

# **Coolair Management Company Limited**

Registered number: 07471434

## **Directors' report and unaudited financial statements**

**For the year ended 31 December 2016**

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**COOLAIR MANAGEMENT COMPANY LIMITED**

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**COMPANY INFORMATION**

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**Directors**

J J Otterson  
H Sharratt  
A A Garstang  
N Gibbard  
S Valentine  
M Garstang

**Registered number**

07471434

**Registered office**

Coolair House  
Globe Lane  
Broadway  
Dukinfield  
SK16 4UJ

**Accountants**

Mazars LLP  
Chartered Accountants  
One St Peter's Square  
Manchester  
M2 5NT

**Bankers**

National Westminster Bank plc  
1 Spinningfields Square  
Deansgate  
Manchester  
M3 3AP

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**COOLAIR MANAGEMENT COMPANY LIMITED**

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**CONTENTS**

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	Page
<b>Strategic report</b>	1 - 2
<b>Directors' report</b>	3
<b>Profit and loss account</b>	4
<b>Balance sheet</b>	5
<b>Statement of changes in equity</b>	6
<b>Notes to the financial statements</b>	7 - 9

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## **COOLAIR MANAGEMENT COMPANY LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **Introduction**

The Directors present their Strategic Report for Coolair Management Company and its subsidiaries for the year ended 31 December 2016.

#### **Business review**

Incorporated in December 2010 the company is the non-trading parent company of Coolair Equipment Limited. There remain no plans for the company to trade in the future.

The focus of the trading subsidiary remains the supply and installation of air conditioning systems and commercial heating products.

The Board are pleased to report that subsidiary's trading remained at a high level consistent with the previous two years in 2016. A slight fall in gross margin has been experienced due to general market pressures and some uncertainty within the construction industry due to the political situation in the UK at the present time. Overheads have remained generally steady and controlled. The reported fall in pre-tax profit is a result of a bad debt of £400,000 unfortunately experienced at the end of 2016. As the group continues to trade very healthily with no reliance on bank finance this had no significant impact on cash flow or trading.

Once again most of 2016's turnover within the subsidiary came from the traditional air conditioning market. Having recently gained MSC Accreditation, much emphasis within the subsidiary has this year been placed on standardisation and improvement of internal procedures and staff development. The subsidiary is investing in organic growth over the coming years which will be greatly assisted by good internal processes and staff with the right knowledge of how to apply them. Refcom Elite Accreditation was achieved by the subsidiary early in 2017, and already holding ISO 9001, our next goal is to achieve ISO 14001.

Due to the healthy profits generated in 2016 and their re-investment in the business, cash flow grows increasingly healthy with no reliance on external finance. We are seeing a continually improving trend in payment terms from customers and debt recovery difficulties which have been experienced over the last few years appear to be easing.

#### **Principal risks and uncertainties**

The Group operates in a highly competitive market but the quality and breadth of the product ranges offered minimise the risk of losing sales to its key competitors. The company manages this risk by providing the best selection of market-leading, established products to its customers, and by investing in, training and retaining outstanding sales, technical and support staff. The Group's commitment to training and promoting exceptional personnel has enabled it to maintain strong relationships with its customers over many years, and has been the true key to the company's long term success.

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## COOLAIR MANAGEMENT COMPANY LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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#### Financial key performance indicators

The company does not trade, but the key financial performance indicators of its subsidiary, Coolair Equipment Limited are as follows:

In addition to the universal KPIs of turnover and gross margin the company considers its specific KPIs to be:-

- Order levels
- Sales generated per salesman
- Average cash levels

Levels of secured orders are crucial to short-term planning of labour requirements & purchasing levels but more importantly provide the key indication of upturn or downturn in future workload, enabling management to react quickly and make appropriate changes on a strategic level. Average monthly order levels over the last 5 years have been £6.8M (from £6.5M last year) and levels at each of the last two year ends were:-

	December 2016	December 2015
Secured orders	£7,344,794	£6,255,398

Coolair firmly believe that our sales force is our best asset. Average sales per salesman is an indicator of the state of the market plus when this figure drops it also indicates that there may be problems with individual performance which need to be rectified. We would not expect this figure to drop below £1M without good reason, and at each of the last two year ends the levels were:-

	December 2016	December 2015
Average sales per salesman	£1.47M	£1.41M

Coolair trade with no reliance on external finance. Average monthly cash levels are the key indicator not just of trading conditions but of the strength and durability of our customer base. Average cash holdings (measured on a monthly basis) over the last 5 years have been £522,922 (down from £536,945 last year) and holdings at each of the last two year ends were:-

	December 2016	December 2015
Average monthly cash balance	£184,082	£201,408

The Board are extremely positive about the long term future growth and direction of the businesses. The staff of the subsidiary remain their most important asset and the subsidiary retains a good mix of youth and experience, both of which are seen as equal in importance to sustaining a successful company and providing a consistent service to clients in to the long term future.

This report was approved by the board on

and signed on its behalf.

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**H Sharratt**  
Director

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**COOLAIR MANAGEMENT COMPANY LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Directors present their report and the financial statements for the year ended 31 December 2016.

**Directors**

The Directors who served during the year were:

J J Otterson  
H Sharratt  
A A Garstang  
N Gibbard  
S Valentine  
M Garstang

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

This report was approved by the board on \_\_\_\_\_ and signed on its behalf.

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**H Sharratt**  
Director

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**COOLAIR MANAGEMENT COMPANY LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

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**COOLAIR MANAGEMENT COMPANY LIMITED**  
**REGISTERED NUMBER: 07471434**

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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

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	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	4	2,225,842	2,225,842
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	1,000	1,000
<b>Net current assets</b>		<u>1,000</u>	<u>1,000</u>
<b>Total assets less current liabilities</b>		<u>2,226,842</u>	<u>2,226,842</u>
<b>Net assets</b>		<u><u>2,226,842</u></u>	<u><u>2,226,842</u></u>
<b>Capital and reserves</b>			
Called up share capital	6	100	100
Share premium account	7	2,226,742	2,226,742
		<u><u>2,226,842</u></u>	<u><u>2,226,842</u></u>

For the year ended 31 December 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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**H Sharratt**  
Director

The notes on pages 7 to 9 form part of these financial statements.

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COOLAIR MANAGEMENT COMPANY LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Called up share capital	Share premium account	Total equity
	£	£	£
At 1 January 2016	100	2,226,742	2,226,842
At 31 December 2016	<u>100</u>	<u>2,226,742</u>	<u>2,226,842</u>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

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	Called up share capital	Share premium account	Total equity
	£	£	£
At 1 January 2015	100	2,226,742	2,226,842
At 31 December 2015	<u>100</u>	<u>2,226,742</u>	<u>2,226,842</u>

The notes on pages 7 to 9 form part of these financial statements.

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## COOLAIR MANAGEMENT COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. General information

Coolair Management Company Limited ("the company") is a limited company incorporated in England and Wales (registered number 07471434). The address of the registered office and principal place of business is:

Coolair House  
Globe Lane  
Dukinfield  
Cheshire  
SK16 4UJ

The ultimate parent undertaking is Generation Two Limited, a company which is incorporated in England and Wales. Coolair Management Company Limited owns 100% of the share capital of Coolair Equipment Limited, a company incorporated in England and Wales. The principal activity of the subsidiary is the supply of air conditioning equipment and allied products.

#### 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 accounting policies.

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Generation Two Limited as at 31 December 2016 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff.

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**COOLAIR MANAGEMENT COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Accounting policies (continued)****2.3 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**3. Employees**

The Company has no employees other than the Directors, who did not receive any remuneration (2015 - £NIL).

**4. Fixed asset investments**

	<b>Investment in subsidiary company £</b>
<b>Cost or valuation</b>	
At 1 January 2016	<u>2,225,842</u>
At 31 December 2016	<u>2,225,842</u>
<b>Net book value</b>	
At 31 December 2016	<u><u>2,225,842</u></u>
At 31 December 2015	<u><u>2,225,842</u></u>

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**COOLAIR MANAGEMENT COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**5. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other debtors	<b>1,000</b>	1,000

**6. Share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £0.01 each	<b>100</b>	100

**7. Reserves**

**Share premium account**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

**8. Ultimate parent undertaking and controlling party**

The immediate and ultimate parent is Generation Two Limited, a company incorporated in England and Wales, who hold 100% of the share capital of Coolair Management Company Limited.