

COMPANY REGISTRATION NUMBER: 05075986

**GDL Air Systems Limited**  
**Filleted Financial Statements**  
**For the year ended**  
**31 December 2020**



# **GDL Air Systems Limited**

## **Financial Statements**

**Year ended 31 December 2020**

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# **GDL Air Systems Limited**

## **Officers and Professional Advisers**

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

# GDL Air Systems Limited

## Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	6	723,769	112,789
<b>Current assets</b>			
Stocks		579,856	579,486
Debtors	7	1,093,501	1,222,608
Cash at bank and in hand		123,637	18,441
		<u>1,796,994</u>	<u>1,820,535</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>1,476,213</u>	<u>1,480,706</u>
<b>Net current assets</b>		<u>320,781</u>	<u>339,829</u>
<b>Total assets less current liabilities</b>		<u>1,044,550</u>	<u>452,618</u>
<b>Creditors: amounts falling due after more than one year</b>	9	866,276	6,880
<b>Provisions</b>			
Taxation including deferred tax		28,690	19,784
<b>Net assets</b>		<u>149,584</u>	<u>425,954</u>
<b>Capital and reserves</b>			
Called up share capital		6,175	6,175
Capital redemption reserve		3,825	3,825
Profit and loss account		139,584	415,954
<b>Shareholders funds</b>		<u>149,584</u>	<u>425,954</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 10 form part of these financial statements.

# **GDL Air Systems Limited**

## **Statement of Financial Position** *(continued)*

**31 December 2020**

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These financial statements were approved by the board of directors and authorised for issue on 20/9/2021, and are signed on behalf of the board by:



P J Callaghan  
Director

Company registration number: 05075986

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The notes on pages 4 to 10 form part of these financial statements.

# **GDL Air Systems Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2020**

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### **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 year. The factory was closed for a short period of time in the year together with customers putting jobs back due to the pandemic. 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 long term CBILS loan. The directors do not intend to withdraw these funds until the company has sufficient cashflow.

The directors continue to support the company after the year end as the loans already injected are not to be repaid until 31 December 2022, 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 to the pandemic, it has restructured its finances with the longer term CBILS loan therefore ensuring the company has sufficient liquidity. Net current remain at similar levels to prior years despite the drop in shareholder funds.

The company's order book is strong and the company has returned to a profit in 2021 together with an increased profit forecast for 2022.

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)*

**Year ended 31 December 2020**

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### **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.

# GDL Air Systems Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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### 3. Accounting policies *(continued)*

#### 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
Motor Vehicles	-	30% straight line

#### 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)*

**Year ended 31 December 2020**

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### **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 year amounted to 68 (2019: 61).

# GDL Air Systems Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

### 5. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	<u>2</u>
<b>Amortisation</b>	
At 1 January 2020 and 31 December 2020	<u>2</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>—</u>
At 31 December 2019	<u>—</u>

### 6. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2020	24,000	389,643	<b>413,643</b>
Additions	634,146	10,398	<b>644,544</b>
Disposals	(24,000)	—	<b>(24,000)</b>
<b>At 31 December 2020</b>	<u>634,146</u>	<u>400,041</u>	<u><b>1,034,187</b></u>
<b>Depreciation</b>			
At 1 January 2020	24,000	276,854	<b>300,854</b>
Charge for the year	2,114	31,450	<b>33,564</b>
Disposals	(24,000)	—	<b>(24,000)</b>
<b>At 31 December 2020</b>	<u>2,114</u>	<u>308,304</u>	<u><b>310,418</b></u>
<b>Carrying amount</b>			
At 31 December 2020	<u>632,032</u>	<u>91,737</u>	<u><b>723,769</b></u>
At 31 December 2019	<u>—</u>	<u>112,789</u>	<u><b>112,789</b></u>

### 7. Debtors

	2020 £	2019 £
Trade debtors	<b>954,651</b>	1,184,967
Other debtors	<b>138,850</b>	37,641
	<u><b>1,093,501</b></u>	<u><b>1,222,608</b></u>

# GDL Air Systems Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

### 8. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	402,506	328,153
Trade creditors	664,683	864,314
Corporation tax	–	20,599
Social security and other taxes	297,365	199,911
Other creditors	111,659	67,729
	<u>1,476,213</u>	<u>1,480,706</u>

The bank loans and overdrafts totalling £402,506 (2019: £328,153) are secured against the assets of the company

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

	2020	2019
	£	£
Bank loans and overdrafts	708,181	–
Social security and other taxes	14,524	–
Other creditors	143,571	6,880
	<u>866,276</u>	<u>6,880</u>

The bank loans and overdrafts totalling £708,181 (2019: £nil) 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:

	2020	2019
	£	£
Not later than 1 year	82,376	143,056
Later than 1 year and not later than 5 years	245,580	267,476
Later than 5 years	25,500	76,500
	<u>353,456</u>	<u>487,032</u>

### 11. Summary audit opinion

The auditor's report for the year dated 20 September 2021 was unqualified.

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

# GDL Air Systems Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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### 12. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	2020 £	2019 £	2020 £	2019 £
Rent payable to related Pension Scheme	54,000	54,000	—	—
Loans from directors	<u>—</u>	<u>—</u>	<u>171,610</u>	<u>11,687</u>

No interest has been charged on director's loan accounts

### 13. Controlling party

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