

GAS WORLD LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 OCTOBER 2021**



GAS WORLD LTD

COMPANY INFORMATION

DIRECTORS

J S Lane
A V M Lane
A Lane
P Moore
D C Ramplin
W M Fry
R N Eason
P T Newnes

COMPANY SECRETARY

A V M Lane

REGISTERED NUMBER

02982870

REGISTERED OFFICE

1 Avon Valley Business Park
Chapel Way
St Anne's Road
Bristol
BS4 4EU

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

GAS WORLD LTD

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GAS WORLD LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

INTRODUCTION

The Company offers a high quality focused operation in respect to providing Mechanical services and renewable technologies to our client base.

The company operates in a diverse market which limits our exposure to fluctuation in any sector of the market. Although the current global conditions are having a challenging effect on our overall market, the construction industry has remained in a strong position and the Directors of the company are confident that the company will see continued growth over the coming years. As we continue to increase our client base we are opening ourselves up for increased opportunities and growth within the market, which we are positive will help to help increase profit in the coming years.

BUSINESS REVIEW

GW are pleased to see that we have recovered well to what has been a very difficult couple of years with many uncertainties. We have re-established a robust financial position and boast an extremely strong order book over the coming 24 months. We continue to price and win new contracts and are fully expecting this order book to continue to grow throughout this period and the prevailing years.

In the short term, we see year 2021-2022 being challenging in terms of profit. Large increases in the cost of raw materials has seen large price increases in materials across the industry. This has been exacerbated with the increases in the cost of fuel, haulage, and wages driven by the rise in the cost of living. Coupled with the fact that, in many cases, we are on fixed term contracts for twelve months, we will foresee a reduction in profits over this period as a result. We are however working hard to negotiate contracts when and where possible and are pricing current works to incorporate all cost increases. We are therefore confident that profits will increase once these take effect.

We continue to invest heavily in our workforce who are paramount to the long term success of the business. As well as investing to train and our existing staff to ensure the quality of the service we deliver, we are investing heavily in apprentices which we hope will help us to overcome the shortage of labour within the industry and allow growth for the future.

PRINCIPAL RISKS AND UNCERTAINTIES

We have no concerns for the near future with the building trade being in such a healthy position especially with the incentives the government have injected into the industry.

There were also concerns that due to Brexit we may have experienced shortages of materials but this has not materialised however we have experienced price increases that we will need to pass on to our clients.

In respect of other risks:

The company is a lessee in respect of finance lease assets and owns assets subject to hire purchase agreements. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments. Trade debtors are managed in respect of credit and cash flow by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring funds are available to meet amounts as they fall due.

FINANCIAL KEY PERFORMANCE INDICATORS

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------|-----------|-----------|-----------|-----------|-----------|
| Gross Profit | 4,820,900 | 4,153,876 | 4,439,812 | 4,115,504 | 4,344,613 |
| Profit Before Tax | 492,862 | 502,659 | 341,119 | 82,721 | 422,303 |

GAS WORLD LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present their report and the financial statements for the year ended 31 October 2021.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

GAS WORLD LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAS WORLD LTD

OPINION

We have audited the financial statements of Gas World Ltd (the 'Company') for the year ended 31 October 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment, and business performance including the design of remuneration policies;
- We have considered the results of enquiries with management, the directors, and representatives from the parent company in relation to their own identification and assessment of the risks of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, and employment law.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around the year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all team members involved in the engagement and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the financial statements or non compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected

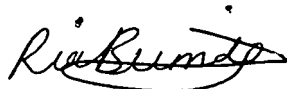
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAS WORLD LTD (CONTINUED)

in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ria Burrige FCCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

30 June 2022

GAS WORLD LTD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2021**

| | Note | 2021 £ | 2020 £ |
|---------------------------------------|------|------------------|------------------|
| Turnover | | 12,337,862 | 10,172,531 |
| Cost of sales | | (7,516,962) | (6,018,655) |
| Gross profit | | 4,820,900 | 4,153,876 |
| Administrative expenses | | (4,364,893) | (4,278,468) |
| Other operating income | | 40,193 | 629,639 |
| Operating profit | | 496,200 | 505,047 |
| Interest payable and similar expenses | | (3,338) | (2,388) |
| Profit before tax | | 492,862 | 502,659 |
| Tax on profit | 4 | (100,384) | (70,535) |
| Profit for the financial year | | 392,478 | 432,124 |

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 10 to 20 form part of these financial statements.

GAS WORLD LTD
REGISTERED NUMBER:02982870

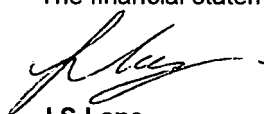
STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 373,494 | 265,375 |
| Investments | 6 | 50 | 50 |
| | | <u>373,544</u> | <u>265,425</u> |
| Current assets | | | |
| Stocks | 7 | 62,227 | 58,731 |
| Debtors: amounts falling due within one year | 8 | 2,976,328 | 2,643,825 |
| Cash at bank and in hand | | 1,051,049 | 1,067,526 |
| | | <u>4,089,604</u> | <u>3,770,082</u> |
| Creditors: amounts falling due within one year | 9 | (2,416,152) | (2,522,897) |
| Net current assets | | <u>1,673,452</u> | <u>1,247,185</u> |
| Total assets less current liabilities | | <u>2,046,996</u> | <u>1,512,610</u> |
| Creditors: amounts falling due after more than one year | 10 | (527,314) | (188,273) |
| Provisions for liabilities | | | |
| Deferred tax | 13 | (62,196) | (25,209) |
| | | <u>(62,196)</u> | <u>(25,209)</u> |
| Net assets | | <u><u>1,457,486</u></u> | <u><u>1,299,128</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 280 | 280 |
| Profit and loss account | | 1,457,206 | 1,298,848 |
| | | <u>1,457,486</u> | <u>1,299,128</u> |

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the 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:



J S Lane
Director

Date: 28 June 2022

The notes on pages 10 to 20 form part of these financial statements.

GAS WORLD LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 November 2019 | 280 | 1,084,886 | 1,085,166 |
| Profit for the year | - | 432,124 | 432,124 |
| Dividends: Equity capital | - | (218,162) | (218,162) |
| At 1 November 2020 | 280 | 1,298,848 | 1,299,128 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 392,478 | 392,478 |
| Dividends: Equity capital | - | (234,120) | (234,120) |
| At 31 October 2021 | 280 | 1,457,206 | 1,457,486 |

The notes on pages 10 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. GENERAL INFORMATION

Gas World Limited is a limited liability company incorporated in England and Wales. The registered office is 1 Avon Valley Business Park, Chapel Way, St Anne's Road, Bristol, BS4 4EU.

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 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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

Gas World re-established a strong trading platform this past year following an uncertain couple few years within the market. Turnover has increased to pre-covid levels and profit margins are improving. We maintain a strong balance sheet and a positive cashflow position. We have an very strong order book with contracts running for a further 24 months and beyond. The market we are operating in remains buoyant with opportunity for continued growth and profitability. We have maintained our strong workforce during this time and continue to invest in our workforce of the future. We see no reason why the company should not continue trading for the next 12 months and into the future.

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:

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 profit or loss 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. ACCOUNTING POLICIES (continued)

2.5 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 FINANCE COSTS

Finance costs are charged to profit or loss 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.

2.8 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. ACCOUNTING POLICIES (continued)

2.10 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 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.

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% reducing balance method |
| Motor vehicles | - | 25% reducing balance method |

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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

2. ACCOUNTING POLICIES (continued)

2.13 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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.

2.15 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.

2.16 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.

2.17 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.

2.18 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

2. ACCOUNTING POLICIES (continued)

2.19 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.20 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

| | 2021 | 2020 |
|----------------|-------------|-------------|
| | No. | No. |
| Administration | 24 | 22 |
| Engineers | 74 | 63 |
| Trainees | 14 | 11 |
| Driver | 1 | 1 |
| | 113 | 97 |

GAS WORLD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

4. TAXATION

| | 2021 £ | 2020 £ |
|--|----------------|-----------------|
| CORPORATION TAX | | |
| Current tax on profits for the year | 63,397 | 89,901 |
| | <u>63,397</u> | <u>89,901</u> |
| TOTAL CURRENT TAX | <u>63,397</u> | <u>89,901</u> |
| DEFERRED TAX | | |
| Origination and reversal of timing differences | 36,987 | (19,366) |
| TOTAL DEFERRED TAX | <u>36,987</u> | <u>(19,366)</u> |
| TAXATION ON PROFIT ON ORDINARY ACTIVITIES | <u>100,384</u> | <u>70,535</u> |

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

| | 2021 £ | 2020 £ |
|---|----------------|---------------|
| Profit on ordinary activities before tax | 492,862 | 502,659 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%) | 93,644 | 95,505 |
| EFFECTS OF: | | |
| Fixed asset differences | (9,783) | - |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 1,212 | 2,536 |
| Adjustments to tax charge in respect of prior periods | (11,023) | (16,083) |
| Remeasurement of deferred tax for changes in tax rates | 17,573 | 3,491 |
| Deferred tax not recognised | - | (14,914) |
| Adjustments to tax charge in respect of previous periods | 8,761 | - |
| TOTAL TAX CHARGE FOR THE YEAR | <u>100,384</u> | <u>70,535</u> |

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

From Financial Year 2023 the standard rate of corporation tax in the UK will increase to 25%.

GAS WORLD LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

5. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Motor vehicles £ | Total £ |
|--|-----------------------------|------------------------|------------------|
| COST OR VALUATION | | | |
| At 1 November 2020 | 278,499 | 662,800 | 941,299 |
| Additions | 1,628 | 184,099 | 185,727 |
| Disposals | (4,331) | (21,140) | (25,471) |
| At 31 October 2021 | <u>275,796</u> | <u>825,759</u> | <u>1,101,555</u> |
| DEPRECIATION | | | |
| At 1 November 2020 | 242,112 | 433,812 | 675,924 |
| Charge for the year on owned assets | - | 67,756 | 67,756 |
| Charge for the year on financed assets | 7,428 | - | 7,428 |
| Disposals | (3,244) | (19,803) | (23,047) |
| At 31 October 2021 | <u>246,296</u> | <u>481,765</u> | <u>728,061</u> |
| NET BOOK VALUE | | | |
| At 31 October 2021 | <u>29,500</u> | <u>343,994</u> | <u>373,494</u> |
| At 31 October 2020 | <u>36,387</u> | <u>228,988</u> | <u>265,375</u> |

6. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £ |
|--------------------------|---|
| COST OR VALUATION | |
| At 1 November 2020 | 50 |
| At 31 October 2021 | <u>50</u> |

GAS WORLD LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021****7. STOCKS**

| | 2021 £ | 2020 £ |
|-------------------------------------|---------------|---------------|
| Finished goods and goods for resale | 62,227 | 58,731 |
| | <u>62,227</u> | <u>58,731</u> |

8. DEBTORS

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Trade debtors | 1,163,788 | 913,982 |
| Other debtors | 156,453 | 188,528 |
| Prepayments and accrued income | 13,227 | 4,333 |
| Amounts recoverable on long term contracts | 1,642,860 | 1,536,982 |
| | <u>2,976,328</u> | <u>2,643,825</u> |

9. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Bank loans | 100,000 | 500,000 |
| Trade creditors | 1,539,500 | 1,416,446 |
| Corporation tax | 63,397 | 108,403 |
| Other taxation and social security | 82,020 | 77,771 |
| Obligations under finance lease and hire purchase contracts | 110,411 | 69,926 |
| Other creditors | 491,189 | 295,072 |
| Accruals and deferred income | 29,635 | 55,279 |
| | <u>2,416,152</u> | <u>2,522,897</u> |

The Bank loan is an unsecured Coronavirus Business Interruption Loan with an interest rate of 2.39% + base rate.

GAS WORLD LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021****10. Creditors: Amounts falling due after one year**

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Bank loans | 366,667 | - |
| Net obligations under finance leases and hire purchase contracts | 160,647 | 188,273 |
| | <u>527,314</u> | <u>188,273</u> |

11. LOANS

Analysis of the maturity of loans is given below:

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| Bank loans | 100,000 | 500,000 |
| | <u>100,000</u> | <u>500,000</u> |
| AMOUNTS FALLING DUE 2-5 YEARS | | |
| Bank loans | 366,667 | - |
| | <u>366,667</u> | <u>-</u> |
| | <u>466,667</u> | <u>500,000</u> |

12. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

| | 2021 £ | 2020 £ |
|-------------------|----------------|----------------|
| Within one year | 110,411 | 69,926 |
| Between 1-5 years | 160,647 | 188,273 |
| | <u>271,058</u> | <u>258,199</u> |

13. DEFERRED TAXATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

13. DEFERRED TAXATION (CONTINUED)

| | 2021 £ |
|---------------------------|-----------------|
| At beginning of year | (25,209) |
| Charged to profit or loss | (36,987) |
| AT END OF YEAR | (62,196) |

The provision for deferred taxation is made up as follows:

| | 2021 £ | 2020 £ |
|--------------------------------|-----------------|-----------------|
| Accelerated capital allowances | (65,911) | (26,191) |
| Short term timing differences | 1,295 | 982 |
| Adjustment for prior period | 2,420 | - |
| | <u>(62,196)</u> | <u>(25,209)</u> |

14. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. 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 fund and amounted to £63,661 (2020: £62,013). Contributions totalling £12,089 (2020: £12,061) were payable to the fund at the reporting date and are included in creditors.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 October 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Not later than 1 year | 52,000 | 52,000 |
| | <u>52,000</u> | <u>52,000</u> |
| | 2021 £ | 2020 £ |
| Not later than 1 year | 63,267 | 114,352 |
| Later than 1 year and not later than 5 years | 57,482 | 83,364 |
| | <u>120,749</u> | <u>197,716</u> |

16. RELATED PARTY TRANSACTIONS

Laneway Partnership Limited is 50% owned by Gas World Ltd with John Lane being a director. Sales with the related party during the year totalled £228,226 (2020: £391,022) and purchases totalled £3,658. At the year end the amount due from the related party was £19,446 (2020: £56,264).

The company occupies the premises owned by Gas World Executive Pension Scheme under an undefined long term agreement. A normal commercial rent of £52,000 (2020: £52,000) was paid during the year.

17. CONTROLLING PARTY

The controlling party is J S and A V Lane by virtue of their majority shareholding.