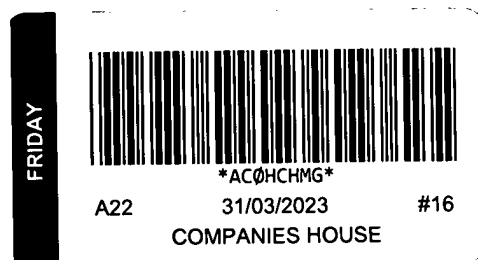


COMPANY REGISTRATION NUMBER: 05075986

GDL Air Systems Limited
Filleted Unaudited Financial Statements
For the year ended
30 June 2022



GDL Air Systems Limited

Financial Statements

Period from 1 January 2021 to 30 June 2022

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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

Accountants

Ford Campbell Freedman Limited
Chartered accountants
2nd Floor
33 Park Place
Leeds
LS1 2RY

Bankers

Barclays Bank Plc
Market Place
Dewsbury
WF13 1XE

GDL Air Systems Limited

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of GDL Air Systems Limited

Period from 1 January 2021 to 30 June 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of GDL Air Systems Limited for the period ended 30 June 2022, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of GDL Air Systems Limited, as a body. Our work has been undertaken solely to prepare for your approval the financial statements of GDL Air Systems Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than GDL Air Systems Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that GDL Air Systems Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of GDL Air Systems Limited. You consider that GDL Air Systems Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of GDL Air Systems Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Ford Campbell Freedman Ltd

Ford Campbell Freedman Ltd (Mar 28, 2023 11:29 GMT+1)

FORD CAMPBELL FREEDMAN LIMITED
Chartered accountants

2nd Floor
33 Park Place
Leeds
LS1 2RY

Mar 28, 2023
.....

GDL Air Systems Limited

Statement of Financial Position

30 June 2022

	Note	30 Jun 22 £	£	31 Dec 20 £
Fixed assets				
Tangible assets	6		675,604	723,769
Current assets				
Stocks		790,842		579,856
Debtors	7	1,619,695		1,093,501
Cash at bank and in hand		8,728		123,637
		<u>2,419,265</u>		<u>1,796,994</u>
Creditors: amounts falling due within one year	8	<u>1,739,665</u>		<u>1,476,213</u>
Net current assets			<u>679,600</u>	<u>320,781</u>
Total assets less current liabilities			<u>1,355,204</u>	<u>1,044,550</u>
Creditors: amounts falling due after more than one year	9		<u>1,228,825</u>	<u>866,276</u>
Provisions				
Taxation including deferred tax			<u>32,048</u>	<u>28,690</u>
Net assets			<u>94,331</u>	<u>149,584</u>
Capital and reserves				
Called up share capital			6,175	6,175
Capital redemption reserve			3,825	3,825
Profit and loss account			<u>84,331</u>	<u>139,584</u>
Shareholders funds			<u>94,331</u>	<u>149,584</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.

For the period ending 30 June 2022 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 of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act 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 5 to 11 form part of these financial statements.

GDL Air Systems Limited

Statement of Financial Position *(continued)*

30 June 2022

These financial statements were approved by the board of directors and authorised for issue on

Mar 28, 2023

....., and are signed on behalf of the board by:



Philip John Callaghan (Mar 28, 2023 10:56 GMT+1)

P J Callaghan
Director

Company registration number: 05075986

The notes on pages 5 to 11 form part of these financial statements.

GDL Air Systems Limited

Notes to the Financial Statements

Period from 1 January 2021 to 30 June 2022

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 impacted by the Covid 19 pandemic, this has caused disruption for the company throughout the first 12 months together with the impact of the impact of significant inflation in the 2022. The company has made use of the government furlough scheme together with certain directors injecting further funds into the company to support the going concern position. The directors do not intend to withdraw these funds until the company has sufficient cashflow.

The directors would continue to support the company, together with the confirmation that they would inject further funds to aid in any short term funding issues, although this is not forecast to be needed.

Although the company has made a loss for the year due principally to the pandemic in the first 12 months of the period, it has continued to restructured its finances with longer term bank and directors debt therefore ensuring the company has sufficient liquidity. Net current assets continue to be at a healthy level despite the drop in shareholder funds.

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.

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2021 to 30 June 2022

3. Accounting policies *(continued)*

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.

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:

Freehold Property - 2% straight line
Leasehold Improvement - 10% straight line
Plant & Machinery - 20% Straight line & reducing balance

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2021 to 30 June 2022

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.

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2021 to 30 June 2022

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

The company has benefitted from government support by receiving a 12 month interest free period on the CIBL's loan taken during the year. After this period, repayments will be made at the prevailing market rate of interest. The accounts have not been grossed up to account for the benefit of the interest free period and loan arrangement fee.

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.

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 period amounted to 65 (2020: 68).

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2021 to 30 June 2022

5. Intangible assets

	Goodwill £
Cost	
At 1 January 2021 and 30 June 2022	<u>2</u>
Amortisation	
At 1 January 2021 and 30 June 2022	<u>2</u>
Carrying amount	
At 30 June 2022	<u>–</u>
At 31 December 2020	<u>–</u>

6. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2021	634,146	400,041	1,034,187
Additions	<u>–</u>	8,353	<u>8,353</u>
At 30 June 2022	<u>634,146</u>	<u>408,394</u>	<u>1,042,540</u>
Depreciation			
At 1 January 2021	2,114	308,304	310,418
Charge for the period	<u>19,024</u>	<u>37,494</u>	<u>56,518</u>
At 30 June 2022	<u>21,138</u>	<u>345,798</u>	<u>366,936</u>
Carrying amount			
At 30 June 2022	<u>613,008</u>	<u>62,596</u>	<u>675,604</u>
At 31 December 2020	<u>632,032</u>	<u>91,737</u>	<u>723,769</u>

7. Debtors

	30 Jun 22 £	31 Dec 20 £
Trade debtors	1,574,728	954,651
Other debtors	<u>44,967</u>	<u>138,850</u>
	<u>1,619,695</u>	<u>1,093,501</u>

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2021 to 30 June 2022

8. Creditors: amounts falling due within one year

	30 Jun 22	31 Dec 20
	£	£
Bank loans and overdrafts	629,789	402,506
Trade creditors	927,603	664,683
Social security and other taxes	78,238	297,365
Other creditors	104,035	111,659
	<u>1,739,665</u>	<u>1,476,213</u>

The bank loans and overdrafts totalling £629,789 (2020: £402,506) are secured against the assets of the company

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

	30 Jun 22	31 Dec 20
	£	£
Bank loans and overdrafts	738,825	708,181
Social security and other taxes	–	14,524
Other creditors	490,000	143,571
	<u>1,228,825</u>	<u>866,276</u>

The bank loans and overdrafts totalling £738,825 (2020: £708,181) are secured against the assets of the company

10. Operating leases

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

	30 Jun 22	31 Dec 20
	£	£
Not later than 1 year	92,370	82,376
Later than 1 year and not later than 5 years	281,427	245,580
Later than 5 years	–	25,500
	<u>373,797</u>	<u>353,456</u>

11. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	30 Jun 22	31 Dec 20	30 Jun 22	31 Dec 20
	£	£	£	£
Rent payable to related Pension Scheme	–	54,000	–	–
Loans from directors	–	–	490,000	171,610

No interest has been charged on director's loan accounts

GDL Air Systems Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2021 to 30 June 2022

12. Controlling party

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