

REGISTERED NUMBER: 05075986 (England and Wales)

Unaudited Financial Statements for the Year Ended 30 June 2023
for
GDL Air Systems Limited

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GDL Air Systems Limited (Registered number: 05075986)

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for the Year Ended 30 June 2023**

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GDL Air Systems Limited

Company Information for the Year Ended 30 June 2023

DIRECTORS:

J Callaghan
P J Callaghan
P J Callaghan
T Callaghan
L E Henderson

SECRETARY:

T Callaghan

REGISTERED OFFICE:

Air Diffusion Works
Woolley Bridge Road
Hadfield
Glossop
Derbyshire
SK13 1AB

REGISTERED NUMBER:

05075986 (England and Wales)

ACCOUNTANTS:

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

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of GDL Air Systems Limited

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 year ended 30 June 2023 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 within the ICAEW's regulations and guidance at <http://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, in accordance with our terms of engagement. 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 the Board of Directors of GDL Air Systems Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. 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 profit of GDL Air Systems Limited. You consider that GDL Air Systems Limited is exempt from the statutory audit requirement for the year.

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 12, 2024 13:11 GMT)

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

12/03/2024

Date:

This page does not form part of the statutory financial statements

GDL Air Systems Limited (Registered number: 05075986)

Balance Sheet
30 June 2023

	Notes	£	30.6.23 £	£	30.6.22 £
FIXED ASSETS					
Intangible assets	4		-		-
Tangible assets	5		<u>651,630</u>		<u>675,604</u>
			651,630		675,604
CURRENT ASSETS					
Stocks		1,404,278		790,842	
Debtors	6	1,554,872		1,619,695	
Cash at bank and in hand		<u>17,541</u>		<u>8,728</u>	
		2,976,691		2,419,265	
CREDITORS					
Amounts falling due within one year	7	<u>2,165,050</u>		<u>1,739,665</u>	
NET CURRENT ASSETS			<u>811,641</u>		<u>679,600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,463,271		1,355,204
CREDITORS					
Amounts falling due after more than one year	8		(1,266,221)		(1,228,825)
PROVISIONS FOR LIABILITIES			<u>(23,137)</u>		<u>(32,048)</u>
NET ASSETS			<u><u>173,913</u></u>		<u><u>94,331</u></u>
CAPITAL AND RESERVES					
Called up share capital			6,175		6,175
Capital redemption reserve			3,825		3,825
Retained earnings			<u>163,913</u>		<u>84,331</u>
			<u><u>173,913</u></u>		<u><u>94,331</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

GDL Air Systems Limited (Registered number: 05075986)


Balance Sheet - continued
30 June 2023

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue

on 12/03/2024
and were signed on its behalf by:


P Callaghan (Mar 12, 2024 10:27 GMT)
P J Callaghan - Director

The notes form part of these financial statements

GDL Air Systems Limited (Registered number: 05075986)

Notes to the Financial Statements for the Year Ended 30 June 2023

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. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going Concern

The company has returned to profit in the 2023 year following difficult trading during the pandemic.

The directors injected loans to the company during the prior period and continue to support the company. The loans remain outstanding, and they would only be repaid once the company has sufficient cashflow to repay them. The directors have also confirmed that they would inject further funds to aid in any short term funding issues, although this is not forecast to be needed.

In addition to the loans noted above the company now is working within the banking facilities available to it the company believes it have sufficient liquidity and cashflow.

The company has continued its recovery post year end, with the company continuing to post profits in the 8 months to February 2024.

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

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.

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 prior period. After this period, repayments have been 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.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

GDL Air Systems Limited (Registered number: 05075986)

Notes to the Financial Statements - continued for the Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Pension costs and other post-retirement benefits

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.

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.

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 (Registered number: 05075986)

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2023**

2. 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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 51 (2022 - 65).

4. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 July 2022	
and 30 June 2023	<u>2</u>
AMORTISATION	
At 1 July 2022	
and 30 June 2023	<u>2</u>
NET BOOK VALUE	
At 30 June 2023	<u>-</u>
At 30 June 2022	<u>-</u>

GDL Air Systems Limited (Registered number: 05075986)

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

5. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 July 2022	634,146	176,715	108,063	123,616	1,042,540
Additions	-	3,500	-	1,039	4,539
At 30 June 2023	<u>634,146</u>	<u>180,215</u>	<u>108,063</u>	<u>124,655</u>	<u>1,047,079</u>
DEPRECIATION					
At 1 July 2022	21,138	132,675	100,324	112,799	366,936
Charge for year	12,683	8,808	2,499	4,523	28,513
At 30 June 2023	<u>33,821</u>	<u>141,483</u>	<u>102,823</u>	<u>117,322</u>	<u>395,449</u>
NET BOOK VALUE					
At 30 June 2023	<u>600,325</u>	<u>38,732</u>	<u>5,240</u>	<u>7,333</u>	<u>651,630</u>
At 30 June 2022	<u>613,008</u>	<u>44,040</u>	<u>7,739</u>	<u>10,817</u>	<u>675,604</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.23 £	30.6.22 £
Trade debtors	1,504,976	1,574,728
Other debtors	<u>49,896</u>	<u>44,967</u>
	<u>1,554,872</u>	<u>1,619,695</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.23 £	30.6.22 £
Bank loans and overdrafts	788,618	629,789
Trade creditors	829,661	927,603
Taxation and social security	264,681	78,238
Other creditors	<u>282,090</u>	<u>104,035</u>
	<u>2,165,050</u>	<u>1,739,665</u>

The bank loans and overdrafts totalling £788,618 (2022: £629,789) are secured against the assets of the company.

GDL Air Systems Limited (Registered number: 05075986)

Notes to the Financial Statements - continued
for the Year Ended 30 June 2023

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.23	30.6.22
	£	£
Bank loans	635,811	738,825
Taxation and social security	140,410	-
Other creditors	490,000	490,000
	<u>1,266,221</u>	<u>1,228,825</u>

The bank loans and overdrafts totalling £635,811 (2022: £738,825) are secured against the assets of the company.

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.23	30.6.22
	£	£
Within one year	87,054	92,370
Between one and five years	194,374	281,427
	<u>281,428</u>	<u>373,797</u>

10. RELATED PARTY DISCLOSURES

	Balance owed by	/(owed to)
	2023	2022
Loans from directors	(644,915)	(506,097)

11. ULTIMATE CONTROLLING PARTY

In the opinion of the directors' there is no one controlling party.