

Cool Logic (Service) Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 October 2019

Cool Logic (Service) Ltd
(Registration number: 03699382)
Balance Sheet as at 31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>5</u>	49,788	69,976
Current assets			
Debtors	<u>6</u>	166,527	402,128
Creditors: Amounts falling due within one year	<u>7</u>	(259,328)	(390,018)
Net current (liabilities)/assets		<u>(92,801)</u>	<u>12,110</u>
Total assets less current liabilities		(43,013)	82,086
Creditors: Amounts falling due after more than one year	<u>7</u>	(126,621)	(15,000)
Provisions for liabilities		<u>(4,951)</u>	-
Net (liabilities)/assets		<u><u>(174,585)</u></u>	<u><u>67,086</u></u>
Capital and reserves			
Called up share capital	<u>8</u>	250	200
Capital redemption reserve		-	50
Profit and loss account		<u>(174,835)</u>	<u>66,836</u>
Total equity		<u><u>(174,585)</u></u>	<u><u>67,086</u></u>

For the financial year ending 31 October 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 30 September 2020 and signed on its behalf by:

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Mr Peter Wilkinson
Director

Cool Logic (Service) Ltd

Notes to the Financial Statements for the Year Ended 31 October 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 6 Middleton Trade Park
Oldham Road
Middleton
Manchester
M24 1QZ
United Kingdom

These financial statements were authorised for issue by the Board on 30 September 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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Notes to the Financial Statements for the Year Ended 31 October 2019

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and Machinery	25% straight line
Office equipment	15% reducing balance
Computer equipment	33% straight line
Leasehold Improvements	20% straight line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Financial Statements for the Year Ended 31 October 2019

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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Notes to the Financial Statements for the Year Ended 31 October 2019

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 7 (2018 - 6).

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Notes to the Financial Statements for the Year Ended 31 October 2019

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 November 2018	25,000	25,000
At 31 October 2019	25,000	25,000
Amortisation		
At 1 November 2018	25,000	25,000
At 31 October 2019	25,000	25,000
Carrying amount		
At 31 October 2019	-	-

5 Tangible assets

	Improvements to premises £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 November 2018	29,058	32,308	26,470	24,987
Additions	-	475	-	-
At 31 October 2019	29,058	32,783	26,470	24,987
Depreciation				
At 1 November 2018	5,811	23,161	6,618	7,193
Charge for the year	5,812	2,240	6,618	6,057
At 31 October 2019	11,623	25,401	13,236	13,250
Carrying amount				
At 31 October 2019	17,435	7,382	13,234	11,737
At 31 October 2018	23,247	9,083	19,852	17,794

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Notes to the Financial Statements for the Year Ended 31 October 2019

	Total £
Cost or valuation	
At 1 November 2018	112,823
Additions	<u>475</u>
At 31 October 2019	<u>113,298</u>
Depreciation	
At 1 November 2018	42,783
Charge for the year	<u>20,727</u>
At 31 October 2019	<u>63,510</u>
Carrying amount	
At 31 October 2019	<u><u>49,788</u></u>
At 31 October 2018	<u><u>69,976</u></u>

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Notes to the Financial Statements for the Year Ended 31 October 2019

6 Debtors

	Note	2019 £	2018 £
Trade debtors		143,358	393,311
Amounts owed by group undertakings and undertakings in which the company has a participating interest		520	-
Prepayments		931	792
Other debtors		21,718	8,025
		<u>166,527</u>	<u>402,128</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	70,399	30,655
Trade creditors		112,283	171,888
Taxation and social security		9,627	40,330
Accruals and deferred income		5,100	5,072
Other creditors		61,919	142,073
		<u>259,328</u>	<u>390,018</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £42,943 (2018 - £30,655). The director P Wilkinson has provided a personal guarantee in respect of the bank loan of £27,455 (2018 £nil)

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	<u>9</u>	<u>126,621</u>	<u>15,000</u>

Creditors include net obligations under finance lease and hire purchase contracts which are secured of £10,000 (2018 - £15,000). The director, P Wilkinson has given a personal guarantee in respect of the bank loan of £116,620 (2018 £nil).

8 Share capital

Allotted, called up and fully paid shares

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Notes to the Financial Statements for the Year Ended 31 October 2019

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	200	200	200	200
Ordinary B shares of £1 each	50	50	50	50
	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>

9 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Finance lease liabilities	10,000	15,000
Other borrowings	<u>116,621</u>	<u>-</u>
	<u>126,621</u>	<u>15,000</u>

	2019 £	2018 £
Current loans and borrowings		
Bank overdrafts	37,943	25,655
Finance lease liabilities	5,000	5,000
Other borrowings	<u>27,456</u>	<u>-</u>
	<u>70,399</u>	<u>30,655</u>

10 Parent and ultimate parent undertaking

The company's immediate parent is Charterhouse Properties (UK) Limited, incorporated in England & Wales.

11 Non adjusting events after the financial period

Since 31 October 2019, the spread of COVID-19 has severely impacted many local economies around the world. In many countries, businesses are being forced to cease or limit operations for a long or indefinite periods of time. Measures taken to contain the spread of the virus, including travels bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide. Governments have responded to stabilise economies with financial interventions.

The company determined that these events are non adjusting subsequent events. Accordingly the financial position for the year ended 31 October 2019 have not been adjusted to reflect their impact.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time. It is not possible to reliably estimate the impact of the pandemic on the financial position and the results of the company for future periods.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.