

Environment Systems Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2022

Environment Systems Limited

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Environment Systems Limited

Company Information

Directors Mr S J Keyworth
Mr G Summers

Registered office The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

Accountants Mitchell Meredith Limited
Chartered Accountants
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

Environment Systems Limited
(Registration number: 04628049)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>4</u>	74,067	65,586
Current assets			
Debtors	<u>5</u>	924,183	618,445
Cash at bank and in hand		16,215	136,065
		940,398	754,510
Creditors: Amounts falling due within one year	<u>6</u>	(1,054,099)	(894,423)
Net current liabilities		(113,701)	(139,913)
Total assets less current liabilities		(39,634)	(74,327)
Creditors: Amounts falling due after more than one year	<u>6</u>	(32,389)	(5,757)
Net liabilities		(72,023)	(80,084)
Capital and reserves			
Called up share capital		120,685	120,685
Retained earnings		(192,708)	(200,769)
Shareholders' deficit		(72,023)	(80,084)

Environment Systems Limited
(Registration number: 04628049)
Balance Sheet as at 31 March 2022

For the financial year ending 31 March 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 1 February 2023 and signed on its behalf by:

Mr G Summers
Director

Environment Systems Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG
UK

The principal place of business is:

9 Cefn Llan Science Park
Aberystwyth
Ceredigion
SY23 3AH

These financial statements were authorised for issue by the Board on 1 February 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

At the balance sheet date the company had net current liabilities of £113,701 (2021 - £139,913) and total net liabilities of £72,023 (2021 - £80,084). However creditors includes loans from directors of £82,614. In addition the directors are aware of the turnover and margins that the company needs to achieve in order to keep the company in profit and they believe these targets can be met. The directors review realistic objectives at regular intervals, based on this periodic review, the company's plans and the continued support of the directors, they consider it appropriate to prepare the financial statements on the going concern basis.

Environment Systems Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Over 5 years
Fixtures and fittings	15% on cost
Computer equipment	25% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Environment Systems Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 27 (2021 - 27).

Environment Systems Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

4 Tangible assets

	Land and buildings £	Fixtures, fittings and computer equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2021	5,727	539,364	-	545,091
Additions	6,308	30,834	9,999	47,141
At 31 March 2022	12,035	570,198	9,999	592,232
Depreciation				
At 1 April 2021	4,091	475,414	-	479,505
Charge for the year	2,268	35,017	1,375	38,660
At 31 March 2022	6,359	510,431	1,375	518,165
Carrying amount				
At 31 March 2022	5,676	59,767	8,624	74,067
At 31 March 2021	1,636	63,950	-	65,586

Included within the net book value of land and buildings above is £5,676 (2021 - £1,636 in respect of short leasehold land and buildings).

5 Debtors

	2022 £	2021 £
Trade debtors	909,537	479,167
Prepayments	14,646	11,641
Corporation tax	-	127,637
	924,183	618,445

Environment Systems Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

6 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Loans and overdrafts	<u>7</u>	15,462	82,606
Trade creditors		91,748	170,273
Directors' current accounts		82,614	101,336
Taxation and social security		860,675	536,608
Accruals and deferred income		3,600	3,600
		<u>1,054,099</u>	<u>894,423</u>

Due after one year

Loans and borrowings	<u>7</u>	<u>32,389</u>	<u>5,757</u>
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Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	<u>7</u>	<u>32,389</u>	<u>5,757</u>

7 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	32,389	-
Other borrowings	-	5,757
	<u>32,389</u>	<u>5,757</u>

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	9,705	50,000
Other borrowings	5,757	32,606
	<u>15,462</u>	<u>82,606</u>

Environment Systems Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Bank borrowings

HSBC Bounce Back Loan Scheme is denominated in sterling with a nominal interest rate of 2.5%, and the final instalment is due on 25 May 2026. The carrying amount at year end is £42,094 (2021 - £50,000).

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 19 June 2003.

Other borrowings

The Finance Wales loan is denominated in sterling with a nominal interest rate of 10%, and the final instalment is due on 31 May 2022. The carrying amount at year end is £Nil (2021 - £38,363).

This loan is secured by a joint and several guarantee from the directors.

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.