

COMPANY REGISTRATION NUMBER: 04914608

**Summer Land Air Conditioning Ltd**  
**Filleted Unaudited Financial Statements**  
**31 October 2020**

# Summer Land Air Conditioning Ltd

## Statement of Financial Position

31 October 2020

		2020	2019
			(restated)
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	5	12,855	20,746
<b>Current assets</b>			
Stocks		15,000	5,000
Debtors	6	185,042	459,720
Cash at bank and in hand		166,587	139,124
		366,629	603,844
<b>Prepayments and accrued income</b>		6,475	2,519
<b>Creditors: amounts falling due within one year</b>	7	279,235	611,164
<b>Net current assets/(liabilities)</b>		93,869	( 4,801)
<b>Total assets less current liabilities</b>		106,724	15,945
<b>Creditors: amounts falling due after more than one year</b>	8	85,500	—
<b>Provisions</b>			
Taxation including deferred tax		3,090	3,942
<b>Accruals and deferred income</b>		12,646	5,395
<b>Net assets</b>		5,488	6,608
<b>Capital and reserves</b>			
Called up share capital	11	1,000	1,000
Profit and loss account	12	4,488	5,608
<b>Shareholders funds</b>		5,488	6,608

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 income statement has not been delivered.

For the year ending 31 October 2020 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 year 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 .

# Summer Land Air Conditioning Ltd

## Statement of Financial Position *(continued)*

**31 October 2020**

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These financial statements were approved by the board of directors and authorised for issue on 26 July 2021 , and are signed on behalf of the board by:

Mr R D Puplett

Director

Mr P S F Kingston

Director

Company registration number: 04914608

# Summer Land Air Conditioning Ltd

## Notes to the Financial Statements

Year ended 31 October 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 Acorn House, 1 Old Taunton Road, Bridgwater, Somerset, TA6 3NY. The principal activity of the company during the period was air conditioning and ventilation installation.

### 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, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

#### Going concern

Throughout early 2020 the COVID-19 pandemic swept around the world, with the World Health Organisation declaring a global pandemic on 11 March 2020, followed shortly by the UK government announcing various restrictive measures on 23 March 2020, which has had a previously unforeseen impact on the company's ability to trade as normal. As there remains no clear understanding of the long-term impact of the pandemic the Directors have had to apply a significant degree of judgement in anticipating how this will continue to impact business. Given this, there could be uncertainty regarding the company's ability to continue as a going concern. In considering how to mitigate this uncertainty, the Directors have considered the following: - The cash in the bank accounts on 31st October 2020 totalled £167,073. - The company has made use of the Government Job Retention Scheme to minimise labour costs. - The company has benefited from Local Authority Business Grants and a COVID small business bounce-back loan on favourable terms, with no repayments or interest for 12 months after drawdown. - The company has made use of a 6-month payment holiday from Ford Vehicle Leasing in respect of 3 vehicles provided through operating leases. Notwithstanding the material uncertainty above, after considering all the factors and the options available to the entity, the Directors believe it is appropriate to prepare the financial statements on a going concern basis, which anticipates the entity being able to realise its assets and settle liabilities, as they fall due, in the normal course of business.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short term highly liquid investments.

**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 is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

**Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**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:

Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Office equipment	-	33% reducing balance

**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.

### **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. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

### **Construction contracts**

Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

### **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.

## Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Factored debts Factored debts for which the company retains all significant risks remain within trade debtors, with a corresponding liability in respect of proceeds received from the factor. The interest element of the factor's charges and other factoring costs are recognised as they accrue.

## 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 12 (2019: 12 ).

## 5. Tangible assets

	Plant and machinery	Motor vehicles	Equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 November 2019 (as restated)	30,322	54,768	22,935	<b>108,025</b>
Additions	151	—	422	<b>573</b>
Disposals	—	( 22,850)	—	<b>( 22,850)</b>
	AAAAAAA	AAAAAAA	AAAAAAA	AAAAAAA
<b>At 31 October 2020</b>	<b>30,473</b>	<b>31,918</b>	<b>23,357</b>	<b>85,748</b>
<b>Depreciation</b>				
At 1 November 2019	22,138	46,276	18,865	<b>87,279</b>
Charge for the year	1,250	920	1,482	<b>3,652</b>
Disposals	—	( 18,038)	—	<b>( 18,038)</b>
	AAAAAAA	AAAAAAA	AAAAAAA	AAAAAAA
<b>At 31 October 2020</b>	<b>23,388</b>	<b>29,158</b>	<b>20,347</b>	<b>72,893</b>
<b>Carrying amount</b>				
<b>At 31 October 2020</b>	<b>7,085</b>	<b>2,760</b>	<b>3,010</b>	<b>12,855</b>
At 31 October 2019	8,184	8,492	4,070	20,746



## 6. Debtors

	2020	2019
		<i>(restated)</i>
	£	£
Trade debtors	112,593	420,429
Other debtors	72,449	39,291
	AAAAAAAA	AAAAAAAA
	185,042	459,720

Included within debtors are factored debts outstanding at the year end of £112,593 (2019: £420,429) and within creditors is £180 (2019: £223,234) in respect of money advanced in respect of factored debts. The factored debts are secured by a charge against the assets of the company. Included within Other Debtors is £56,120 owed by customers on construction contracts (2019: £35,000).

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

	2020	2019
		<i>(restated)</i>
	£	£
Bank loans and overdrafts	9,500	—
Trade creditors	102,351	244,078
Social security and other taxes	156,671	132,765
Other creditors	10,713	234,321
	AAAAAAAA	AAAAAAAA
	279,235	611,164

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

	2020	2019
		<i>(restated)</i>
	£	£
Bank loans and overdrafts	85,500	—

## 9. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
		<i>(restated)</i>
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	76,381	—

During the year the company was the recipient of economic benefits as a result in participating in the UK Government Coronavirus Job Retention Scheme. The total funds recognised on an accruals basis from the UK Government during the year was £66,381. Also during the year the company was the recipient of economic benefits as a result of the Local Authority Coronavirus Business Grant. The total funds recognised on an accruals basis from Sedgemoor District Council during the year was £10,000.

## 10. Prior period errors

The 31 October 2019 accounts included an incorrect Profit and Loss expense for company pension contributions totalling £30,000 that were actually dividends. The pension contributions were paid on 1 November 2019. The 2019 comparatives have therefore been amended to increase profit by £24,300 (£30,000 less additional tax of £5,700) and dividends paid have been increased by £30,000.

## 11. Called up share capital

### Authorised share capital

	2020		2019 (restated)	
	No.	£	No.	£
Ordinary Class A shares of £ 1 each	900	900	900	900
Ordinary Class B shares of £ 1 each	100	100	100	100
	AAAAAAA	AAAAAAA	AAAAAAA	AAAAAAA
	1,000	1,000	1,000	1,000

### Issued, called up and fully paid

	2020		2019 (restated)	
	No.	£	No.	£
Ordinary Class A shares of £ 1 each	900	900	900	900
Ordinary Class B shares of £ 1 each	100	100	100	100
	AAAAAAA	AAAAAAA	AAAAAAA	AAAAAAA
	1,000	1,000	1,000	1,000

## 12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 13. Operating leases

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

	2020	2019
		(restated)
	£	£
Not later than 1 year	14,916	23,382
Later than 1 year and not later than 5 years	3,410	18,326
	AAAAAAA	AAAAAAA
	18,326	41,708

### 14. Directors' advances, credits and guarantees

During the year, cash advances of £15,361 were made to a director. The company also paid personal expenses amounting to £970. £4,293 was repaid. At the end of the year, amount owed by the director to the company was £16,328 (2019: £4,290). Interest is charged on overdrawn director loans at a rate of 2.5%.

### 15. Related party transactions

The Directors have provided personal indemnities in respect of the factored debts. No other transactions with related parties were undertaken which require disclosure under FRS 102.

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.