

J D Cooling Systems Limited
Annual Report and Financial Statements
31 May 2021



STEPHENSON SMART (EAST ANGLIA) LIMITED

Chartered Accountants & statutory auditor
22-26 King Street
King's Lynn
Norfolk
PE30 1HJ

J D Cooling Systems Limited

Financial Statements

Year ended 31 May 2021

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J D Cooling Systems Limited

Officers and Professional Advisers

The board of directors

Mr R J Keal
Mr A Stevens
Mr R J Corby
Mr A Grayson
Mrs H A C Jackson
Mr M J Roberts
Mr T E Marshall

Registered office

Hansa Court
Lubeck Road
King's Lynn
Norfolk
PE30 2HN

Auditor

Stephenson Smart (East Anglia) Limited
Chartered Accountants & statutory auditor
22-26 King Street
King's Lynn
Norfolk
PE30 1HJ

Bankers

NatWest
4 Tuesday Market Place
King's Lynn
Norfolk
PE30 1YY

Solicitors

Kenneth Bush Solicitors
11 New Conduit Street
King's Lynn
Norfolk
PE30 1DG

J D Cooling Systems Limited

Strategic Report

Year ended 31 May 2021

The directors present their strategic report of the company for the year ended 31 May 2021.

Principal activity

The principal activities of J D Cooling Systems Limited are the design, installation, maintenance and servicing of refrigeration and heating, ventilation and cooling systems within the commercial and industrial sector.

Business review

The year ended 31 May 2021 was a very positive year with turnover achieving record levels, increasing by 38.7% (2020: decreasing 15.76%), due to the diversity of our customer base and our role supplying businesses within the food industry in particular.

The gross profit margin achieved was lower than it has been in previous years, mainly as a result of the sales mix being heavily weighted towards high value low margin installations rather than the more traditional service and maintenance works. Despite this, general overheads were well monitored and this has helped achieve a strong bottom line profit of £302,756 (2020: loss of £30,022). Total borrowings have fallen by £656,826 (36.7%) during the year, improving the overall financial position ahead of the next fiscal year.

The J D Cooling Group have an exclusive licence to install the revolutionary new Softripe ® fruit ripening system within UK & Ireland. This technology is set to revolutionise the ripening process of avocados, mangoes and bananas that will ultimately lead to an enhanced shelf life, a reduction in waste and provide a better quality and more natural tasting end product for the consumer.

During this financial year we continued to invest in research and development taking on a number of more challenging projects that required innovative and bespoke design. We pride ourselves on being able to provide a solution which is tailor made to meet our customers requirements. As such the research and development of new ideas is key to our success.

The directors are satisfied with the company Balance Sheet at the year end which shows net current assets of £3,389,051 (2020: £3,653,058) and shareholders' funds of £3,343,464 (2020: £3,160,708).

Key performance indicators

The company uses a range of performance measures to monitor and manage business effectively, both financial and non-financial. The key performance indicators, including their comparatives, are as follows:

	2021	2020	2019
	£	£	£
Turnover	29,870,485	21,542,287	25,573,445
Current assets	10,052,693	9,402,319	11,486,240
Current liabilities	6,722,468	5,749,261	7,250,519
Total borrowing	1,133,965	1,790,791	2,295,054
Total assets	10,618,453	10,109,997	12,193,485
	2021	2020	2019
Gross profit margin (%)	19	23	25
Liquidity	2	2	2
Gearing (%)	22	17	28
Average number of employees	116	112	115

J D Cooling Systems Limited

Strategic Report *(continued)*

Year ended 31 May 2021

Principal risks and uncertainties

Market risk

Some of the key risks affecting the company arise from natural, direct competition within the market place; giving rise to pressures on customer retention, margins and profitability. The directors feel that the their knowledge and experience of the industry, in addition to the company's innovative culture, helps them to maintain a strong position within a competitive market place.

Brexit and COVID still pose an ongoing risk to both customers and suppliers alike. This risk has been managed well and the impact hasn't adversely affected trade significantly during the year. The only exception to this has been increased lead times on capital equipment procured from European suppliers.

We believe the overall impact going forwards will be minimal due to the wide range of sectors we operate in and the processes that have been put in place to mitigate the ongoing market risks.

Personnel risk

We seek to recruit and retain quality individuals through our commitment to training, development and the wellbeing of our staff. It is our intention to gain recognition as an employer of choice to not only improve staff retention and minimise risk, but also encourage talented people to want to work for the J D Cooling Systems Limited.

Credit risk

One of the main risks we face arises from the size of some of our trade debtors, given the substantial nature of some of the projects we undertake. To reduce this risk, we request deposit payments upfront and subsequent stage payments.

We provide services to a wide variety of business sectors including the food industry, pharmaceuticals, utilities suppliers and data centres. As such our financial exposure is well spread and the level of risk is low.

Management of risk

The company continues to manage all risks according to their severity, potential impacts and the changing environment currently experienced. The company's financial risk management objectives and policies are detailed in the Director's Report.

J D Cooling Systems Limited

Strategic Report *(continued)*

Year ended 31 May 2021

Future developments

Despite the challenging trading environment that has prevailed with Brexit and COVID, the directors are confident that they can sustain the resilient financial performance achieved in 2020 and 2021, and remain optimistic about the business outlook of the company over the next 12 months. Looking forwards, the directors will actively look to monitor general overhead costs to ensure that they are maintained in line with the level of trading activity in future years.

Following the success of the SoftRipe® trials and the amount of interest already being generated within the food industry, we anticipate that SoftRipe® will dominate the fruit ripening sector over the next 3-4 years. We commenced our first installation within the year ended 31 May 2021 and have a number of prospective orders in the pipeline which are expected to take place in the latter part of the 2021/22 year.

We believe that the coming years present a huge opportunity to embrace renewable technology with the aim of helping businesses achieve net zero, well ahead of the 2050 deadline. We are already focusing our attention towards cost effective solutions that will help our customers both minimise energy costs and make their businesses more environmentally sustainable.

This report was approved by the board of directors on 30 November 2021 and signed on behalf of the board by:



Mrs H A C Jackson
Director



Mr M J Roberts
Director

Registered office:
Hansa Court
Lubeck Road
King's Lynn
Norfolk
PE30 2HN

J D Cooling Systems Limited

Directors' Report

Year ended 31 May 2021

The directors present their report and the financial statements of the company for the year ended 31 May 2021.

Directors

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

Mr R J Keal
Mr A Stevens
Mr R J Corby
Mr M Culley
Mr A Grayson
Mrs H A C Jackson
Mr M J Roberts
Mr T E Marshall (Appointed 1 January 2021)

Dividends

Particulars of the dividends are detailed in note 13 to the financial statements. The directors do not recommend a final dividend.

Results

The profit for the financial year, after taxation, amounted to £302,756 (2020: loss of £30,022).

Future developments

The directors are keen on continuing the positive growth achieved by the company over recent years, and believe the knowledge and experience gained from the unpredictable nature of 2020 and 2021, will help them to sustain the performance in the coming year.

Financial instruments and financial risk management objectives and policies

The company uses various financial instruments, including loans and cash, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments are to finance the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks which are described in more detail below. The main risks arising from the company's financial instruments are credit risk, currency risk and interest rate risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

Liquidity risk

The company manages its cash and borrowing requirements in order to minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of the business, including the requirement to effectively fund any capital expenditure arising.

Interest rate risk

The company is exposed to cash flow interest rate risk on bank loans, hire purchase and finance leases. The directors keep this risk under regular review and secure fixed rates where available, which is usually the case with hire purchase contracts and finance leases. The risk of interest rate changes to positive cash balances remains minimal.

J D Cooling Systems Limited

Directors' Report *(continued)*

Year ended 31 May 2021

Foreign currency risk

The company is exposed to translation and transaction foreign currency risk on transactions with overseas suppliers. The directors do not always hedge against the currency risk, but on larger transactions/contracts, the company hedges to offset the risks presented from foreign exchange; contracts are entered into to buy foreign currency when large foreign currency invoices are falling due. Contracts are locked prior to payment dates to minimise the risk of foreign currency movement.

Credit risk

The company is exposed to credit risk on both its investments and debtors. Investments of cash surpluses are made through banks which must fulfill credit rating criteria approved by the directors. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary. Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Events after the end of the reporting period

For details of events after the reporting period see note 27 to these financial statements.

Research and development

During the year, the company continued to carry out research and development activity on numerous bespoke projects where technical uncertainty was faced, including the advanced technologies in the ripening processes of avocados, mangoes and bananas with a view to provide a better quality product which enhances shelf life and reduces food waste.

At the date of signing, the full current year research and development report that details the total expenditure undertaken in the year is unavailable. To date, the directors have calculated costs of approximately £700,000, but the final figures are likely to exceed this value. In 2020, £792,010 of costs were deemed of a research and development nature and were eligible for corporation tax enhanced research and developments credits.

Disclosure of information in the strategic report

In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the review of the development and performance of the business, including key performance indicators, along with details of future developments is contained in the Strategic Report on page 2.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

J D Cooling Systems Limited

Directors' Report *(continued)*

Year ended 31 May 2021

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 30 November 2021 and signed on behalf of the board by:



Mrs H A C Jackson
Director



Mr M J Roberts
Director

Registered office:
Hansa Court
Lubeck Road
King's Lynn
Norfolk
PE30 2HN

J D Cooling Systems Limited

Independent Auditor's Report to the Members of J D Cooling Systems Limited

Year ended 31 May 2021

Opinion

We have audited the financial statements of J D Cooling Systems Limited (the 'company') for the year ended 31 May 2021 which comprise the statement of income and retained earnings (including profit and loss account), balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 27 to the financial statements concerning the legal dispute in which the entity is involved. The ultimate outcome of the matter cannot presently be determined.

J D Cooling Systems Limited

Independent Auditor's Report to the Members of J D Cooling Systems Limited (continued)

Year ended 31 May 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements and annual report are prepared is consistent with the financial statements and annual report; and the strategic report and directors' have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

J D Cooling Systems Limited

Independent Auditor's Report to the Members of J D Cooling Systems Limited (continued)

Year ended 31 May 2021

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identify those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include the UK financial reporting standards, Company Law, Taxation and Pension legislation and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include but are not limited to; health and safety legislation; construction, design and management regulations; and employment regulation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which includes fraud and non-compliance with laws and regulations) comprised of: Inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movement in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than those irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements might not be detected, even though the audit has been planned and performed in accordance with the ISAs (UK).

A further description of our responsibilities is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

J D Cooling Systems Limited

Independent Auditor's Report to the Members of J D Cooling Systems Limited *(continued)*

Year ended 31 May 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

J D Cooling Systems Limited

Independent Auditor's Report to the Members of J D Cooling Systems Limited *(continued)*

Year ended 31 May 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

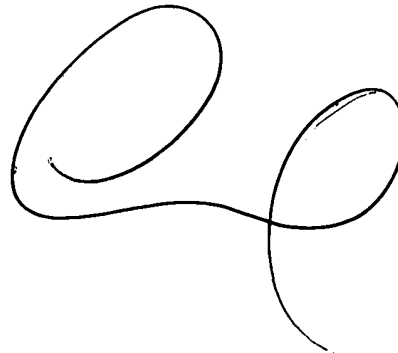
Use of our report

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.

Mr Michael Andrews FCA (Senior Statutory Auditor)

For and on behalf of
Stephenson Smart (East Anglia) Limited
Chartered Accountants & statutory auditor
22-26 King Street
King's Lynn
Norfolk
PE30 1HJ

30 November 2021



J D Cooling Systems Limited

Statement of Income and Retained Earnings (Including Profit and Loss Account)

Year ended 31 May 2021

	Note	2021 £	2020 £
Turnover	4	29,870,485	21,542,287
Cost of sales		(24,194,772)	(16,541,598)
Gross profit		5,675,713	5,000,689
Administrative expenses		(5,618,993)	(5,395,949)
Other operating income	5	175,216	161,476
Operating profit/(loss)	6	231,936	(233,784)
Other interest receivable and similar income	10	3,094	10,142
Interest payable and similar expenses	11	(14,090)	(12,424)
Profit/(loss) before taxation		220,940	(236,066)
Tax on profit/(loss)	12	81,816	206,044
Profit/(loss) for the financial year and total comprehensive income		<u>302,756</u>	<u>(30,022)</u>
Dividends paid and payable	13	(120,000)	—
Retained earnings at the start of the year		3,160,628	3,190,650
Retained earnings at the end of the year		<u>3,343,384</u>	<u>3,160,628</u>

All the activities of the company are from continuing operations.

The notes on pages 15 to 29 form part of these financial statements.

J D Cooling Systems Limited

Balance Sheet

31 May 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	565,760	707,678
Current assets			
Stocks	15	217,048	199,267
Debtors	16	7,952,083	6,839,307
Cash at bank and in hand		1,942,387	2,363,745
		<u>10,111,518</u>	<u>9,402,319</u>
Creditors: amounts falling due within one year	17	<u>(6,722,467)</u>	<u>(5,749,261)</u>
Net current assets		<u>3,389,051</u>	<u>3,653,058</u>
Total assets less current liabilities		<u>3,954,811</u>	<u>4,360,736</u>
Creditors: amounts falling due after more than one year	18	<u>(453,781)</u>	<u>(1,117,467)</u>
Provisions	20	<u>(157,566)</u>	<u>(82,561)</u>
Net assets		<u>3,343,464</u>	<u>3,160,708</u>
Capital and reserves			
Called up share capital	24	80	80
Profit and loss account	25	3,343,384	3,160,628
Total shareholders' funds		<u>3,343,464</u>	<u>3,160,708</u>

These financial statements were approved by the board of directors and authorised for issue on 30 November 2021, and are signed on behalf of the board by:



Mrs H A C Jackson
Director



Mr M J Roberts
Director

Company registration number: 02888433

The notes on pages 15 to 29 form part of these financial statements.

J D Cooling Systems Limited

Notes to the Financial Statements

Year ended 31 May 2021

1. General information

The company is a private company limited by shares, registered in England and Wales.

The address of the registered office and principal place of business is Hansa Court, Lubeck Road, King's Lynn, Norfolk, PE30 2HN.

2. Statement of compliance

These individual financial statements have been prepared in compliance with United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (effective March 2018) ('FRS 102'), and with the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity. Figures are rounded to the nearest whole pound sterling (£).

Going concern

The directors consider that the company has adequate resources to continue in operational existence for the foreseeable future and has therefore prepared these financial statements on a going concern basis.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of J D Cooling Limited which can be obtained from the registered office at 22-26 King Street, King's Lynn, Norfolk, PE30 1HJ. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.
- (d) No disclosure for related party transactions which have taken place between wholly owned group members has been given.

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 5 for the carrying amount of tangible assets and note 3 for the useful economic lives for each class of assets.

(ii) Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

(iii) Amounts recoverable on contracts and deferred income

The company makes an estimate of the values recoverable on contracts and the value of deferred income. When calculating these values, management considers factors on a contract by contract basis of the stage of completion (based on costs), sales achieved to date, and the anticipated total contract revenues. In calculating the values, management consider historical contracts and their performance.

(iv) Warranty provision

A warranty provision is made to provide for any remedial costs which may be incurred as a result of contract works undertaken. Warranties are provided for a 12 month period on completion of contract works. The directors calculate this estimate based on a percentage of the total contracts value, a method and basis deemed reasonable by the directors.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

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

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the rendering of services, and amounts recoverable on contracts, is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable. Immediate provision is made for foreseeable losses.

Stage of completion is measured by the proportion of costs to date compared to the total anticipated costs on a contract; taking into account sales already invoiced. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvement	- 4% straight line
Plant and machinery	- 10% reducing balance
Fixtures and fittings	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% straight line

Freehold land is not depreciated.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accruals model.

Under the accruals model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Construction contracts

Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity as at the year end.

Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is expensed immediately, with a corresponding provision for an onerous contract being recognised.

The entity uses the percentage of completion method to determine the amounts to be recognised in the period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

4. Turnover

Turnover arises from:

	2021 £	2020 £
Rendering of services	5,953,404	5,459,752
Construction contracts	23,917,081	16,082,535
	<u>29,870,485</u>	<u>21,542,287</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2021 £	2020 £
United Kingdom	29,801,222	21,540,466
Overseas	69,263	1,821
	<u>29,870,485</u>	<u>21,542,287</u>

5. Other operating income

	2021 £	2020 £
Rental income	14,820	14,820
Government grant income	71,521	87,144
Other operating income	88,875	59,512
	<u>175,216</u>	<u>161,476</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021 £	2020 £
Depreciation of tangible assets	159,745	188,786
(Gains)/loss on disposal of tangible assets	(1,354)	625
Foreign exchange differences	(3,203)	—
Operating lease rentals	<u>312,736</u>	<u>235,042</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>6,000</u>

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021 No.	2020 No.
Production staff	64	56
Administrative staff	46	49
Management staff	6	7
	<u>116</u>	<u>112</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021 £	2020 £
Wages and salaries	4,657,172	4,159,879
Social security costs	422,305	398,149
Other pension costs	173,034	177,459
	<u>5,252,511</u>	<u>4,735,487</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021 £	2020 £
Remuneration	425,175	433,229
Company contributions to defined contribution pension plans	46,382	51,906
Compensation for loss of office	—	30,000
	<u>471,557</u>	<u>515,135</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021 No.	2020 No.
Defined contribution plans	<u>5</u>	<u>6</u>

Remuneration of the highest paid director in respect of qualifying services:

	2021 £	2020 £
Aggregate remuneration	100,841	98,128
Company contributions to defined contribution pension plans	10,439	5,953
	<u>111,280</u>	<u>104,081</u>

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

10. Other interest receivable and similar income

	2021	2020
	£	£
Interest on cash and cash equivalents	3,094	8,811
Other interest receivable and similar income	—	1,331
	<u>3,094</u>	<u>10,142</u>

Interest receivable is derived from financial assets measured at amortised cost.

11. Interest payable and similar expenses

	2021	2020
	£	£
Interest on banks loans and overdrafts	1,598	2,697
Interest on obligations under finance leases and hire purchase contracts	12,291	9,727
Other interest payable and similar charges	201	—
	<u>14,090</u>	<u>12,424</u>

Interest payable is derived from financial liabilities measured at amortised cost.

12. Tax on profit/(loss)

Major components of tax income

	2021	2020
	£	£
Current tax:		
UK current tax income	(58,825)	(201,704)
Adjustments in respect of prior periods	(22,726)	2,990
Total current tax	<u>(81,551)</u>	<u>(198,714)</u>
Deferred tax:		
Origination and reversal of timing differences	(265)	(7,330)
Tax on profit/(loss)	<u>(81,816)</u>	<u>(206,044)</u>

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

12. Tax on profit/(loss) *(continued)*

Reconciliation of tax income

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit/(loss) on ordinary activities before taxation	220,940	(236,066)
Profit/(loss) on ordinary activities by rate of tax	41,978	(44,853)
Adjustment to tax charge in respect of prior periods	(22,726)	2,990
Effect of expenses not deductible for tax purposes	896	8,388
Effect of capital allowances and depreciation	37,851	331
Group relief	34,625	—
Research and development enhanced deduction	(172,900)	(172,900)
Effects of research and development tax credits	18,211	—
Effect of changes in tax rates	(19,751)	—
Tax on profit/(loss)	<u>(81,816)</u>	<u>(206,044)</u>

Factors that may affect future tax income

The Finance Bill 2021 (set out on 11 March 2021, substantively enacted on 24 May 2021) includes an increase to the main rate of corporation tax to 25% for the financial year beginning 1 April 2023. The rate for companies with small profits under £50,000 will remain at 19%. There is a reintroduction of marginal relief for a company with profits falling between £50,000 and £250,000. Deferred taxes at the balance sheet date have been measured using the enacted tax rate of 25% in order for these factors affecting the future tax expense to be reflected in these financial statements.

13. Dividends

	2021 £	2020 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>120,000</u>	<u>—</u>

J D Cooling Systems Limited

Notes to the Financial Statements (continued)

Year ended 31 May 2021

14. Tangible assets

	Freehold property £	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 Jun 2020	21,433	173,619	18,137	335,290	699,912	1,248,391
Additions	—	—	31,065	63,953	—	95,018
Disposals	—	—	(750)	(425)	(211,151)	(212,326)
At 31 May 2021	<u>21,433</u>	<u>173,619</u>	<u>48,452</u>	<u>398,818</u>	<u>488,761</u>	<u>1,131,083</u>
Depreciation						
At 1 Jun 2020	—	15,486	1,935	210,087	313,205	540,713
Charge for the year	—	3,472	6,137	65,615	84,521	159,745
Disposals	—	—	—	—	(135,135)	(135,135)
At 31 May 2021	<u>—</u>	<u>18,958</u>	<u>8,072</u>	<u>275,702</u>	<u>262,591</u>	<u>565,323</u>
Carrying amount						
At 31 May 2021	<u>21,433</u>	<u>154,661</u>	<u>40,380</u>	<u>123,116</u>	<u>226,170</u>	<u>565,760</u>
At 31 May 2020	<u>21,433</u>	<u>158,133</u>	<u>16,202</u>	<u>125,203</u>	<u>386,707</u>	<u>707,678</u>

Leasehold improvements encompasses improvements made to the property which the company rent.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 31 May 2021	<u>223,367</u>
At 31 May 2020	<u>379,806</u>

15. Stocks

	2021 £	2020 £
Raw materials and consumables	<u>217,048</u>	<u>199,267</u>

Stocks are stated after provisions for impairment of £Nil (2020: £Nil).

J D Cooling Systems Limited

Notes to the Financial Statements (continued)

Year ended 31 May 2021

16. Debtors

	2021	2020
	£	£
Trade debtors	4,846,814	3,982,885
Amounts owed by customers on construction contracts	1,699,532	718,887
Prepayments and accrued income	70,434	74,946
Corporation tax repayable	283,255	201,704
Other debtors	1,052,048	1,860,885
	<u>7,952,083</u>	<u>6,839,307</u>

Trade debtors are stated after provisions for impairment of £Nil (2020: £Nil).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	583,290	561,250
Trade creditors	3,060,200	2,870,581
Amounts owed to group undertakings	54,960	36,479
Accruals and deferred income	1,995,597	1,211,841
Social security and other taxes	880,680	895,380
Obligations under finance leases and hire purchase contracts	96,894	112,074
Director loan accounts	5,220	—
Other creditors	45,626	61,656
	<u>6,722,467</u>	<u>5,749,261</u>

Security has been provided in respect of bank loans and overdrafts, aggregate debt falling due within one year £583,290 (2020: £561,250), by way of a debenture which pledges a fixed charge and floating charge as security, covering all the assets of the company.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The hire purchase debt is secured over the asset in which the debt was used to purchase.

18. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	420,938	982,188
Obligations under finance leases and hire purchase contracts	32,843	135,279
	<u>453,781</u>	<u>1,117,467</u>

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

18. Creditors: amounts falling due after more than one year *(continued)*

Security has been provided in respect of bank loans and overdrafts, aggregate debt falling due after more than one year £420,938 (2020: £982,188), by way of a debenture which pledges a fixed charge and floating charge as security, covering all the assets of the company.

The hire purchase debt is secured over the asset in which the debt was used to purchase.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021 £	2020 £
Not later than 1 year	81,797	118,074
Later than 1 year and not later than 5 years	62,713	161,061
	<u>144,510</u>	<u>279,135</u>

20. Provisions

	Warranties £	Deferred tax (note 21) £	Total £
At 1 June 2020	–	82,561	82,561
Additions	181,253	–	181,253
Charge against provision	(105,983)	(265)	(106,248)
At 31 May 2021	<u>75,270</u>	<u>82,296</u>	<u>157,566</u>

The warranty provision has been recognised to reflect the estimated remedial costs of completed contracts undertaken during the financial year.

21. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2021 £	2020 £
Included in provisions (note 20)	<u>82,296</u>	<u>82,561</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021 £	2020 £
Accelerated capital allowances	<u>82,296</u>	<u>82,561</u>

Deferred tax has been calculated at 25% (2020: 19%), the future rate of taxation, substantively enacted at the balance sheet date.

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £173,034 (2020: £177,459).

At the balance sheet date, there were outstanding contributions of £35,904 (2020: £31,750).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	40,903	87,144

Government grant income represents the values reclaimed from the UK government under the Coronavirus Job Retention Scheme, claimed to support the wages costs of those employees furloughed during the COVID-19 pandemic. There are no unfulfilled conditions or other contingencies attached to the grants recognised as income; the income is not classified as state aid.

24. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	80	80	80	80

There is a single class of ordinary shares. A restriction is imposed by the bank who holds a debenture over the company assets concerning the loan balance stated within notes 17 and 18, whereby the company is unable to declare or pay dividends exceeding that agreed in the loan covenant amount without prior consent of the bank.

25. Reserves

Profit and loss account - This reserve records distributable retained earnings and accumulated losses.

Share capital - The called up share capital represents the nominal value of the shares issued.

26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	413,837	321,530
Later than 1 year and not later than 5 years	478,025	289,672
	891,862	611,202

J D Cooling Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2021

27. Contingencies

During the year and subsequent to the balance sheet date, the legal dispute with a customer remained ongoing, in relation to works carried out in a prior period. At this point in time the value of the claim cannot be reliably measured, nor can the timing of any potential resolution be reliably estimated.

28. Related party disclosures

The immediate parent company of the company is J D Cooling Limited, by way of their 100% ownership of the share capital in the company.

J D Cooling South East Limited is a 75% owned subsidiary of J D Cooling Limited. During the year, net sales of £316,595 (2020: £44,648) were undertaken with J D Cooling South East Limited, along with net purchases of £520,740 (2020: £100,642). As at the balance sheet date a balance of £54,960 (2020: £36,479) was due to J D Cooling South East Limited from the company.

J D Cooling Limited, the parent company, is an associate of J D Industrial Cooling Systems Limited, by way of their ownership of 33% of the share capital in J D Cooling Limited. During the year, J D Cooling Systems Limited incurred consultancy fees of £1,200,000 (2020: £900,000), along with income of £44,944 (2020: £47,597). As at the balance sheet date, J D Industrial Cooling Systems Limited owed the company £949,725 (2020: £1,732,425).

J D Power Systems Limited is a joint venture project which is part controlled by the parent company J D Cooling Limited. Total purchases in the year from J D Power Systems Limited amounted to £1,299,426 (2020: £912,630) and sales, including rental income, totalled £30,208 (2020: £33,291). At the balance sheet date, the company owed £86,139 (2020: £235,818) to J D Power Systems Limited which is included within trade creditors and £nil (2020: £nil) included within other creditors. Trade debtor balances owed to the company stood at £3,355 (2020: £3,007).

C J Ventures Ltd, a company owned by shareholders of the parent company and an individual deemed key management of J D Cooling Systems Limited, was paid rent and consultancy fees during the year which amounted to £77,981 (2020: £97,704), with a balance of £317 (2020: £1,149) owed to the company as at the balance sheet date. On 16 April 2015, the company guaranteed a loan of £638,000 for C J Ventures Ltd. At the balance sheet date, the balance of the loan stood at £nil (2020: £nil).

29. Controlling party

The immediate controlling party is J D Cooling Limited, a company registered in England and Wales. The registered office of J D Cooling Limited is 22-26 King Street, King's Lynn, Norfolk, PE30 1HJ.

The ultimate parent undertaking and the smallest and largest group to consolidate the financial statements is J D Cooling Limited, 22-26 King Street, King's Lynn, Norfolk, PE30 1HJ.

There is no ultimate controlling party, as no one individual has control over the parent entity.