

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2019
FOR
PHOENIX GAS SERVICES LIMITED

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FOR THE YEAR ENDED 30 NOVEMBER 2019

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**STATEMENT OF FINANCIAL POSITION
30 NOVEMBER 2019**

	Notes	30.11.19 £	30.11.18 £
CURRENT ASSETS			
Stocks		94,807	68,016
Debtors	5	2,010,373	1,896,531
Cash at bank and in hand		<u>860,417</u>	<u>950,437</u>
		2,965,597	2,914,984
CREDITORS			
Amounts falling due within one year	6	<u>(1,970,830)</u>	<u>(1,983,922)</u>
NET CURRENT ASSETS		<u>994,767</u>	<u>931,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		994,767	931,062
CREDITORS			
Amounts falling due after more than one year	7	(855,300)	-
NET ASSETS		<u>139,467</u>	<u>931,062</u>
CAPITAL AND RESERVES			
Called up share capital		65	65
Share premium		1,422	1,422
Capital redemption reserve		35	35
Retained earnings		<u>137,945</u>	<u>929,540</u>
		<u>139,467</u>	<u>931,062</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 November 2020 and were signed on its behalf by:

Mr K B Grocott - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

1. STATUTORY INFORMATION

PHOENIX GAS SERVICES LIMITED is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address are as below:

Registered number: 03830355

Registered office: C/O Phoenix Gas Services Limited
Furlong Road
Tunstall
Stoke on Trent
Staffordshire
ST6 5UD

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

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.

(i) Estimated useful lives and residual values of fixed assets

Depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during the current and prior accounting periods.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 9 for the net carrying amount of the debtors.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

2. ACCOUNTING POLICIES - continued

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Phoenix Gas Services Limited offers heating servicing and installation to the domestic and commercial market. Turnover and profit are recognised as follows:

Servicing

Turnover is recognised when the outcome of a job or contract can be estimated reliably. The outcome of the transaction is deemed to be able to be estimated reliably when all of the following conditions are satisfied; 1) The amount of turnover can be measured reliably. 2) It is probable that the economic benefits associated with the transaction will flow to the company; and 3) The costs incurred for the transaction and the costs to complete the transaction can be measured.

Contract Installations

Turnover is recognised when the installation has been completed. The outcome of the transaction is deemed to be able to be estimated as completed when all of the following conditions are satisfied; 1) The amount of turnover can be measured reliably 2) It is probable that the economic benefits associated with the transaction will flow to the company; and 3) The costs incurred for the transaction and the costs to complete the transaction can be measured.

(i) Schedule of rates ("SOR") contracts

SOR contracts are set based on predetermined rates for a list of services and duties required by the customer. The billing arrangements can range from an all-encompassing price for each direct works, including an element of local site overhead, central overhead and associated profit; to the price of the direct works alone, with (where relevant) a separately agreed annual fee for local site and central overheads. The quantum of work performed in each period is captured and valued either against the agreed contract terms or with reference to costs incurred to date as a percentage of total expected costs, and the resulting turnover is recognised.

(ii) Fixed price (or lump sum) service contracts

Certain contracts, in particular for gas servicing and maintenance, are procured on a fixed price basis. Turnover for maintenance/ reactive activities is recognised on straight line basis over the life of the contract. Turnover for servicing activities is recognised when the service is performed; however when it is impractical for the customer and householder to sign off every job sheet, turnover is recognised on a straight line basis. Where the contract contains servicing and maintenance/ reactive elements and the turnover cannot be split reliably between each element of the contract, it is recognised on a basis that most closely reflects the phasing of the servicing provision. Costs are recognised as incurred.

Intangible assets

Expenditure on research and development is capitalised and will be amortised over a period of 5 years commencing in the year of commercial production or application of the product, service, process or system.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

2. ACCOUNTING POLICIES - continued

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.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

2. ACCOUNTING POLICIES - continued

Research and development

Expenditure on research and development is written off in the year of expenditure through the profit and loss account in those circumstances where the outcome of those projects are assessed as not being reasonably certain as regards viability and technical feasibility.

Development expenditure is written off in the year of expenditure in accordance with FRS 102 section 18, where the company can demonstrate all of the following then the costs can be deferred to future periods:

(a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.

(b) Its intention to complete the intangible asset and use or sell it.

(c) Its ability to use or sell the intangible asset.

(d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs that are deferred to future periods are amortised straight line over five years, the period of sale for which these units are expected to be sold. The amortisation commences with the commercial production or application of the product, service, process or system.

Deferred development expenditure for each project is reviewed at the end of each accounting period and where the circumstances which have justified the deferral of the expenditure no longer apply, or are considered doubtful, the expenditure, to the extent to which it is considered to be irrecoverable, is written off immediately project by project.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019
2. ACCOUNTING POLICIES - continued
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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 52 (2018 - 39) .

4. TANGIBLE FIXED ASSETS

Long
leasehold
£

COST

At 1 December 2018
and 30 November 2019

17,254

DEPRECIATION

At 1 December 2018
and 30 November 2019

17,254

NET BOOK VALUE

At 30 November 2019

-

At 30 November 2018

-

5. DEBTORS

30.11.19
£

30.11.18
£

Amounts falling due within one year:

Trade debtors

1,419,831 1,814,820

Amounts owed by group undertakings

494,308 -

Other debtors

85,293 71,995
1,999,432 1,886,815

Amounts falling due after more than one year:

Other debtors

10,941 9,716

Aggregate amounts

2,010,373 1,896,531

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019
6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.19	30.11.18
	£	£
Trade creditors	819,374	1,049,608
Amounts owed to group undertakings	220,593	384,910
Taxation and social security	334,822	411,531
Other creditors	596,041	137,873
	<u>1,970,830</u>	<u>1,983,922</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.11.19	30.11.18
	£	£
Other creditors	<u>855,300</u>	<u>-</u>

Included within the amounts falling due after more than one year are amounts payable over five years by instalments of £537,531 (2018: £nil).

8. SECURED DEBTS

The company's bankers have a fixed and floating charge covering all the property or undertaking of the company.

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Steven Owen (Senior Statutory Auditor)
for and on behalf of DPC Accountants Ltd

10. OTHER FINANCIAL COMMITMENTS

The company had total guarantees and commitments at the balance sheet date of £3,950 (2018 - £46,188)

11. RELATED PARTY DISCLOSURES

All transactions undertaken with the directors are deemed to be conducted under normal market conditions and/or are not material.

The company has taken advantage of the exemption from the disclosures according to FRS 102 Section 33.1A, regarding the transactions between fellow group companies, where the subsidiary party to the transaction is wholly owned by such a member.

12. POST BALANCE SHEET EVENTS

On 22 September 2020 previously disclosed enquiries and assessments raised by HMRC on company tax returns relating to prior years were agreed and settled with HMRC. The impact of this settlement is included in the 30 November 2019 financial statements.

There were no other material events up to the date of approval of the financial statements by the board.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2019**

13. ULTIMATE CONTROLLING PARTY

The directors consider Phoenix Gas Holdings Limited, a company registered in England and Wales, to be the company's ultimate parent undertaking. The registered office and principal business address of the ultimate parent undertaking is C/O Phoenix Gas Services Limited, Furlong Road, Tunstall, Stoke-on-Trent, ST6 5UD.