

Coolair Management Company Limited

Registered number: 07471434

Directors' report and unaudited financial statements

For the year ended 31 December 2017

COOLAIR MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

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 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 2017

Introduction

The Directors present their Strategic Report for Coolair Management Company and its subsidiaries for the year ended 31 December 2017.

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.

2017 was a more difficult trading year for the subsidiary. After an extremely buoyant three year spell a downturn in the UK market was noticed this year, leading to a small (7%) fall in turnover across the three regional offices. The pressures on gross margin experienced last year continued, due to the ongoing uncertainty within the construction industry and within the UK's political situation. Overheads have remained generally steady and controlled, meaning that the reported fall in pre-tax profit is a direct consequence of the reduction in turnover and gross margin. As the subsidiary 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 2017's turnover came from our traditional air conditioning market. Our emphasis within the business on standardisation and improvement of internal procedures and staff development has brought two additional accreditations. Cyber Essential Plus certification was awarded in October 2017, which ensured our early and comprehensive compliance with GDPR regulations in force from May 2018. In the same month we also achieved the Investors in People standard which as a company dedicated to looking after our staff we are extremely proud of.

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 2017

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 subsidiary considers its specific KPIs to be:-

- Secured order levels;
- Sales generated per salesman; and
- Average cash levels.

Levels of secured orders are crucial to short-term planning of labour requirements and 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 £7.0m (2016: £6.8m) and levels at each of the last two year ends were:-

	December 2017	December 2016
Secured orders	£5,807,096	£7,344,794

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 2017	December 2016
Average sales per salesman	£1.23m	£1.47m

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 £333,668 (down from £522,922 last year) and holdings at each of the last two year ends were:-

	December 2017	December 2016
Average monthly cash balance	£30,817	£184,082

The Board have concerns over the future strength of the UK economy and expect the next two years to be challenging in the construction sector. 2018 will see a strengthening and expansion of our service and maintenance division which is seen as a key growth strand for Coolair's long term future success and to further improving the service levels offered to our clients

This report was approved by the board on 19th September 2018 and signed on its behalf.


H Sharratt
Director

COOLAIR MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

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 *19th September 2018* and signed on its behalf.



H Sharratt
Director

COOLAIR MANAGEMENT COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	4	2,225,842	2,225,842
Current assets			
Debtors: amounts falling due within one year	5	1,000	1,000
Net current assets		1,000	1,000
Total assets less current liabilities		2,226,842	2,226,842
Net assets		2,226,842	2,226,842
Capital and reserves			
Called up share capital	6	100	100
Share premium account	7	2,226,742	2,226,742
		2,226,842	2,226,842


For the year ended 31 December 2017 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

19th September 2018



H Sharratt
Director

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

COOLAIR MANAGEMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Share premium account £	Total equity £
At 1 January 2017	100	2,226,742	2,226,842
At 31 December 2017	<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.

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

	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>

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

COOLAIR MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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's 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.

COOLAIR MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 (2016 - £NIL).

4. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 January 2017	2,225,842
At 31 December 2017	<u>2,225,842</u>
Net book value	
At 31 December 2017	<u>2,225,842</u>
At 31 December 2016	<u>2,225,842</u>

COOLAIR MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Debtors

	2017 £	2016 £
Other debtors	1,000	1,000

6. Share capital

	2017 £	2016 £
Allotted, called up and fully paid 10,000 Ordinary shares of £0.01 each	100	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.