	–	(29,590)	(29,590)
At 31 December 2019	24,000	389,643	–	413,643
Depreciation				
At 1 January 2019	24,000	257,400	29,590	310,990
Charge for the year	–	19,454	–	19,454
Disposals	–	–	(29,590)	(29,590)
At 31 December 2019	24,000	276,854	–	300,854
Carrying amount				
At 31 December 2019	–	112,789	–	112,789
At 31 December 2018	–	120,747	–	120,747

7. Debtors

	2019 £	2018 £
Trade debtors	1,184,967	1,064,779
Other debtors	37,641	39,798
	1,222,608	1,104,577

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	328,153	528,184
Trade creditors	864,314	553,304
Corporation tax	20,599	9,238
Social security and other taxes	199,911	185,053
Other creditors	67,729	74,003
	1,480,706	1,349,782

The bank loans and overdrafts totalling £328,153 (2018: £528,184) are secured against the assets of the company

9. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	6,880	12,825

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	143,056	114,008
Later than 1 year and not later than 5 years	267,476	150,331
Later than 5 years	76,500	—
	<u>487,032</u>	<u>264,339</u>

11. Summary audit opinion

The auditor's report for the year dated 23 October 2020 was unqualified.

The senior statutory auditor was Dale Coleman FCA, for and on behalf of Ford Campbell Freedman Limited.

12. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2019	2018	2019	2018
	£	£	£	£
Purchase from company under common control	—	196,865	—	—
Rent payable to related Pension Scheme	54,000	54,000	—	—
Management charges from company under common control	—	40,500	—	—
Loans from directors	—	—	11,687	8,125
	<u>—</u>	<u>—</u>	<u>11,687</u>	<u>8,125</u>

No interest has been charged on director's loan accounts

13. Controlling party

In the director's opinion there is no controlling party.