

AIREDALE ESCALATOR SERVICES LIMITED

UNAUDITED
FINANCIAL STATEMENTS

28 NOVEMBER 2019

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

AIREDALE ESCALATOR SERVICES LIMITED
REGISTERED NUMBER: 08771884

STATEMENT OF FINANCIAL POSITION
AS AT 28 NOVEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	101,292	95,086
Current assets			
Stocks	6	60,000	50,000
Debtors: amounts falling due within one year	7	723,800	381,592
Cash at bank and in hand	8	254,501	416,730
		<u>1,038,301</u>	<u>848,322</u>
Creditors: amounts falling due within one year	9	(281,607)	(346,626)
Net current assets		<u>756,694</u>	<u>501,696</u>
Total assets less current liabilities		<u>857,986</u>	<u>596,782</u>
Creditors: amounts falling due after more than one year	10	(5,629)	(13,326)
Provisions for liabilities			
Deferred tax	12	(19,016)	(18,067)
		<u>(19,016)</u>	<u>(18,067)</u>
Net assets		<u><u>833,341</u></u>	<u><u>565,389</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		833,241	565,289
		<u><u>833,341</u></u>	<u><u>565,389</u></u>

AIREDALE ESCALATOR SERVICES LIMITED
REGISTERED NUMBER: 08771884

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 28 NOVEMBER 2019

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

D J R Harrison
Director

Date: 11 May 2020

The notes on pages 3 to 12 form part of these financial statements.

AIREDALE ESCALATOR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 NOVEMBER 2019

1. General information

The company is a private company limited by shares incorporated and domiciled in the United Kingdom. It trades from its registered address at 6 Alexandra Court, Skipton, West Yorkshire, BD23 2RG.

The principal activity of the company is escalator installation and repairs.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic will bring over the coming weeks and months, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the UK economy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 NOVEMBER 2019**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 NOVEMBER 2019

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 NOVEMBER 2019

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-
	20% and 25% reducing balance
Motor vehicles	-
	25% reducing balance
Fixtures and fittings	-
	20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 NOVEMBER 2019

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2018 - 11).

4. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	58,250	55,000
Adjustments in respect of previous periods	(579)	155
Total current tax	<u>57,671</u>	<u>55,155</u>
Deferred tax		
Origination and reversal of timing differences	949	4,475
Total deferred tax	<u>949</u>	<u>4,475</u>
Taxation on profit on ordinary activities	<u>58,620</u>	<u>59,630</u>

AIREDALE ESCALATOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 NOVEMBER 2019**

4. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	<u>396,572</u>	<u>306,803</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	75,349	58,293
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	493	48
Capital allowances for year in excess of depreciation	-	281
Adjustments to tax charge in respect of prior periods	(579)	155
Other differences leading to an increase (decrease) in the tax charge	8	853
Group relief	<u>(16,651)</u>	<u>-</u>
Total tax charge for the year	<u><u>58,620</u></u>	<u><u>59,630</u></u>

AIREDALE ESCALATOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 NOVEMBER 2019**

5. Tangible fixed assets

	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost or valuation				
At 29 November 2018	1,262	143,099	1,376	145,737
Additions	-	28,543	8,224	36,767
Disposals	-	(757)	-	(757)
At 28 November 2019	<u>1,262</u>	<u>170,885</u>	<u>9,600</u>	<u>181,747</u>
Depreciation				
At 29 November 2018	704	49,466	481	50,651
Charge for the year on owned assets	126	13,887	1,550	15,563
Charge for the year on financed assets	-	14,430	-	14,430
Disposals	-	(189)	-	(189)
At 28 November 2019	<u>830</u>	<u>77,594</u>	<u>2,031</u>	<u>80,455</u>
Net book value				
At 28 November 2019	<u>432</u>	<u>93,291</u>	<u>7,569</u>	<u>101,292</u>
At 28 November 2018	<u>558</u>	<u>93,633</u>	<u>895</u>	<u>95,086</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019	2018
	£	£
Motor vehicles	43,290	57,720
	<u>43,290</u>	<u>57,720</u>

6. Stocks

	2019	2018
	£	£
Raw materials and consumables	60,000	50,000
	<u>60,000</u>	<u>50,000</u>

Stock recognised in cost of sales during the year as an expense was £963,955 (2018 - £1,028,418) .

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 NOVEMBER 2019**

7. Debtors

	2019 £	2018 £
Trade debtors	277,194	359,242
Amounts owed by group undertakings	311,247	-
Prepayments and accrued income	135,359	22,350
	<u>723,800</u>	<u>381,592</u>

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	254,501	416,730
	<u>254,501</u>	<u>416,730</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	66,479	74,469
Corporation tax	58,250	55,000
Other taxation and social security	72,788	169,319
Obligations under finance lease and hire purchase contracts	4,861	11,063
Other creditors	75,229	21,346
Accruals and deferred income	4,000	15,429
	<u>281,607</u>	<u>346,626</u>

Obligations under finance lease and hire purchase contracts are secured by the company.

10. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Obligations under finance lease and hire purchase contracts	5,629	13,326
	<u>5,629</u>	<u>13,326</u>

Obligations under finance lease and hire purchase contracts are secured by the company.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 NOVEMBER 2019**

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	4,861	11,063
Between 2-5 years	5,629	13,326
	<u>10,490</u>	<u>24,389</u>

12. Deferred taxation

	2019 £	2018 £
At beginning of year	18,067	13,592
Charged to profit or loss	949	4,475
At end of year	<u>19,016</u>	<u>18,067</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	19,016	18,067
	<u>19,016</u>	<u>18,067</u>

13. Pension commitments

The company operates a defined contribution scheme for the benefit of the directors and staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the funds and amounted to £10,767 (2018 - £4,347). Contributions totalling £2,854 (2018 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

AIREDALE ESCALATOR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 NOVEMBER 2019

14. Related party transactions

Included within creditors is a loan from director Mr D R J Harrison to the company. At the balance sheet date the amount owed to Mr D J R Harrison is £61,375 (2018: £11,708). The loan is interest free and repayable on demand.

Included within debtors amounts falling due within one year is an amount of £242,000 (2018 - £NIL) due from Airedale Escalator Holdings Limited, the holding company. The balance is interest free and repayable on demand.

Included within debtors amounts falling due within one year is an amount of £69,247 (2018 - £NIL) due from Airedale Lift Services Limited, a fellow subsidiary company. The balance is interest free and repayable on demand.

15. Post balance sheet events

The preparation of these financial statements does not include any adjustments that may be required as a consequence of the COVID-19 pandemic outbreak during March 2020. At the date of the signing of the financial statements, the consequences of COVID-19 on the company and the financial statements are subject to a high level of estimation uncertainty and these financial statements therefore do not include any such adjustments.

16. Controlling party

The ultimate parent company is Airedale Escalator Holdings Limited a company registered in England & Wales. The ultimate controlling party is Mr D J R Harrison by virtue of his shareholding in the ultimate parent company.

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