

Company Registration No. 04542796 (England and Wales)

COOL DESIGNS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

PAGES FOR FILING WITH REGISTRAR

COOL DESIGNS LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

COOL DESIGNS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		945,464		345,531
Current assets					
Stocks		673,069		1,392,204	
Debtors	4	3,702,739		2,989,821	
Cash at bank and in hand		15,123		82,925	
		<u>4,390,931</u>		<u>4,464,950</u>	
Creditors: amounts falling due within one year	5	<u>(4,655,161)</u>		<u>(4,284,566)</u>	
Net current (liabilities)/assets			(264,230)		180,384
Total assets less current liabilities			<u>681,234</u>		<u>525,915</u>
Creditors: amounts falling due after more than one year	6		(123,819)		(136,458)
Provisions for liabilities			<u>(19,232)</u>		<u>(9,754)</u>
Net assets			<u>538,183</u>		<u>379,703</u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss reserves			538,083		379,603
Total equity			<u>538,183</u>		<u>379,703</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 23 September 2019

Mr D Birkett

Director

Company Registration No. 04542796

COOL DESIGNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Cool Designs Limited is a private company limited by shares incorporated in England and Wales. The registered office is South Shore Road, East Gateshead Industrial Estate, Gateshead, NE8 3AE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property improvements	10% reducing balance
Land and buildings leasehold	2% reducing balance
Computer equipment	3 years straight line
Office equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

COOL DESIGNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

COOL DESIGNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

COOL DESIGNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.14 Factored debtors

Some of the sales invoices are factored. These invoices are included in trade debtors until the related monies are received by the factoring company from the customer. The amount due to the factoring company is included in other creditors.

COOL DESIGNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 27 (2017 - 23).

3 Tangible fixed assets

	Property improvements	Land and buildings leasehold	Computer equipment	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2018	150,083	-	110,437	134,052	221,782	616,354
Additions	3,680	649,890	2,874	-	43,935	700,379
Disposals	-	-	-	-	(17,825)	(17,825)
At 31 December 2018	153,763	649,890	113,311	134,052	247,892	1,298,908
Depreciation and impairment						
At 1 January 2018	67,921	-	91,399	78,950	32,553	270,823
Depreciation charged in the year	8,584	4,821	14,961	8,265	56,540	93,171
Eliminated in respect of disposals	-	-	-	-	(10,550)	(10,550)
At 31 December 2018	76,505	4,821	106,360	87,215	78,543	353,444
Carrying amount						
At 31 December 2018	77,258	645,069	6,951	46,837	169,349	945,464
At 31 December 2017	82,162	-	19,038	55,102	189,229	345,531

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	3,673,802	2,961,139
Other debtors	28,937	28,682
	<u>3,702,739</u>	<u>2,989,821</u>

COOL DESIGNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,621,864	2,508,107
Corporation tax	79,687	75,572
Other taxation and social security	170,671	42,701
Other creditors	1,782,939	1,658,186
	<u>4,655,161</u>	<u>4,284,566</u>

A factoring creditor of £1,731,799 (2017 £1,618,556) is secured by a fixed and floating charge over all the assets of the company. Finance lease creditors totalling £49,186 (2017 £36,609) are secured on the related assets acquired under the leases.

6 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>123,819</u>	<u>136,458</u>

Finance lease creditors totalling £123,819 (2017 £136,458) are secured on the related assets acquired under the leases.

7 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

The company has one class of ordinary shares which carry no right to fixed income. These shares have full voting rights.

8 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	<u>79,989</u>	<u>87,069</u>

COOL DESIGNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Directors' transactions

The company occupies premises owned by D Birkett, director, for which rent of £49,550 (2017: £49,550) was paid during the year.

Included in creditors is a loan of £1,102 (201 £2,117) owing to D Birkett.

10 Parent company

The company is controlled by Cool Designs Holdings Limited, which owns 100% of the issued share capital of the company.

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.