

Coolair Management Company Limited

Registered number: 07471434

Directors' report and unaudited financial statements

For the year ended 31 December 2018

COOLAIR MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

Directors

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

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 3DE

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 2018

Introduction

The Directors present their Strategic Report for Coolair Management Company and its subsidiaries for the year ended 31 December 2018.

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 business remains the supply and installation of air conditioning systems and commercial heating products.

After several buoyant years, market conditions started to become challenging in 2017. This continued in to 2018 and combined with a number of external factors beyond our control led to Coolair posting a pre-tax loss for the first time since 1998.

Our Midlands region remained profitable with a strong and loyal client base. Northern region also produced a trading profit but unfortunately suffered a significant bad debt when a long-standing client was forced in to administration following the collapse of Carillion early in 2018. The key loss was incurred by our Southern region and resulted from a combination of the following factors outside our control:-

- Fewer large projects out to tender
- Two long standing clients shifting their business focus from commercial to residential, a sector in which Coolair do not operate
- A significant loss on one contract due to unforeseen issues with the site

As it became apparent that the Southern region would be loss-making, the management team implemented a re-structuring program and a re-focusing to widen and strengthen our client base.

Throughout 2018 cash flow remained healthy and other than mentioned above, bad debts were minimal. Coolair continued to trade without reliance on bank finance. This has continued through in to 2019.

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 2018

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 £7.1M (2017 £7M) and levels at each of the last two year ends were:-

	December 2018	December 2017
Secured orders	£7,401,734	£5,807,096

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 2018	December 2017
Average sales per salesman	£1.10M	£1.23M

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 £296,835 (down from £522,922 last year) and holdings at each of the last two year ends were:-

	December 2018	December 2017
Average monthly cash balance	£28,389	£30,817

The Board are extremely positive about the long term future growth and direction of Coolair. The order book across all offices has returned to healthy levels, ensuring a return to profitability in 2019. Additionally, our in-house Aftersales division goes from strength to strength and is a key focus for our organic growth over the next 5 years.

This report was approved by the board on *26th Sept 2019* and signed on its behalf.



H Sharratt
Director

COOLAIR MANAGEMENT COMPANY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors present their report and the financial statements for the year ended 31 December 2018.

Directors

The Directors who served during the year were:

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

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 *26th Sept 2019* and signed on its behalf.



H Sharratt
Director

COOLAIR MANAGEMENT COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	4	2,225,842	2,225,842
Current assets			
Debtors: amounts falling due within one year	5	<u>1,000</u>	<u>1,000</u>
Net current assets		<u>1,000</u>	<u>1,000</u>
Total assets less current liabilities		<u>2,226,842</u>	<u>2,226,842</u>
Net assets		<u><u>2,226,842</u></u>	<u><u>2,226,842</u></u>
Capital and reserves			
Called up share capital		100	100
Share premium account		<u>2,226,742</u>	<u>2,226,742</u>
		<u><u>2,226,842</u></u>	<u><u>2,226,842</u></u>

For the year ended 31 December 2018 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

26th SEPT 2019



H Sharratt
Director

The notes on pages 6 to 8 form part of these financial statements.

COOLAIR MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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
Broadway
Dukinfield
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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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; and
- 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 2018 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 2018

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 Statement of financial position 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 (2017 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2017 - 0).

4. Fixed asset investments

	Loans to associates £
Cost or valuation	
At 1 January 2018	2,225,842
At 31 December 2018	<u>2,225,842</u>
Net book value	
At 31 December 2018	<u>2,225,842</u>
At 31 December 2017	<u>2,225,842</u>

5. Debtors

	2018 £	2017 £
Other debtors	<u>1,000</u>	<u>1,000</u>

COOLAIR MANAGEMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. 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.

