

# **Coolair Management Company Limited**

Registered number: 07471434

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

**For the year ended 31 December 2015**

# COOLAIR MANAGEMENT COMPANY LIMITED

## 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  
The Lexicon  
10/12 Mount Street  
Manchester  
M2 5NT

**Bankers**

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

# COOLAIR MANAGEMENT COMPANY LIMITED

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# COOLAIR MANAGEMENT COMPANY LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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### Introduction

The Directors present their Strategic Report for Coolair Management Company and its subsidiaries for the year ended 31 December 2015.

### Business review

The focus of the Group is the supply and installation of air conditioning systems and commercial heating products; this trade is carried out through Coolair Equipment Limited.

Coolair Management Company Limited is the non-trading immediate parent company and Generation Two Limited is the non-trading ultimate parent company of Coolair Equipment Limited. There remain no plans for either of these companies to trade in the future.

The Board are delighted to report that 2015 was a second record breaking year in a row for the Group with turnover exceeding £28M for the first time in our history. In our 35th year of trading, our focus has been to protect & reaffirm the ethos of the company whilst looking to the changes we must make to grow and remain competitive and financially secure in the future. We have seen a small growth in sales right across the group with no additions to our sales force and pleasingly margins have continued to progress back up towards levels we would expect in any "non-recessionary" year. These factors combined to generate a very healthy 7% increase in pre-tax profit to £1,356,375.

Once again most of 2015'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. Coolair were awarded MSC Accreditation early in 2016 for our Southern region, which is where we expect to see the most immediate growth in commercial heating contracts. This will be rolled out across the other offices as and when we see signs of an increase in demand.

Due to the healthy profits generated in 2015 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.

# COOLAIR MANAGEMENT COMPANY LIMITED

## STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

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### Financial 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 £6.5M (2014: £6.2m) and levels at each of the last two year ends were:-

	December 2015	December 2014
Secured orders	£6,255,398	£7,477,358

The Group 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 2015	December 2014
Average sales per salesman	£1.41M	£1.32M

The Group trades 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 £536,945 (down from £585,196 last year) and holdings at each of the last two year ends were:-

	December 2015	December 2014
Average monthly cash balance	£201,408	£382,137

The Board are extremely positive about the long term future growth and direction of The Group. Our staff remain our most important asset and we retain a good mix of youth and experience, both of which we see as equal in importance to sustaining a successful company and providing a consistent service to our clients in to the long term future.

This report was approved by the board on 7th Sept 2016 and signed on its behalf.

  
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H Sharratt  
Director

# COOLAIR MANAGEMENT COMPANY LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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The Directors present their report and the financial statements for the year ended 31 December 2015.

### Directors

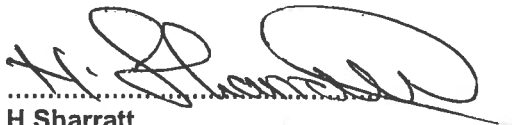
The Directors who served during the year were:

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 *7th Sept 2016* and signed on its behalf.



H Sharratt  
Director

# **COOLAIR MANAGEMENT COMPANY LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015**

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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.

# COOLAIR MANAGEMENT COMPANY LIMITED

Registered number: 07471434

## BALANCE SHEET AS AT 31 DECEMBER 2015

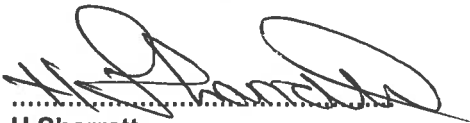
	Note	2015 £	2014 £
Investments	4	2,225,842	2,225,842
		<u>2,225,842</u>	<u>2,225,842</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
<b>Total assets less current liabilities</b>		2,226,842	2,226,842
		<u>2,226,842</u>	<u>2,226,842</u>
<b>Net assets</b>		<u>2,226,842</u>	<u>2,226,842</u>
<b>Capital and reserves</b>			
Called up share capital	6	100	100
Share premium account	7	2,226,742	2,226,742
		<u>2,226,842</u>	<u>2,226,842</u>

For the year ended 31 December 2015 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

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

7th Sept 2016  
  
.....  
**H Sharratt**  
Director

The notes on pages 8 to 10 form part of these financial statements.



# COOLAIR MANAGEMENT COMPANY LIMITED

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

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	Share capital £	Share premium £	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>

# COOLAIR MANAGEMENT COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

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	Share capital £	Share premium £	Total equity £
At 1 January 2014	100	2,226,742	2,226,842
<b>At 31 December 2014</b>	<b>100</b>	<b>2,226,742</b>	<b>2,226,842</b>

The notes on pages 8 to 10 form part of these financial statements.

# COOLAIR MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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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 and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 (see note ).

#### 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- 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 2015 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff.

# COOLAIR MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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### 2. Accounting policies (continued)

#### 2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

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 (2014 - £NIL).

### 4. Fixed asset investments

	Investment in subsidiary company £
<b>Cost or valuation</b>	
At 1 January 2015	2,225,842
At 31 December 2015	<u>2,225,842</u>
At 31 December 2015	<u>-</u>
<b>Net book value</b>	
At 31 December 2015	<u><u>2,225,842</u></u>
At 31 December 2014	<u><u>2,225,842</u></u>

# COOLAIR MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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### 5. Debtors

	2015 £	2014 £
Other debtors	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

### 6. Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £0.01 each	100	100
	<u>100</u>	<u>100</u>

### 7. Reserves

#### Share premium

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.

### 9. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.