

AHT Cooling Systems Supermarket (UK) Limited

Report and Financial Statements

31 December 2016

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COMPANIES HOUSE

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Directors

S D Clarke
T Babacan

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Beds LU1 3LU

Bankers

Barclays Bank plc
90-93 Broad Street
Reading
Berkshire
RG1 2AP

Registered Office

Unit C
Mill Court
Featherstone Road
Wolverton Mill
Milton Keynes
MK12 5EU

Strategic report

The directors present their strategic report for the year ended 31 December 2016.

Principal activities and review of the business

The principal activity of the company during the year continued to be the supply and installation of commercial plug in type refrigeration equipment.

The key performance indicators of the company during the year were as follows:

	2016 £000	2015 £000
Turnover	20,670	13,635
Cost of sales	(16,486)	(10,932)
As a % of sales	80%	80%
Operating costs	2,582	2,342
Operating profit	1,602	361

AHT Cooling Systems Supermarket (UK) Limited continued its business turnaround and had a very good year with a continued uplift in growth and performance realised. The budgeted operating result (EBIT) was realised with a substantial improvement. This was in part due to our continued involvement in a replacement roll out of AHT existing equipment for a Discount Supermarket chain. In addition, the continued participation in a national roll out of another major Discount Supermarket chain in supplying our new integral multi deck range of equipment (product name Vento) to their existing store portfolio. We have also increased sales with other existing customers while adding some new ones.

Principal risks and uncertainties

Looking to the future, the AHT Group continues to be very active in product innovation especially utilising environmentally friendly natural refrigerants and this is attracting key interest from numerous retail chains. This method of cooling their products features high on their agendas due to high energy costs and F-Gas legislation.

Whilst we enjoyed a stable and supportive relationship with our parent company, The AHT Group, the volatility of our UK currency still existed plus the negative and uncertainty of Brexit affected our exchange rates



S D Clarke

Director

Date: 28-9-17

Directors' report

The directors present their report and financial statements for the year ended 31 December 2016.

Results and dividends

The operating profit for the year amounted to £1,601,598 (2015: £361,283). Profit after tax amounted to £2,081,534 (2015: £361,381). The directors do not recommend the payment of any dividends (2015: £nil).

Future developments

The company intends to continue operating in the areas of Commercial Refrigeration and environmentally sustainable equipment. This will include new products, refurbishing existing products, service and maintenance of our products.

Going concern

The company's principal activities, together with the factors likely to affect its future development and descriptions of its financial position are described in the Strategic Report. The AHT Group has considerable financial resources together with diverse geographic coverage and wide product offer. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the previously mentioned factors. The directors have prepared the financial statements on the going concern basis as the parent company has issued a letter of support to the company stating that it will continue to provide funding, as necessary, in order for the company to meet all of its operational and capital requirements as they fall due. The directors therefore consider that the going concern basis of accounting remains appropriate.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors

The directors who served the company during the year were as follows:

S D Clarke
T Babacan

Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. The directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board


S D Clarke
Director

Date: 20-9-17

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of AHT Cooling Systems Supermarket (UK) Limited

We have audited the financial statements of AHT Cooling Systems Supermarket (UK) Limited for the year ended 31 December 2016 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the auditor of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect, based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent auditors' report (continued)

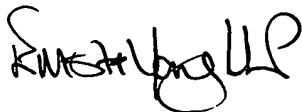
to the members of AHT Cooling Systems Supermarket (UK) Limited

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Juliet Thomas (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Luton

Date: 22 Sep 2017

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	3	20,669,865	13,634,634
Cost of sales		(16,485,888)	(10,931,684)
Gross profit		4,183,977	2,702,950
Administrative expenses		(2,582,379)	(2,341,667)
Operating profit	4	1,601,598	361,283
Interest receivable and similar income	6	130	215
Interest payable	7	(168)	(117)
Profit on ordinary activities before taxation		1,601,560	361,381
Tax on profit on ordinary activities	8	479,974	-
Profit for the financial year		2,081,534	361,381
Other comprehensive income		-	-
Total comprehensive income		2,081,534	361,381

Balance sheet

at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible fixed assets	9	22,599	14,911
Current assets			
Stocks	10	2,038,653	865,514
Debtors	11	3,286,776	1,641,350
Cash at bank		1,496,339	665,714
		6,821,768	3,172,578
Creditors: amounts falling due within one year	12	(6,942,060)	(5,371,040)
Net current liabilities		(120,292)	(2,198,462)
Total assets less current liabilities		(97,693)	(2,183,551)
Provision for liabilities	13	(16,299)	(11,975)
Total assets less current liabilities		(113,992)	(2,195,526)
Capital and reserves			
Called up share capital	14	10,000	10,000
Profit and loss account		(123,992)	(2,205,526)
Shareholders' deficit		(113,992)	(2,195,526)

The financial statements were approved by the board of directors on 20-9-17 and were signed on its behalf by:



S D Clarke
Director

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Statement of Changes in Equity

for the year ended 31 December 2016

	<i>Share Capital</i>	<i>Profit and loss account</i>	<i>Total Equity</i>
	£	£	£
At 1 January 2015	10,000	(2,566,907)	(2,556,907)
Profit for the year	-	361,381	361,381
Other comprehensive income	-	-	-
At 31 December 2015	<u>10,000</u>	<u>(2,205,526)</u>	<u>(2,195,526)</u>
 At 1 January 2016	 10,000	 (2,205,526)	 (2,195,526)
Profit for the year	-	2,081,534	2,081,534
Other comprehensive income	-	-	-
As at 31 December 2016	<u>10,000</u>	<u>(123,992)</u>	<u>(113,992)</u>

Notes to the financial statements

at 31 December 2016

1. Authorisation of Financial Statements and Statement of Compliance with FRS 101

The financial statements of AHT Cooling Systems Supermarket (UK) Limited for the year ended 31 December 2016 were authorised for issue by the board of directors on 20 SEPT. 2017 and the balance sheet was signed on the board's behalf by Mr S D Clarke. AHT Cooling Systems Supermarket (UK) Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise indicated.

The results of AHT Cooling Systems Supermarket (UK) Limited are included in the consolidated financial statements of Cool International Holding GmbH which are available from Factory Lane 57, 8786 Rottenmann, Austria.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of accounting

The Company transitioned from UK GAAP to FRS 101 for all periods presented.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures,
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
- (d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- (h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Judgements and Key Sources of Estimation Uncertainty

The Directors have reviewed all the assets and liabilities at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates.

In the opinion of the directors, there are no key judgements or sources of estimation uncertainty which could materially impact the financial statements.

Notes to the financial statements

at 31 December 2016

2. Accounting policies (continued)

Going concern

The directors have prepared the financial statements on the going concern basis as the ultimate parent company has issued a letter of support to the company stating that it will continue to provide funding, as necessary, in order for the company to meet all of its operational and capital requirements as they fall due. The directors therefore consider that the going concern basis of accounting remains appropriate.

Foreign currency translation

The company's financial statements are presented in sterling, which is also the company's functional currency.

Transactions and balances in foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of VAT and trade discounts. Revenue is recognised when the risks and rewards of ownership pass to the customer, usually on despatch of the products.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	–	5 years straight line
Computer equipment	–	3-4 years straight line

The assets residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, or if there is indication of significant change since the last reporting date.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Notes to the financial statements

at 31 December 2016

2. Accounting policies (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income Statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

Deferred taxation

Deferred taxation is recognised in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, with the following exception:

- Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. Turnover

Turnover, which is stated net of value added tax and trade discount, is attributable to the company's principal activity. An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	18,342,677	11,816,885
Rest of the World	2,327,188	1,817,749
	<u>20,669,865</u>	<u>13,634,634</u>

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Notes to the financial statements

at 31 December 2016

4. Operating profit

This is stated after charging:

	2016 £	2015 £
Auditors' remuneration	18,207	24,200
Depreciation of tangible fixed assets owned by the company	8,939	11,471
Operating lease – land and buildings	45,145	197,895
Foreign exchange (gain)/loss	(365,288)	6,258
Provision for intercompany loan	-	-
Cost of stocks recognised as an expense	13,971,333	8,243,764
(Increase) in impairment of stocks	(15,125)	(30,086)
	<u>13,971,333</u>	<u>8,243,764</u>
	<u>(15,125)</u>	<u>(30,086)</u>

5. Staff costs

	2016 £	2015 £
Wages and salaries	612,962	511,119
Social security costs	82,679	57,297
Other costs	3,121	2,307
	<u>698,762</u>	<u>570,723</u>

The average number of employees during the year was as follows:

Office and Warehouse Staff	16	13
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Directors emoluments

	2016 £	2015 £
Emoluments	101,155	106,460
Members of defined contribution schemes	1	1

The remuneration for one of the directors was borne by a related company as the director was also a director of other companies within the group. The director's services to the company did not occupy a significant amount of time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the period.

6. Interest receivable and similar income

	2016 £	2015 £
Bank interest	130	215

Notes to the financial statements

at 31 December 2016

7. Interest payable

	2016	2015
	£	£
Bank interest	168	117

8. Tax on profit on ordinary activities

a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016	2015
	£	£
<i>Current tax:</i>		
UK corporation tax	26	-
Total current tax	26	-
<i>Deferred tax:</i>		
Deferred tax	(480,000)	-
Total deferred tax (note 8 (c))	(480,000)	-
Tax on profit on ordinary activities	(479,974)	-

b) Factors affecting current tax charge

The actual rate of corporation tax differs from the standard rate of corporation tax in the UK. The differences are reconciled below:

	2016	2015
	£	£
Profit on ordinary activities before taxation	1,601,561	361,381
Profit on ordinary activities multiplied by standard rate of corporation Tax in the UK of 20% (2016: 20%)	320,312	73,179
Expenses not deductible for tax purposes	2,298	7,641
Capital allowances in excess of depreciation	(2,513)	(1,788)
Utilisation of losses	(320,071)	(79,032)
Previously unrecognised tax losses	(480,000)	-
Total current tax (note 8 (a))	(479,974)	-

The standard rate of Corporation Tax in the UK was 20% for this accounting period and will fall further to 19% with effect from 1 April 2017 and again to 17% with effect from 1 April 2020. These rates were substantially enacted during the period and as such any deferred tax balances have been stated at the reduced tax rates of 17-19%, depending on expected usage.

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Notes to the financial statements

at 31 December 2016

8. Tax on profit on ordinary activities (continued)

c) Deferred taxation

The deferred taxation asset recognised and not recognised in the financial statements is as follows:

	Not recognised		Recognised	
	2016	2015	2016	2015
	£000	£000	£000	£000
Depreciation in advance of capital allowances	-	2	-	-
Tax losses	-	743	480	-
	-	745	480	-
				£
At 1 January 2016				-
Deferred tax recognised				480,000
At 31 December 2016				480,000

9. Tangible fixed assets

	<i>Furniture, fittings and equipment</i>
	£
Cost:	
At 1 January 2016	135,535
Additions during the year	16,627
At 31 December 2016	152,162
Depreciation:	
At 1 January 2016	120,624
Charge for the year	8,939
At 31 December 2016	129,563
Net book value:	
At 31 December 2016	22,599
At 1 January 2016	14,911

Notes to the financial statements

at 31 December 2016

10. Stocks

	2016 £	2015 £
Finished goods and goods for resale	2,038,653	865,514

The difference between the carrying value of stock and its replacement cost is not material.

11. Debtors

	2016 £	2015 £
Trade debtors	2,448,395	1,569,026
Amounts owed by fellow group undertakings	-	-
Prepayments and other debtors	358,381	72,324
Deferred tax asset (note 8(c))	480,000	-
	<u>3,286,776</u>	<u>1,641,350</u>

12. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	385,082	440,037
Amounts owed to parent undertaking	5,247,484	4,495,636
Amounts owed to fellow group undertakings	5,760	120
Corporation tax	26	-
Social security and other taxes	897,833	137,063
Accruals and deferred income	405,875	298,184
	<u>6,942,060</u>	<u>5,371,040</u>

13. Provision for liabilities

	Dilapidations £	Product Warranty £	Total Provision for liabilities £
At 1 January 2016	-	11,975	11,975
Charged in the year	9,500	-	9,500
Utilised during the year	-	(5,176)	(5,176)
At 31 December 2016	<u>9,500</u>	<u>6,799</u>	<u>16,299</u>

A provision is recognised for expected warranty claims on products sold.

Notes to the financial statements

at 31 December 2016

14. Issued share capital

		2016		2015
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
10,000 ordinary shares of £1 each	10,000	10,000	10,000	10,000
		<u> </u>		<u> </u>

15. Operating lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Operating leases which expire				
Within one year	37,089	37,089	30,742	12,388
In two to five years	111,267	148,356	32,203	14,640
	<u>148,356</u>	<u>185,445</u>	<u>62,945</u>	<u>27,028</u>

16. Related party transactions

The company has taken advantage of the exemption available under IAS 24 'Related Party Transactions' not to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

17. Ultimate parent undertaking and controlling party

The company is wholly owned directly by AHT Cooling Systems GmbH, a company incorporated in Austria.

The ultimate parent company is Cool International Holding GmbH, a company incorporated in Austria. The ultimate controlling party is European Cooling 2 SARL, a company incorporated in Luxembourg.