

# **Coolair Equipment Limited**

Registered number: 02883010

**Abbreviated accounts**

**For the year ended 31 December 2013**

**COOLAIR EQUIPMENT LIMITED****COMPANY INFORMATION**

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**DIRECTORS**

J J Otterson  
H Sharratt  
A A Garstang  
N Gibbard  
S Valentine (appointed 15 January 2013)  
J Garstang

**REGISTERED NUMBER**

02883010

**REGISTERED OFFICE**

Coolair House  
Globe Lane  
Dukinfield  
Cheshire  
SK16 4UJ

**INDEPENDENT AUDITORS**

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

**BANKERS**

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

# **COOLAIR EQUIPMENT LIMITED**

## **CONTENTS**

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	Page
<b>Directors' report</b>	1 - 2
<b>Strategic report</b>	3 - 4
<b>Independent auditors' report</b>	5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Notes to the abbreviated accounts</b>	8 - 16

## **COOLAIR EQUIPMENT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and the financial statements for the year ended 31 December 2013.

#### **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;
- 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.

#### **RESULTS**

The profit for the year, after taxation, amounted to £274,002 (2012 - £403,879).

#### **DIRECTORS**

The directors who served during the year were:

J J Otterson  
H Sharratt  
A A Garstang  
N Gibbard  
S Valentine (appointed 15 January 2013)  
J Garstang

#### **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 that director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

**COOLAIR EQUIPMENT LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**AUDITORS**

The auditors, 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

## **COOLAIR EQUIPMENT LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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#### **INTRODUCTION**

The Directors present their Strategic Report for Coolair Equipment Limited for the year ended 31 December 2013.

#### **BUSINESS REVIEW**

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

2013 saw a small increase in turnover (2%). This is encouraging when considering that 2013 became a “training year” with some of our senior salesmen tasked with helping some of our senior contracts engineers make the jump in to the sales environment and helping them start to develop their own client base. Margins continued to be squeezed however as experienced by most businesses within the industry. This, combined with some one-off overhead increases resulted in a pre-tax profit of £389,383 (down by 35%).

Most of 2013’s turnover came from our traditional air conditioning market as commercial heating products remain slow to take off in the UK due to price constraints. The market has been waiting for the Government’s announcement of the commercial RHI (Renewable Heat Incentive) which finally took place in mid-2013. Projects are therefore only now starting to be designed with these cost incentives in mind, and the lead time from initial design consultations to project tendering at the stage when Coolair would become involved is expected to take a further 18 – 24 months. Our turnover from this sector is therefore now not expected to significantly increase until 2016.

Cash flow remains healthy with no reliance on external finance. As reported last year, the increasing trend of business failures across the construction sector appears to be continuing, with bad debts representing a key business risk. One material write-off was suffered during 2013 (£86,000) but was partly counter-acted by £27,000 of debts previously provided against being recovered.

#### **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
- 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 £5.8M (from £6.1M last year) and levels at each of the last two year ends were:-

	December 2013	December 2012
Secured orders	£7,168,200	£5,415,720

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 2013	December 2012
Average sales per salesman	£1.17M	£1.20M

## **COOLAIR EQUIPMENT LIMITED**

### **STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2013**

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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 £634,845 (down from £739,739 last year) and holdings at each of the last two year ends were:-

	December 2013	December 2012
Average monthly cash balance	£82,657	£185,200

### **FUTURE DEVELOPMENTS**

The Board are optimistic about the long term future growth and direction of Coolair and see our focus remaining on providing the best quality air conditioning design & installation service. Combined with this, growth will be generated organically through entry in to the emerging commercial heating market in partnership with our key suppliers.

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

**H Sharratt**  
Director

## **COOLAIR EQUIPMENT LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO COOLAIR EQUIPMENT LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 6 to 16 together with the financial statements of Coolair Equipment Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006.

It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you. This report, including our opinion, has been prepared for and only for the company's members as a body. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in this 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 work, for this report, or for the opinions we have formed.

#### **BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

The scope of our work for the purpose of this report does not include examining events occurring after the date of our Auditors' report on the full financial statements.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants & Statutory Auditors and

The Lexicon  
10/12 Mount Street  
Manchester  
M2 5NT

Date:

**COOLAIR EQUIPMENT LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>	1	23,476,619	22,995,014
<b>GROSS PROFIT</b>		4,085,092	4,451,177
Administrative expenses		(3,683,683)	(3,844,935)
<b>OPERATING PROFIT</b>	2	401,409	606,242
Interest receivable and similar income		3,298	5,078
Interest payable and similar charges	5	(15,324)	(13,013)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		389,383	598,307
Tax on profit on ordinary activities	6	(115,381)	(194,428)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	14	274,002	403,879

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

**COOLAIR EQUIPMENT LIMITED**  
Registered number: 02883010

**ABBREVIATED BALANCE SHEET  
AS AT 31 DECEMBER 2013**

	Note	£	2013 £	2012 £
<b>FIXED ASSETS</b>				
Tangible assets	7		965,852	953,975
<b>CURRENT ASSETS</b>				
Stocks	8	59,103		80,533
Debtors	9	8,030,546		7,985,943
Cash at bank		361,767		156,177
		<hr/>	<hr/>	<hr/>
		8,451,416		8,222,653
<b>CREDITORS: amounts falling due within one year</b>	10	<hr/> (6,562,327)	<hr/> (7,072,657)	<hr/> 
<b>NET CURRENT ASSETS</b>			1,889,089	1,149,996
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,854,941	2,103,971
<b>CREDITORS: amounts falling due after more than one year</b>	11		(1,000,046)	(512,678)
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	12		-	(10,400)
<b>NET ASSETS</b>			<hr/> 1,854,895	<hr/> 1,580,893
<b>CAPITAL AND RESERVES</b>				
Called up share capital	13		76,000	76,000
Capital redemption reserve	14		24,000	24,000
Profit and loss account	14		1,754,895	1,480,893
<b>SHAREHOLDERS' FUNDS</b>	15		<hr/> 1,854,895	<hr/> 1,580,893
			<hr/>	<hr/>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on

**H Sharratt**  
Director

The notes on pages 8 to 16 form part of these financial statements.

## **COOLAIR EQUIPMENT LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **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.

##### **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 ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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#### **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. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2013</b>	<b>2012</b>
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	77,735	54,034
Auditors' remuneration	20,500	20,000
Auditors' remuneration - non-audit	3,100	2,950
Operating lease rentals:		
- plant and machinery	-	2,950
- other operating leases	71,094	68,353

## COOLAIR EQUIPMENT LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

#### 3. STAFF COSTS

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

	2013 £	2012 £
Wages and salaries	2,975,267	3,223,454
Social security costs	286,502	73,407
Pension costs	139,376	147,034
	<hr/> <hr/> 3,401,145	<hr/> <hr/> 3,443,895

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

	2013 No.	2012 No.
Engineers	47	46
Warehouse and distribution	1	1
Sales	18	18
Management and administration	20	19
	<hr/> <hr/> 86	<hr/> <hr/> 84

#### 4. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<hr/> <hr/> 584,781	<hr/> <hr/> 505,778
Company pension contributions to defined contribution pension schemes	<hr/> <hr/> 70,360	<hr/> <hr/> 71,193

During the year retirement benefits were accruing to 6 directors (2012 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £134,084 (2012 - £110,677).

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 (2012 - £12,000).

#### 5. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	<hr/> <hr/> 15,324	<hr/> <hr/> 13,013

**COOLAIR EQUIPMENT LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**6. TAXATION**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	158,800	188,046
Adjustments in respect of prior periods	(21,224)	-
<b>TOTAL CURRENT TAX</b>	<b>137,576</b>	<b>188,046</b>
<b>DEFERRED TAX</b> (see note 12)		
Origination and reversal of timing differences	(22,195)	6,382
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>115,381</b>	<b>194,428</b>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24%). The differences are explained below:

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Profit on ordinary activities before tax	389,383	598,307
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24%)	90,532	143,594
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	36,638	39,381
Capital allowances for year in excess of depreciation	(14,312)	(144)
Fixed asset differences	8,224	-
Adjustments to tax charge in respect of prior periods	(21,224)	-
Short term timing difference leading to an increase (decrease) in taxation	38,243	5,215
Marginal relief	(525)	-
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<b>137,576</b>	<b>188,046</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**COOLAIR EQUIPMENT LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**7. TANGIBLE FIXED ASSETS**

	<b>Freehold property</b> <b>£</b>	<b>Leasehold Improvements</b> <b>£</b>	<b>Motor vehicles</b> <b>£</b>	<b>Fixtures &amp; fittings</b> <b>£</b>
<b>COST</b>				
At 1 January 2013	837,080	122,941	11,440	181,092
Additions	-	-	-	89,612
At 31 December 2013	<u>837,080</u>	<u>122,941</u>	<u>11,440</u>	<u>270,704</u>
<b>DEPRECIATION</b>				
At 1 January 2013	27,898	54,762	3,332	112,586
Charge for the year	33,483	4,908	3,813	35,531
At 31 December 2013	<u>61,381</u>	<u>59,670</u>	<u>7,145</u>	<u>148,117</u>
<b>NET BOOK VALUE</b>				
At 31 December 2013	<u>775,699</u>	<u>63,271</u>	<u>4,295</u>	<u>122,587</u>
At 31 December 2012	<u>809,182</u>	<u>68,179</u>	<u>8,108</u>	<u>68,506</u>
				<b>Total</b> <b>£</b>
<b>COST</b>				
At 1 January 2013				1,152,553
Additions				89,612
At 31 December 2013				<u>1,242,165</u>
<b>DEPRECIATION</b>				
At 1 January 2013				198,578
Charge for the year				77,735
At 31 December 2013				<u>276,313</u>
<b>NET BOOK VALUE</b>				
At 31 December 2013				<u>965,852</u>
At 31 December 2012				<u>953,975</u>

**8. STOCKS**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Finished goods and goods for resale	<u>59,103</u>	<u>80,533</u>

**COOLAIR EQUIPMENT LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**9. DEBTORS**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Trade debtors	645,934	989,600
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	7,166,598	6,809,037
Other debtors	41,236	30,408
Prepayments and accrued income	164,983	156,898
Deferred tax asset (see note 12)	11,795	-
	8,030,546	7,985,943

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

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Bank loan and overdraft	659,535	87,157
Trade creditors	4,027,500	4,042,505
Corporation tax	158,800	207,329
Other taxation and social security	969,732	1,016,773
Other creditors	131,184	1,133,115
Accruals and deferred income	615,576	585,778
	6,562,327	7,072,657

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

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

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Bank loan	210,046	302,678
Other loans	580,000	-
Other creditors	210,000	210,000
	1,000,046	512,678

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

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Deferred consideration	210,000	210,000

**COOLAIR EQUIPMENT LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**11. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

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

**12. DEFERRED TAXATION**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
At beginning of year	(10,400)	(4,018)
Released during/(charged for) year (P&L)	22,195	(6,382)
	<hr/>	<hr/>
At end of year	11,795	(10,400)
	<hr/>	<hr/>

The deferred taxation balance is made up as follows:

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Accelerated capital allowances	25,505	13,349
Other timing differences	(1,822)	(2,949)
Short term timing difference	(35,478)	-
	<hr/>	<hr/>
	(11,795)	10,400
	<hr/>	<hr/>

**13. SHARE CAPITAL**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
76,000 Ordinary shares of £1 each	76,000	76,000
	<hr/>	<hr/>

**14. RESERVES**

	<b>Capital redempt'n reserve</b> <b>£</b>	<b>Profit and loss account</b> <b>£</b>
At 1 January 2013	24,000	1,480,893
Profit for the financial year	-	274,002
	<hr/>	<hr/>
At 31 December 2013	24,000	1,754,895
	<hr/>	<hr/>

**COOLAIR EQUIPMENT LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Opening shareholders' funds	1,580,893	2,877,014
Profit for the financial year	274,002	403,879
Dividends (Note 16)	-	(1,700,000)
 Closing shareholders' funds	 1,854,895	 1,580,893
	<hr/>	<hr/>

**16. DIVIDENDS**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Dividends paid on equity capital	-	1,700,000
 	<hr/>	<hr/>

**17. 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 £139,376 (2012: £147,034). There were outstanding contributions of £11,184 (2012: £13,115) at the end of the year which are included within creditors.

**18. OPERATING LEASE COMMITMENTS**

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>
	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>	<b>2013</b> <b>£</b>
<b>EXPIRY DATE:</b>			
Within 1 year	-	15,000	-
Between 2 and 5 years	19,850	19,850	115,324
	<hr/>	<hr/>	<hr/>

Total aggregate commitments held under non-cancellable operating leases at 31 December 2013 relating to land and buildings is £61,204 (2012: £92,304) and other operating leases is £308,251 (2012: £139,429). This is based upon the assumption that the leases will all run to their expiration date and therefore does not account for any break clauses that may be in place. It also excludes any increases in rent that may be payable following any scheduled rent reviews implicit in the lease agreement.

**COOLAIR EQUIPMENT LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**19. 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.