

Coolair Equipment Limited

Registered number: 02883010

Directors' report and financial statements

For the year ended 31 December 2014

COOLAIR EQUIPMENT LIMITED

COMPANY INFORMATION

DIRECTORS

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

REGISTERED NUMBER

02883010

REGISTERED OFFICE

Coolair House
Globe Lane
Dukinfield
Cheshire
SK16 4UJ

INDEPENDENT AUDITOR

Mazars LLP
Chartered Accountants & Statutory Auditor
The Lexicon
10/12 Mount Street
Manchester
M2 5NT

BANKERS

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

COOLAIR EQUIPMENT LIMITED

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COOLAIR EQUIPMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

The Directors present their Strategic Report for Coolair Equipment Limited for the year ended 31 December 2014.

BUSINESS REVIEW

The focus of the business is the supply and installation of air conditioning systems and commercial heating products.

The Board are delighted to report that 2014 was a record breaking year for Coolair with turnover reaching an all-time peak at £27.9M. We move forward in to 2015, our 35th year of trading, with buoyant sales, a healthy order book and a young sales team growing in confidence and experience. Margins also increased for the first time since the start of the global recession, marking what we perceive to be a shift back towards normal trading conditions in the industry. The above factors combined to generate a very healthy 226% increase in pre-tax profit to £1.27M.

Once again, most of 2014's turnover came from our traditional air conditioning market as commercial heating products remain slow to take off in the UK, as reported in the previous year. With the announcement of the commercial RHI (Renewable Heat Incentive) finally taking place in mid-2013 the industry is still awaiting the first project designs with these cost incentives factored in to come to market on any scale. The stage when Coolair would become involved in such projects remains some 18 months away in our opinion. When we eventually see this market take off we expect it to be heavily concentrated in the South East. Coolair are currently working towards achieving MSC Accreditation in order to be fully compliant with all regulations well in advance of any major heat pump works presenting for tender.

Due to the healthy profits generated in 2014 and their re-investment in the business, cash flow grows increasingly healthy with no reliance on external finance. We are seeing an improving trend in payment terms from customers and debt recovery difficulties which have been experienced over the last few years as the recession has bitten the industry hard now appear to be easing.

PRINCIPAL RISKS AND UNCERTAINTIES

The company 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. Coolair'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.

OTHER KEY PERFORMANCE INDICATORS

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; and
- 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 £6.2M (2013: £5.8M) and levels at each of the last two year ends were:-

	December 2014	December 2013
Secured orders	£7,477,358	£7,168,200

COOLAIR EQUIPMENT LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

Coolair firmly believe that the 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 2014	December 2013
Average sales per salesman	£1.32M	£1.17M

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 £585,196 (2013: £634,845) and cash balances at each of the last two year ends were:-

	December 2014	December 2013
Average monthly cash balance	£382,137	£82,657

This report was approved by the board on

and signed on its behalf.

H Sharratt
Director

COOLAIR EQUIPMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

DIRECTORS

The directors who served during the year were:

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

FUTURE DEVELOPMENTS

The Board are optimistic about the long term future growth and direction of Coolair and in 2014 developed our Mission Statement "To create the ideal indoor environment for people to live, work and play, now and always". This emphasises our commitments to:-

- partnering with our customers and suppliers to provide the best solutions for their needs;
- quality installation and after care of both cooling and heating products in the commercial environment; and
- sustainability of both the environment and of Coolair as a company long into the future.

COOLAIR EQUIPMENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

AUDITOR

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.

H Sharratt
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF COOLAIR EQUIPMENT LIMITED

We have audited the financial statements of Coolair Equipment Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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 Auditor's 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

OPINION ON THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

COOLAIR EQUIPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF COOLAIR EQUIPMENT LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.

Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants & Statutory Auditor

The Lexicon
10/12 Mount Street
Manchester
M2 5NT

Date:

COOLAIR EQUIPMENT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	27,961,511	23,476,619
Cost of sales		<u>(22,822,153)</u>	<u>(19,415,633)</u>
GROSS PROFIT		5,139,358	4,060,986
Administrative expenses		<u>(3,860,074)</u>	<u>(3,659,577)</u>
OPERATING PROFIT	3	1,279,284	401,409
Interest receivable and similar income		2,767	3,298
Interest payable and similar charges	6	<u>(12,282)</u>	<u>(15,324)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,269,769	389,383
Tax on profit on ordinary activities	7	<u>(328,391)</u>	<u>(115,381)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u><u>941,378</u></u>	<u><u>274,002</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 10 to 18 form part of these financial statements.

COOLAIR EQUIPMENT LIMITED
Registered number: 02883010

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	8		911,739		965,850
CURRENT ASSETS					
Stocks	9	59,191		59,103	
Debtors: amounts falling due after more than one year	10	663,092		645,934	
Debtors: amounts falling due within one year	10	7,033,684		7,384,612	
Cash at bank		470,098		361,767	
			<u>8,226,065</u>	<u>8,451,416</u>	
CREDITORS: amounts falling due within one year	11	<u>(6,016,478)</u>		<u>(6,562,325)</u>	
NET CURRENT ASSETS			<u>2,209,587</u>		<u>1,889,091</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,121,326</u>		<u>2,854,941</u>
CREDITORS: amounts falling due after more than one year	12		<u>(325,053)</u>		<u>(1,000,046)</u>
NET ASSETS			<u><u>2,796,273</u></u>		<u><u>1,854,895</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		76,000		76,000
Capital redemption reserve	15		24,000		24,000
Profit and loss account	15		2,696,273		1,754,895
SHAREHOLDERS' FUNDS	16		<u><u>2,796,273</u></u>		<u><u>1,854,895</u></u>

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

H Sharratt
Director

The notes on pages 10 to 18 form part of these financial statements.

COOLAIR EQUIPMENT LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	17	1,544,853	(566,413)
Returns on investments and servicing of finance	18	(9,515)	(12,026)
Taxation		(158,800)	(186,105)
Capital expenditure and financial investment	18	(28,826)	(89,612)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>1,347,712</u>	<u>(854,156)</u>
Financing	18	(1,239,381)	1,059,746
INCREASE IN CASH IN THE YEAR		<u><u>108,331</u></u>	<u><u>205,590</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Increase in cash in the year	108,331	205,590
Cash inflow/(outflow) from decrease in debt and lease financing	<u>1,239,381</u>	<u>(1,059,746)</u>
MOVEMENT IN NET FUNDS / (DEBT) IN THE YEAR	<u>1,347,712</u>	<u>(854,156)</u>
Net debt at 1 January 2014	(1,087,814)	(233,658)
NET FUNDS/(DEBT) AT 31 DECEMBER 2014	<u><u>259,898</u></u>	<u><u>(1,087,814)</u></u>

The notes on pages 10 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when when the work has been completed.

1.3 GOING CONCERN

The financial statements have been prepared on the going concern basis.

The company's business activities are set out in the Directors Report on page 1. The financial position of the company along with its cashflows, liquidity and borrowing facilities have been reviewed by the directors and as a result the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	4% straight line
Leasehold improvements	-	4% straight line
Land	-	Not depreciated
Motor vehicles	-	33% straight line
Fixtures & fittings	-	20% straight line

1.5 OPERATING LEASES

Rentals under operating leases are charged to the Profit and Loss Account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

COOLAIR EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.7 LONG-TERM CONTRACTS

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.8 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	82,937	77,735
Auditor's remuneration	19,500	19,000
Auditor's remuneration - non-audit	4,500	4,600
Operating lease rentals:		
- plant and machinery	8,276	-
- other operating leases	65,076	71,094
	<u> </u>	<u> </u>

COOLAIR EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	3,061,243	2,975,267
Social security costs	294,134	286,502
Pension costs	146,649	139,376
	<u>3,502,026</u>	<u>3,401,145</u>

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

	2014	2013
	No.	No.
Engineers	48	47
Warehouse and distribution	1	1
Sales	19	18
Management and administration	21	20
	<u>89</u>	<u>86</u>

5. DIRECTORS' REMUNERATION

	2014	2013
	£	£
Remuneration	<u>601,251</u>	<u>584,781</u>
Company pension contributions to defined contribution pension schemes	<u>69,360</u>	<u>70,360</u>

During the year retirement benefits were accruing to 6 directors (2013 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £135,885 (2013 - £134,084).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2013 - £12,000).

6. INTEREST PAYABLE

	2014	2013
	£	£
On bank loans and overdrafts	<u>12,282</u>	<u>15,324</u>

COOLAIR EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. TAXATION

	2014	2013
	£	£
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	339,609	158,800
Adjustments in respect of prior periods	-	(21,224)
TOTAL CURRENT TAX	<u>339,609</u>	<u>137,576</u>
DEFERRED TAX (see note 13)		
Origination and reversal of timing differences	(11,218)	(22,195)
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u><u>328,391</u></u>	<u><u>115,381</u></u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	<u>1,269,769</u>	<u>389,383</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	272,913	90,532
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	40,785	36,638
Capital allowances for year in excess of depreciation	(4,746)	(14,312)
Fixed asset differences	13,855	8,224
Adjustments to tax charge in respect of prior periods	-	(21,224)
Short term timing difference leading to an increase (decrease) in taxation	16,802	38,243
Marginal relief	-	(525)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u><u>339,609</u></u>	<u><u>137,576</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

COOLAIR EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold Improvements £	Motor vehicles £	Fixtures & fittings £	Total £
COST					
At 1 January 2014	837,080	122,939	11,440	270,704	1,242,163
Additions	-	-	-	28,826	28,826
At 31 December 2014	837,080	122,939	11,440	299,530	1,270,989
DEPRECIATION					
At 1 January 2014	61,381	59,670	7,145	148,117	276,313
Charge for the year	33,483	4,907	3,812	40,735	82,937
At 31 December 2014	94,864	64,577	10,957	188,852	359,250
NET BOOK VALUE					
At 31 December 2014	742,216	58,362	483	110,678	911,739
At 31 December 2013	775,699	63,269	4,295	122,587	965,850

9. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	59,191	59,103

10. DEBTORS

	2014 £	2013 £
DUE AFTER MORE THAN ONE YEAR		
Trade debtors	663,092	645,934
DUE WITHIN ONE YEAR		
Trade debtors	6,817,272	7,166,598
Other debtors	31,927	41,236
Prepayments and accrued income	161,472	164,983
Deferred tax asset (see note 13)	23,013	11,795

COOLAIR EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Bank loan and overdraft	95,147	659,535
Trade creditors	3,334,092	4,027,500
Corporation tax	339,609	158,800
Other taxation and social security	1,025,162	969,732
Other creditors	295,449	131,184
Accruals and deferred income	927,019	615,574
	<u>6,016,478</u>	<u>6,562,325</u>

The bank loan is secured by a first legal charge over Coolair House, Globe Lane, Dukinfield.

**12. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013
	£	£
Bank loan	115,053	210,046
Other loans	-	580,000
Other creditors	210,000	210,000
	<u>325,053</u>	<u>1,000,046</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014	2013
	£	£
Deferred consideration	<u>210,000</u>	<u>210,000</u>

The bank loan is secured by a first legal charge over Coolair House, Globe Lane, Dukinfield.

13. DEFERRED TAX ASSET

	2014	2013
	£	£
At beginning of year	11,795	(10,400)
Released during year (P&L)	11,218	22,195
	<u>23,013</u>	<u>11,795</u>

COOLAIR EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	29,922	25,505
Other timing differences	(1,822)	(1,822)
Short term timing difference	(51,113)	(35,478)
	<u>(23,013)</u>	<u>(11,795)</u>

14. SHARE CAPITAL

	2014	2013
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
76,000 Ordinary shares of £1 each	<u>76,000</u>	<u>76,000</u>

15. RESERVES

	Capital redempt'n reserve	Profit and loss account
	£	£
At 1 January 2014	24,000	1,754,895
Profit for the year	-	941,378
	<u>24,000</u>	<u>2,696,273</u>
At 31 December 2014	<u>24,000</u>	<u>2,696,273</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Opening shareholders' funds	1,854,895	1,580,893
Profit for the financial year	941,378	274,002
	<u>2,796,273</u>	<u>1,854,895</u>
Closing shareholders' funds	<u>2,796,273</u>	<u>1,854,895</u>

COOLAIR EQUIPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	1,279,284	401,409
Depreciation of tangible fixed assets	82,937	77,735
(Increase)/decrease in stocks	(88)	21,430
Decrease/(increase) in debtors	344,988	(32,808)
Decrease in creditors	(162,268)	(1,034,179)
	<u>1,544,853</u>	<u>(566,413)</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>1,544,853</u>	<u>(566,413)</u>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014	2013
	£	£
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	2,767	3,298
Interest paid	(12,282)	(15,324)
	<u>(9,515)</u>	<u>(12,026)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>(9,515)</u>	<u>(12,026)</u>
	2014	2013
	£	£
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(28,826)	(89,612)
	<u>(28,826)</u>	<u>(89,612)</u>
	2014	2013
	£	£
FINANCING		
Increase in bank borrowings	-	479,746
Repayment of bank loans	(659,381)	-
Other new loans	-	580,000
Repayment of other loans	(580,000)	-
	<u>(1,239,381)</u>	<u>1,059,746</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	<u>(1,239,381)</u>	<u>1,059,746</u>

COOLAIR EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

19. ANALYSIS OF CHANGES IN NET FUNDS/ (DEBT)

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	361,767	108,331	-	470,098
DEBT:				
Debts due within one year	(659,535)	1,239,381	(674,993)	(95,147)
Debts falling due after more than one year	(790,046)	-	674,993	(115,053)
NET FUNDS/ (DEBT)	(1,087,814)	1,347,712	-	259,898

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £146,649 (2013: £139,376). There were outstanding contributions of £15,449 (2013: £11,184) at the end of the year which are included within creditors.

21. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
EXPIRY DATE:				
Between 2 and 5 years	24,000	19,850	115,324	115,324

22. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent is Coolair Management Company Limited, a company incorporated in England and Wales, who own 100% of the share capital of Coolair Equipment Limited. Copies of the parent company accounts are available from Companies House, Crown Way, Maindy, Cardiff.

The ultimate parent undertaking of Coolair Equipment Limited is Generation Two Limited, a company incorporated in England and Wales, who own 100% of the share capital of Coolair Management Company Limited. Copies of the ultimate parent company accounts are available from Companies House, Crown Way, Maindy, Cardiff.