

Company Registration No. SC135544 (Scotland)

AAIRECOOL TECHNICAL SERVICES LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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AAIRECOOL TECHNICAL SERVICES LIMITED

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AAIRECOOL TECHNICAL SERVICES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|----------------|-----------------|----------------|---------------|
| Fixed assets | | | | | |
| Intangible assets | 3 | | - | | 1,380 |
| Tangible assets | 4 | | 35,538 | | 65,661 |
| | | | <u>35,538</u> | | <u>67,041</u> |
| Current assets | | | | | |
| Stocks | | 41,000 | | 41,000 | |
| Debtors | 5 | 236,656 | | 158,096 | |
| Cash at bank and in hand | | 47,099 | | 6,768 | |
| | | <u>324,755</u> | | <u>205,864</u> | |
| Creditors: amounts falling due within one year | 6 | (295,119) | | (227,833) | |
| Net current assets/(liabilities) | | | 29,636 | | (21,969) |
| Total assets less current liabilities | | | 65,174 | | 45,072 |
| Creditors: amounts falling due after more than one year | 7 | | (80,626) | | (27,455) |
| Provisions for liabilities | | | - | | (476) |
| Net (liabilities)/assets | | | <u>(15,452)</u> | | <u>17,141</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 100 | | 100 |
| Profit and loss reserves | | | (15,552) | | 17,041 |
| Total equity | | | <u>(15,452)</u> | | <u>17,141</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

AAIRECOOL TECHNICAL SERVICES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 31 August 2021 and are signed on its behalf by:

Mr W Lumsden

Director

Company Registration No. SC135544

AAIRECOOL TECHNICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Aairecool Technical Services Limited is a private company limited by shares incorporated in Scotland. The principal place of business is registered office is 3 Eastfield Farm Road, Penicuik EH26 8EZ and the registered office is 22 Stafford Street, Edinburgh, EH3 7BD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied. There were no material departures from that standard.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|----------------------|
| Plant and machinery | 15% reducing balance |
| Fixtures, fittings & equipment | 15% reducing balance |
| Computer equipment | 33.3% straight line |
| Motor vehicles | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

AAIRECOOL TECHNICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are classified as debt and are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

AAIRECOOL TECHNICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

AAIRECOOL TECHNICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2020 Number | 2019 Number |
|-------|----------------|----------------|
| Total | 8 | 10 |

3 Intangible fixed assets

Goodwill
£

Cost

At 1 October 2019 and 30 September 2020

6,900

Amortisation and impairment

At 1 October 2019

5,520

Amortisation charged for the year

1,380

At 30 September 2020

6,900

Carrying amount

At 30 September 2020

-

At 30 September 2019

1,380

AAIRECOOL TECHNICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

4 Tangible fixed assets

| | Plant and machinery etc |
|------------------------------------|-------------------------|
| | £ |
| Cost | |
| At 1 October 2019 | 219,229 |
| Disposals | (66,198) |
| | <hr/> |
| At 30 September 2020 | 153,031 |
| | <hr/> |
| Depreciation and impairment | |
| At 1 October 2019 | 153,568 |
| Depreciation charged in the year | 11,497 |
| Eliminated in respect of disposals | (47,572) |
| | <hr/> |
| At 30 September 2020 | 117,493 |
| | <hr/> |
| Carrying amount | |
| At 30 September 2020 | 35,538 |
| | <hr/> |
| At 30 September 2019 | 65,661 |
| | <hr/> |

5 Debtors

| | 2020 | 2019 |
|---|---------|---------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 213,602 | 141,873 |
| Other debtors | 19,980 | 16,223 |
| | <hr/> | <hr/> |
| | 233,582 | 158,096 |
| Deferred tax asset | 3,074 | - |
| | <hr/> | <hr/> |
| | 236,656 | 158,096 |
| | <hr/> | <hr/> |

6 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|---------|---------|
| | £ | £ |
| Bank loans and overdrafts | 89,429 | 70,101 |
| Trade creditors | 113,136 | 82,249 |
| Corporation tax | 6,474 | 3,617 |
| Other taxation and social security | 33,480 | 30,568 |
| Other creditors | 52,600 | 41,298 |
| | <hr/> | <hr/> |
| | 295,119 | 227,833 |
| | <hr/> | <hr/> |

AAIRECOOL TECHNICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 Creditors: amounts falling due after more than one year

| | 2020 £ | 2019 £ |
|---------------------------|---------------|---------------|
| Bank loans and overdrafts | 74,982 | - |
| Other creditors | 5,644 | 27,455 |
| | <u>80,626</u> | <u>27,455</u> |

8 Directors' transactions

Dividends totalling £21,120 (2019 - £42,000) were paid in the year in respect of shares held by the company's directors. Dividends were declared during a period of profitability and no losses were foreseen.

Advances or credits have been granted by the company to its directors as follows:

| Description | % Rate | Opening balance £ | Amounts advanced £ | Amounts repaid £ | Closing balance £ |
|---------------|--------|-------------------------|--------------------------|---------------------|----------------------|
| Mrs C Lumsden | - | (4,659) | 13,143 | (6,600) | 1,884 |
| Mr W Lumsden | - | (6,640) | 24,796 | (14,606) | 3,550 |
| | | <u>(11,299)</u> | <u>37,939</u> | <u>(21,206)</u> | <u>5,434</u> |

As at 30 September 2020 the directors owed the company, by way of a director's loan, £5,434. The loan was fully repaid 1 month after the year end and no interest was charged.

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.