

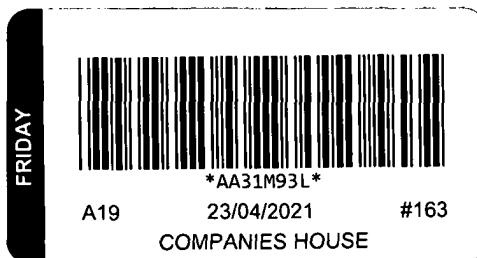
Carter Retail Equipment Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 00618898



Carter Retail Equipment Limited

Report and financial statements
for the year ended 31 December 2019

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Directors

N A Gardner
B E Kerrison
D Russell
A T Santer (resigned 27/09/2019)
J C Scott
M P Hall (resigned 21/01/2020)
S Price (resigned 09/10/2019)
C S Hufflett
M LeRoy (appointed 18/03/2020)

Secretary

A T Santer (resigned 27/09/2019)

Registered office

90 Leaford Road, Birmingham, B33 9TX

Company number

00618898

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

Carter Retail Equipment Limited

Strategic report for the year ended 31 December 2019

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2019.

The company's principal activity is the manufacture and installation of retail display and commercial refrigeration equipment through operations in the United Kingdom and United States of America (USA). The company has elected to prepare consolidated group financial statements. The results therefore included the combined results of the group which comprises Carter Retail Equipment Limited and its wholly owned subsidiary Carter Group International Inc, a company incorporated in the United States of America.

Review of the business

The group made a pre-tax loss of £1,150,914 (2018 - £1,035,620) on a turnover of £31,823,151 (2018 - £33,433,959).

Future developments

Following a review of core activity, the directors have identified areas that require improvement. This includes the outsourcing of the metal shop and condenser builds during 2020 as well as focusing on key customer contracts.

Sales at the company in 2020 were significantly impacted by Covid-19. Initially this largely impacted its UK sales but there was also a slowdown in sales to the USA in the final months of 2020. These falls in sales together with the cost of restructuring its manufacturing operations mean that the company will make a loss in 2020. Plans are being put in place to return the company to profitability and capitalise on its technological ability and reputation.

Key financial performance indicators

The Key financial performance indicators of the group are as follows:

	2019	2018
Turnover	£31,823,151	£33,433,959
Loss before tax	(£1,150,914)	(£1,035,620)
Loss before tax %	(3.62%)	(3.10%)

Principal risks and uncertainties

Loss of Revenue

The group and company recognises that there will be changes in customer base over time and manages the risk of losing customers by the provision of high quality products and value added services, constantly improving the quality of the products that it manufactures and by maintaining strong relationships with key customers. The company is developing new relationships with overseas suppliers as it seeks to reduce the costs of its products.

Pipeline

In the current economic climate, as referred to above, the pipeline for new contracts may be increased or decreased in line with the economic activity in the building and building services sectors and on the plans of the company's other industrial customers. The group and company attempts to adapt its capabilities and resources to meet significant changes arising from the work pipeline.

Credit Risk

Credit risk is managed making appropriate enquiries of credit reference agencies and by monitoring payments against contractual obligations. The majority of the is covered by credit insurance.

Carter Retail Equipment Limited

Strategic report for the year ended 31 December 2019 (continued)

Principal risks and uncertainties (continued)

Cash flow and liquidity risk

The group and company monitors cash flow as part of its day-to-day control procedures. In addition, the Directors regularly review the group and company's cash flow projections to ensure that appropriate facilities are available as necessary. The group and company is financed through short term intercompany loan facilities.

Regulatory Risk

The group and company is exposed to risks arising from non-compliance and relevant laws and regulations. In order to manage this risk, the Board monitors the introduction of new legislation closely, and communicates key developments to managers and staff through internal channels. All relevant legislation is monitored on a departmental level by the relevant management staff, with robust procedure in place to report and act on non-compliance issues.

Reputational Risk

The group and company is exposed to the risk that poor quality products and service may have a detrimental effect on the reputation of the company. In order to manage this risk, the company has robust quality control processes in place, including ISO 9001, to ensure that all products and services meet and exceed the required standards of quality and are fully fit for purpose. This process is monitored by the board of directors and corrective action taken where necessary.

Currency risk

The group and company operates in the UK and certain overseas markets. It does have some currency exposure with the Euro, US Dollar and Australian Dollar. Where the directors deem that a contract exposes the company to a material exchange risk then consideration is given to enter into a foreign exchange contract is entered into to mitigate the exchange exposure. The balances receivable or payable denominated in foreign currencies at the yearend were not significant. There were no such contracts in place at the year end.

The major currency risk the company is exposed to is to its cost competitiveness. Recent years have seen an increasing proportion of the UK market for refrigerated display cases being taken by product manufactured in Turkey as a result of a competitive advantage from the decline of the Turkish Lira. The company is addressing this issue.

Covid-19 Risk

The safety of our employees and those people we come into contact with is paramount. Effective Covid-19 measures have been put in place. Despite continuing to manufacture for a considerable part of the lockdown, period Covid-19 infection rates have remained comparatively low. Since the start of the first lockdown a series of virtual meetings are held every week to access and mitigate risk.

Whereas our 2020 sales were impacted by Covid-19 we are fortunate that our core customers, UK and USA supermarkets, have generally fared well.

Covid-19 risks are continuing but systems are in place to react quickly to changes and it is expected that customer spend has largely been deferred rather than lost.

Liquidity and funding

Historically, the Group and Company has been funded by cash flows generated from trading, leases for certain capital expenditure items and intercompany funding. The Company is part of the immediate parent company (Carter Thermal Industries Limited – "CTI") group banking facility and the cash headroom is connected to the CTI group forecast. As a result, the Group and Company cash flow and headroom has been considered as part of the overall review of the CTI group facilities.

Carter Retail Equipment Limited

Strategic report for the year ended 31 December 2019 (continued)

Liquidity and funding (continued)

The CTI Group has been in regular dialogue with its bankers, Barclays, throughout the last 12 months of COVID-19 interruption. In September 2020, the CTI group also took out a COVID-19 Large Business Interruption Loan (CLBILs) facility of £6.5m. This was secured by Barclay's fixed and floating charge on the company's assets. The facility is available to September 2022. The downturn in sales as a result of Covid-19 impacted positively on cash balances and loans due to lower working capital requirements, the taking out of such a large COVID-19 loan was therefore to an extent precautionary to allow for future contingencies. The CTI Group has operated well within its facilities with significant headroom at all times. Given the added head room provided by CLBILs the Committed Money Market Loan facility of £3.25m is not required and expired in March 2021.

The directors have prepared a detailed profit and cash flow forecast ("the forecast") for the period to 31 March 2022 ("the period") which shows the CTI group trading, financial position, cash flows and expected available bank facilities for the period. This model has been stress-tested. The tests include the risk of not regaining service contracts due for tender and well as reflecting anticipated changes in capital investment should further lockdowns (in key markets) occur. Supplier risks, predominately due to Covid-19 and Brexit such as steel supply availability and prices; import cost and delays have been considered. The forecast, and its stress testing, shows that the CTI group will be able to operate and meet its external liabilities as they fall due for payment during the period. The forecast also shows that the CTI group will continue to meet its revised covenant requirements during the period.

In the preparation of the forecast and these financial statements the directors have considered the impact of Covid-19 on all businesses within the CTI Group as well as the direct impact on the Group and company.

The immediate parent company, Carter Thermal Industries Limited has undertaken to provide such financial support as required for the period of at least one year from the signing of the financial statements. Having reviewed the management accounts for 2020 and the forecasts for 2021 (and all known factors at this time) the CTI group has confirmed to support Carter Retail Equipment Limited with sufficient resources to enable it to pay its debts as they fall due for at least 12 months from the date of approval of these accounts. The company share common directors who are satisfied that the parent company has the financial resources to provide the required support and the group have confirmed the support via a deed of support.

After careful consideration of the above factors and other factors connected to the impact of Covid-19 on the group the directors remain confident that the forecast is achievable, that the available funding from banks and other parties will continue in place throughout the period and that the headroom within the forecast will be sufficient to enable the Group and Company to operate and meet its liabilities as they fall due for payment throughout the period. The directors have considered the various uncertainties connected to the forecast, including the stress test and mitigating actions that could be taken, and consider that they do not indicate the existence of material uncertainties. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Post balance sheet events

In December 2019 cases of a novel corona virus ("COVID-19") in Wuhan, China were reported to the World Health Organization ("WHO") and subsequently spread worldwide. The WHO announced COVID-19 as a global health emergency on January 30, 2020, which prompted national governments to begin putting actions in place to slow the spread of COVID-19 worldwide. On March 11, 2020, the WHO declared COVID-19 a global pandemic and recommended containment and mitigation measures. Given that the declaration of a global health emergency did not happen until January 2020 the impacts of COVID-19 are considered by the directors (as supported by relevant accounting authorities) as being non-adjusting events for the Company.

Carter Retail Equipment Limited

Strategic report
for the year ended 31 December 2019 (continued)

Post balance sheet events (continued)

The Company moved quickly to ensure a safe working environment for all employees and have not suffered from any significant staff absences as a result of the pandemic. Although activities were restricted during April and early May the company continued to trade. Certain staff have been placed on furlough or equivalent during the period to the date of these financial statements. Plans are being put in place to expand operations and trading as lock-downs are eased across the company key markets. Further information on recent and forecast trading is included in the going concern statement in note 1 to the financial statements.

Based on forecasts prepared for the period to 31st March 2022 and the nature of the assets concerned the directors do not consider that there will be any significant impairments of non-financial assets at next year-end. However, it is noted that the issues and uncertainties connected to COVID-19 remain in place and the impact on asset values will be monitored.

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

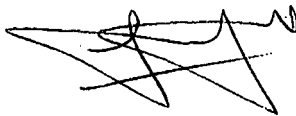
Health and Safety

The group and company continues to develop its health and safety processes for the benefit of its employees and customers. Obtaining the ROSPA Gold Achievement Award and the ISO 14001 Environmental Standard demonstrates awareness and compliance with Health & Safety and Environmental requirements. All of our policies are continually reviewed and updated to ensure that they remain appropriate for the protection of our business, the environment, and the ethical bedrock on which we trade.

Approval

This strategic report was approved on behalf of the Board on 22 April 2021

J C Scott
Director



22 April 2021

Carter Retail Equipment Limited

Directors' report for the year ended 31 December 2019

The directors present their directors' report together with the audited financial statements for the year ended 31 December 2019.

Results and dividends

The consolidated statement of comprehensive income is set out on page 13 and shows the loss after tax for the year of £954,780 (2018 - £902,587).

There were no dividends paid in the year under review (2018 - £Nil).

Directors

The directors of the group during the year and up to the date of the financial statements were:

N A Gardner
B E Kerrison
D Russell
A T Santer (resigned 27/09/2019)
J C Scott
M P Hall (resigned 21/01/2020)
S Price (resigned 09/10/2019)
C S Hufflett
M LeRoy (appointed 18/03/2020)

Financial risk management policy

The directors have reviewed the financial risk management objectives and policies of the group and company and, where there is significant exposure to financial risks, the group policy laid down by the parent company, Carter Thermal Industries Limited, is followed. It also does not enter into any speculative financial instruments. Appropriate trade terms are negotiated with suppliers and customers and management reviews these terms and the trade relationships.

Financial Instruments

The group and company's principal financial instruments comprise cash and balances with group undertakings and various items such as trade debtors and trade creditors that arise directly from its operations.

The main risk associated with the group's financial assets and liabilities are set out below.

Price risk

The group does not deem the exposure to price changes in operating activity costs to be significant enough to consider any hedging activity to be necessary.

Credit risk

The group's credit risk is primarily attributed to its trade receivables, with exposure spread over a large number of counterparties and customers. The group aims to minimise such losses with a key focus on debtor collection in order to minimise bad debt exposure. The group covers the majority of larger debts with credit insurance.

Liquidity risk

The group aims to mitigate liquidity risk by managing cash generated by its operations. Flexibility is maintained by retaining surplus cash, a loan facility or intercompany facilities in readily accessible bank accounts.

Carter Retail Equipment Limited

Directors' report for the year ended 31 December 2019 (*continued*)

Employment of disabled persons

Full and fair consideration is given to applications for employment from disabled persons and to continuing the employment of those who become disabled while employed. The policy is to give equal opportunity for training, career development and promotion.

Employee involvement

Employee representatives are informed of the economic factors affecting the performance of the company by means of regular meetings with management.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the group and company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Qualifying third party indemnity provisions

The group and company maintains liability insurance for directors and officers as permitted by section 234 of the Companies Act 2006.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the 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 group and company and of the profit or loss of the group and 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 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and 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.

Carter Retail Equipment Limited

Directors' report for the year ended 31 December 2019 *(continued)*

Auditors

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been appointed auditors 28 day after these financial statements were sent to or 28 days after the latest date prescribed for filing these accounts with the registrar, whichever is the earlier.

On behalf of the Board

J C Scott
Director



Date:

22 April 2021

Carter Retail Equipment Limited

Independent auditor's report to the members of Carter Retail Equipment Limited

Opinion

We have audited the financial statements Carter Retail Equipment Limited ("the Parent Company") and its subsidiary ("the Group") for the year ended 31 December 2019 which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statements of changes in equity and the notes to the financial statements, 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 Financial Reporting Standard 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 Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Group and the Parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Carter Retail Equipment Limited

Independent auditor's report (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and Director's 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 by the Group and Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group and Parent Company 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.

Carter Retail Equipment Limited

Independent auditor's report (continued)

Responsibilities of Directors

As explained more fully in the Directors' report, 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 determines 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.


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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Stephen Hale (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Birmingham
United Kingdom

Date: 22 April 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Carter Retail Equipment Limited

Consolidated statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	31,823,151	33,433,959
Increase in stocks of finished goods and work in progress		1,642,661	(691,976)
Raw materials and consumables		(22,534,015)	(22,451,941)
Other external charges		(806,854)	(532,646)
Staff costs	6	(6,990,689)	(6,593,527)
Depreciation, amortisation and impairments	4	(266,583)	(328,109)
Other operating charges		(3,954,979)	(3,659,686)
Exceptional other operating charges	4	-	(107,475)
		<hr/>	<hr/>
Operating loss	4	(1,087,308)	(931,401)
Other interest payable and similar charges	8	(63,606)	(104,219)
		<hr/>	<hr/>
Loss before taxation		(1,150,914)	(1,035,620)
Tax credit on loss	9	196,134	133,033
		<hr/>	<hr/>
Total comprehensive deficit for the year		(954,780)	(902,587)
		<hr/>	<hr/>

There is no other comprehensive income/charge for the current year or prior year.

All amounts relate to continuing activities

The prior year classification has been revised, see note 12 for further detail.

Carter Retail Equipment Limited

Consolidated statement of financial position at 31 December 2019

<i>Company number 0618898</i>	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	10		725,346		926,937
			725,346		926,937
Current assets					
Stocks	12	6,584,426		4,941,765	
Debtors	13	8,210,740		8,658,997	
Cash at bank and in hand		492,363		666,552	
		15,287,529		14,267,314	
Creditors: amounts falling due within one year	15	(15,116,828)		(13,343,424)	
Net current assets			170,701		923,890
Total assets less current liabilities			896,047		1,850,827
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss account	16		895,047		1,849,827
Shareholders' funds			896,047		1,850,827

The prior year classification has been revised, see notes 12 for further detail

The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2021

J C Scott
Director



The notes on pages 18 to 33 form part of these financial statements.

Carter Retail Equipment Limited

Consolidated statement of changes in equity for the year ended 31 December 2019

	Share Capital £	Retained earnings £	Total Equity £
At 1 January 2019	1,000	1,849,827	1,850,827
Comprehensive deficit for the year			
Loss for the year	-	(954,780)	(954,780)
	<hr/>	<hr/>	<hr/>
Total comprehensive deficit for the year	-	(954,780)	(954,780)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	1,000	895,047	896,047
	<hr/>	<hr/>	<hr/>

Consolidated statement of changes in equity for the year ended 31 December 2018

	Share Capital £	Retained earnings £	Total Equity £
At 1 January 2018	1,000	2,752,414	2,753,414
Comprehensive deficit for the year			
Loss for the year	-	(902,587)	(902,587)
	<hr/>	<hr/>	<hr/>
Total comprehensive deficit for the year	-	(902,587)	(902,587)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	1,000	1,849,827	1,850,827
	<hr/>	<hr/>	<hr/>

The notes on pages 18 to 33 form part of these financial statements.

Carter Retail Equipment Limited

Company statement of financial position at 31 December 2019

<i>Company number 0618898</i>	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	10		725,346		926,937
Investment	11		26,209		26,209
			751,555		953,146
Current assets					
Stocks	12	6,584,426		4,941,765	
Debtors	13	7,310,461		8,455,401	
Cash at bank and in hand		461,479		504,400	
		14,356,366		13,901,566	
Creditors: amounts falling due within one year	15	(14,538,642)		(13,103,872)	
Net current (liabilities) / assets			(182,276)		797,694
Total assets less current liabilities			569,279		1,750,840
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss account	16		568,279		1,749,840
Shareholders' funds			569,279		1,750,840

The company loss after tax for the year was £1,181,561 (2018 - loss £1,002,574).

The prior year classification has been revised, see notes 12 for further detail

The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2021

J C Scott
Director



The notes on pages 18 to 33 form part of these financial statements.

Carter Retail Equipment Limited

Company statement of changes in equity for the year ended 31 December 2019

	Share capital £	Retained earnings £	Total equity £
At 1 January 2019	1,000	1,749,840	1,750,840
Comprehensive deficit for the year			
Loss for the year	-	(1,181,561)	(1,181,561)
	<hr/>	<hr/>	<hr/>
Total comprehensive deficit for the year	-	(1,181,561)	(1,181,561)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	1,000	568,279	569,279
	<hr/>	<hr/>	<hr/>

Company statement of changes in equity for the year ended 31 December 2018

	Share capital £	Retained earnings £	Total equity £
At 1 January 2018	1,000	2,752,414	2,753,414
Comprehensive deficit for the year			
Loss for the year	-	(1,002,574)	(1,002,574)
	<hr/>	<hr/>	<hr/>
Total comprehensive deficit for the year	-	(1,002,574)	(1,002,574)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	1,000	1,749,840	1,750,840
	<hr/>	<hr/>	<hr/>

The notes on pages 18 to 33 form part of these financial statements.

Carter Retail Equipment Limited

Notes forming part of the financial statements for the year ended 31 December 2019

1 Accounting policies

1.1 Basis of preparation of financial statements

Carter Retail Equipment Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activity is set out in the strategic report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

1.2 Going concern

Historically, the Group and Company has been funded by cash flows generated from trading, leases for certain capital expenditure items and intercompany funding. The Company is part of the immediate parent company (Carter Thermal Industries Limited – "CTI") group banking facility and the cash headroom is connected to the CTI group forecast. As a result, the Group and Company cash flow and headroom has been considered as part of the overall review of the CTI group facilities.

The CTI Group has been in regular dialogue with its bankers, Barclays, throughout the last 12 months of COVID-19 interruption. In September 2020, the CTI group also took out a COVID-19 Large Business Interruption Loan (CLBILs) facility of £6.5m. This was secured by Barclay's fixed and floating charge on the company's assets. The facility is available to September 2022. The downturn in sales as a result of Covid-19 impacted positively on cash balances and loans due to lower working capital requirements, the taking out of such a large COVID-19 loan was therefore to an extent precautionary to allow for future contingencies. The CTI Group has operated well within its facilities with significant headroom at all times. Given the added head room provided by CLBILs the Committed Money Market Loan facility of £3.25m is not required and expired in March 2021.

The directors have prepared a detailed profit and cash flow forecast ("the forecast") for the period to 31 March 2022 ("the period") which shows the CTI group trading, financial position, cash flows and expected available bank facilities for the period. This model has been stress-tested. The tests include the risk of not regaining service contracts due for tender and well as reflecting anticipated changes in capital investment should further lockdowns (in key markets) occur. Supplier risks, predominately due to Covid-19 and Brexit such as steel supply availability and prices; import cost and delays have been considered. The forecast, and its stress testing, shows that the CTI group will be able to operate and meet its external liabilities as they fall due for payment during the period. The forecast also shows that the CTI group will continue to meet its revised covenant requirements during the period.

In the preparation of the forecast and these financial statements the directors have considered the impact of Covid-19 on all businesses within the CTI Group as well as the direct impact on the Group and company.

The immediate parent company, Carter Thermal Industries Limited has undertaken to provide such financial support as required for the period of at least one year from the signing of the financial statements. Having reviewed the management accounts for 2020 and the forecasts for 2021 (and all known factors at this time) the CTI group has confirmed to support Carter Retail Equipment Limited with sufficient resources to enable it to pay its debts as they fall due for at least 12 months from the date of the approval of these accounts. The company share common directors who are satisfied that the parent company has the financial resources to provide the required support and the group have confirmed the support via a deed of support.

Carter Retail Equipment Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

1.2 Going concern (continued)

After careful consideration of the above factors and other factors connected to the impact of Covid-19 on the group the directors remain confident that the forecast is achievable, that the available funding from banks and other parties will continue in place throughout the period and that the headroom within the forecast will be sufficient to enable the Group and Company to operate and meet its liabilities as they fall due for payment throughout the period. The directors have considered the various uncertainties connected to the forecast, including the stress test and mitigating actions that could be taken, and consider that they do not indicate the existence of material uncertainties. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Carter Thermal Industries Limited as at 31 December 2019 and these financial statements may be obtained from Companies House as per note 23.

The following principal accounting policies have been applied.

1.4 Consolidated financial statements

The results include the combined results of the group which comprises Carter Retail Equipment Limited and its wholly owned subsidiary Carter Group International Inc, a company incorporated in the United States of America. Carter Group International Inc is a wholly owned subsidiary of the company.

1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Carter Retail Equipment Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

1.6 Tangible assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Plant and machinery	-	10 years straight line
Motor vehicles	-	4 years straight line
Fixtures and fittings	-	5 - 10 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Assets that are subject to depreciation or amortization, are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads, less provisions for losses where necessary.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Carter Retail Equipment Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

1.9 Financial instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors, other debtors, and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Financial liabilities

Financial liabilities comprise trade creditors, other creditors, corporation tax payable, other tax and social security, accruals and amounts due to group undertakings; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest method.

1.10 Foreign currency translation

The group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Exchange gains and losses are recognised in the statement of comprehensive income.

Carter Retail Equipment Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

1 Accounting policies (*continued*)

1.11 Leased assets: Lessee

Where assets are leased to a third party give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Incentive payments to new tenants to occupy the group's investment properties are treated as a reduction in revenue and initially recorded as prepayments. The payments are charged to profit or loss over the term of the lease. Where such prepayments relate to investment properties, the properties are carried at open market value less the amount of the unamortised incentive.

However, the group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the period to the first market rent review rather than the term of the lease.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

1.12 Pension costs

The group is a participating employer in the Carter Thermal Industries Limited Pension Scheme, Carter Executive Pension Plan and the Carter Money Purchase Plan. Details of the most recent actuarial valuation of the schemes are set out in the financial statements of the parent company, Carter Thermal Industries Limited.

Retirement benefits to employees are provided by defined benefit and contribution schemes which are funded by contributions from the group and employees. Payments are made either to pension trusts which are financially separate from the group or to insurance companies. Payments to the defined benefit scheme which are made in accordance with periodic calculations by professionally qualified actuaries are charged to the profit and loss account. As the group's share of the net assets and liabilities of the group scheme cannot be separately identified, the group accounts for its pension contributions to the group on a defined contribution basis.

Contributions to the defined contribution and defined benefit pension schemes are charged to profit or loss in the year in which they become payable.

Carter Money Purchase Plan ceased to accept contributions with effect from 1 July 2017 and all members' benefits were transferred to National Pensions Trust on 18 September 2017.

Carter Retail Equipment Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

1.13 Provisions for Liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock provisions

At each reporting date stock is assessed for impairment. If stock is impaired the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Trade debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Impact of COVID-19

The impact on going concern is shown in note 1 funding and going concern to the financial statements. The impact on results to date and consideration of the impairment of non-financial assets is shown in note 24 post balance sheet events to the financial statements.

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

3 Analysis of turnover

Analysis by class of geographical market:

	2019 £	2018 £
United Kingdom	15,367,817	20,933,083
Rest of Europe	2,494,998	3,640,210
USA	13,433,909	7,607,311
Australia	504,017	1,251,775
Rest of the world	22,410	1,580
	<hr/>	<hr/>
	31,823,151	33,433,959
	<hr/>	<hr/>

All sales are in respect of manufacture and installation of products.

4 Operating loss

This is arrived at after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	266,585	328,109
Defined contribution pension costs	245,070	195,250
Hire of assets under operating leases	108,913	91,017
Exchange (gain)/loss	49,763	(32,324)
(Profit) on disposal of fixed assets	(13,548)	(38,879)
	<hr/>	<hr/>

Exceptional costs

During the prior year the group incurred exceptional costs £107,475 relating to restructuring operations to focus on profitable and core elements of the business, to grow the business in the future. No such costs have been incurred in the current year.

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the group's auditor for the auditing of the group's annual accounts	17,500	15,947
- other taxation services	3,200	3,422
	<hr/>	<hr/>

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

6 Employees	2019 £	2018 £
Staff costs (including directors) consist of:		
Wages and salaries	6,130,838	5,807,009
Social security costs	614,782	591,268
Other pension costs	245,070	195,250
	6,990,689	6,593,527

The average number of employees (including the directors) during the year was as follows:

	Number	Number
Production	93	92
Administration	82	84
	175	176

7 Directors' remuneration	2019 £	2018 £
Directors' emoluments	295,288	279,528
Group contribution to the group personal pension plan	29,604	42,625
	324,892	322,153

There was 1 director in the group's defined benefit pension scheme (2018 - 1) and 3 directors in the group's defined contribution pension scheme (2018 - 3) during the year.

The total amount payable to the highest paid director in respect of emoluments was £109,212 (2018 - £101,252). The highest paid director is a member of a defined benefit scheme, under which the accrued pension at the year-end was £25,049 (2018 - £24,319).

8 Interest payable and similar charges	2019 £	2018 £
Bank loans and overdrafts	63,606	104,219
	63,606	104,219

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

9 Taxation

	2019	2018
	£	£
<i>Corporation tax</i>		
Current tax on profits for the year	-	-
Group relief payable/ (recoverable)	(53)	(28,096)
Adjustments in respect of previous periods	(21,896)	63,514
Overseas tax	74,546	(46,667)
	52,597	(11,249)
<i>Deferred tax</i>		
Origination and reversal of timing differences	(268,268)	(91,077)
Adjustments in respect of previous periods	19,537	(30,707)
	(248,731)	(121,784)
Movement in deferred tax provision	(248,731)	(121,784)
	(196,134)	(133,033)
Tax credit on loss	(196,134)	(133,033)

The tax assessed for the year is different than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2019	2018
	£	£
Loss on ordinary activities before tax	(1,150,914)	(1,035,620)
	(1,150,914)	(1,035,620)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	(218,674)	(196,768)
Effects of:		
Expenses not deductible for tax purposes	401	(12,783)
Adjustments in respect of prior periods	(2,359)	32,807
Change in tax rates	31,562	10,715
Deferred tax not recognised	-	37,862
Other	-	41,801
Overseas tax	(7,064)	(46,667)
	(196,134)	(133,033)
Total tax charge for the year	(196,134)	(133,033)

Factors that may affect future tax charges

The standard rate of UK corporation tax substantially enacted at the balance sheet date was 19%. Accordingly, this rate has been used in the calculation of deferred tax balances as at 31 December 2019.

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

10 Tangible fixed assets

Group and company	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>				
1 January 2019	7,177,546	827,486	1,125,805	9,130,837
Additions	33,827	-	33,164	66,991
Disposals	-	(31,954)	-	(31,954)
At 31 December 2019	7,211,373	795,532	1,158,969	9,165,874
<i>Depreciation</i>				
1 January 2019	6,762,803	652,434	788,663	8,203,900
Charge for the year	102,643	94,769	69,173	266,585
Disposals	-	(29,957)	-	(29,957)
At 31 December 2019	6,865,446	717,246	857,836	8,440,528
<i>Net book value</i>				
At 31 December 2019	345,927	78,286	301,133	725,346
At 31 December 2018	414,743	175,052	337,142	926,937

11 Fixed asset investments

Company	Subsidiary Companies £
<i>Cost</i>	
1 January 2019	26,209
Additions	-
31 December 2019	26,209

Investments in subsidiary companies relates wholly to the company's 100% subsidiary Carter Group International Inc, a company incorporated in the USA.

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

12 Stocks

Group and company	2019 £	2018 £
Raw materials and consumables	2,402,976	2,618,885
Work in progress	4,181,450	2,322,880
	6,584,426	4,941,765

The analysis of stocks has been restated to correct the presentation of other creditors which were previously shown as a reduction from stocks which has been reclassified in the prior year figures to include these in creditors. The amounts reclassified at 31 December 2018 were £70,494 (2017 - Nil). There was no impact on reported net assets or results for the period.

In 2019 an impairment of £104,462 (2018 – reversal £12,590) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock. There is no material difference between the replacement cost of stocks and the amounts stated above.

13 Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Due within one year:				
Trade debtors	7,112,179	7,056,608	6,211,907	6,837,433
Amounts owed by group undertakings	198,918	848,679	198,911	804,341
Group relief receivable	44,333	117,377	44,333	117,377
Other debtors	208,716	200,297	208,716	276,575
Prepayments and accrued income	30,533	68,705	30,533	52,344
Deferred taxation (note 14)	569,395	320,664	569,395	320,664
Foreign tax	46,666	46,667	46,666	46,667
	8,210,740	8,658,997	7,310,461	8,455,401

All debtors fall due within one year other than deferred tax

The impairment reversal for the period in respect of bad and doubtful debts was £20,008 (2018 – loss £42,316).

Included within Trade debtors are amounts totaling £1,995,744 (2018 - £2,316,317) which relate to unbilled revenues recoverable from goods and services provided to external customers.

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

14 Deferred taxation

Group and company	£
At 1 January 2019	320,664
Credited to statement of comprehensive income	248,731
	569,395
At 31 December 2019	569,395

The amount of deferred tax asset is made up as follows:

	2019	2018
	£	£
Decelerated capital allowances	14,481	41,366
Short term timing differences	6,493	5,850
Tax losses carried forward and other deductions	548,421	273,448
	569,395	320,664

15 Creditors: amounts falling due within one year

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Bank overdrafts	3,000,829	2,488,987	3,000,829	2,488,987
Bank loans	2,492,204	758,577	2,492,204	758,577
Payments received on account	312,585	109,945	312,585	109,945
Trade creditors	4,665,700	6,683,850	4,468,091	6,460,192
Amounts owed to group undertakings	2,481,841	2,555,731	2,508,050	2,555,731
Other taxation and social security	264,925	15,895	199,012	-
Other creditors	301,597	475,147	301,597	475,148
Foreign tax	76,754	-	-	-
Accruals and deferred income	1,520,393	255,292	1,256,274	255,292
	15,116,828	13,343,424	14,538,642	13,103,872

The bank overdraft and loans are secured by a first legal charge over the freehold and leasehold properties of the group (see note 19).

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

16 Reserves

Share capital

The nominal value of allotted and fully paid up ordinary share capital.

Profit & loss account

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

17 Pensions

Group and company

The group participates in two group defined benefit schemes, the Carter Thermal Industries Limited Pension Scheme and the Carter Executive Plan ("the Group Schemes"). The schemes are closed to new members and future accrual. As the schemes' assets and liabilities are managed on a unified basis, it is not possible to identify the group's share of assets and liabilities in the defined benefit scheme on a consistent and reasonable basis. Therefore, in accordance with FRS 102, the scheme is accounted for as if it was a defined contribution scheme.

Contributions are paid to the trustees of the Group Schemes on the basis of advice from an independent professionally qualified actuary who carries out a valuation of the Group Schemes every three years. The most recent formal valuation of the Carter Thermal Industries Limited Pension Scheme was carried out as at 31 December 2017 and Carter Executive Plan as at 31 December 2017 and was updated on an approximate basis to 31 December 2019 by a qualified actuary.

Contributions made to the Carter Thermal Industries Limited Pension Scheme amounted to £ Nil (2018 - £Nil) and contributions made to the Carter Executive Plan of £ Nil (2018 - £Nil).

The valuation of the two schemes at 31 December 2019, calculated by the actuary on an FRS 102 projected unit basis, shows a deficit on the Carter Thermal Industries Limited Pension Scheme of £2,006,120 (2018 - £2,243,370) and a surplus on the Carter Executive Plan of £1,024,519 (2018 surplus - £532,263). Directors expect future contributions to be consistent with those made in the current year.

For the purpose of these accounts, these figures are illustrative only and do not impact on the result or the balance sheet of the group. It should also be noted that these figures include a proportion of pension assets and liabilities relating to other group companies which also participate in the scheme. It has not been possible to identify the share of the deficits which relates solely to Carter Retail Equipment Limited.

18 Share capital

	2019	2018
	£	£
<i>Allotted, called up and fully paid</i> Ordinary shares of £1 each	1,000	1,000

19 Contingent liabilities

The group has given an unlimited guarantee in respect of the group banking facility which amounted to £6,925,986 at 31 December 2019 (2018 - £7,853,875). Details of the banking facility are given in the accounts of Carter Thermal Industries Limited.

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

20 Commitments under operating leases

The group had minimum lease payments under non-cancellable operating leases as set out below:

Group and company	Land and buildings 2019 £	Other 2019 £	Land and buildings 2018	Other 2018 £
Within one year	-	47,229	-	44,082
In two to five years	-	6,847	-	25,111
Over 5 years	-	-	-	-
	-	54,076	-	69,193

During the year £108,913 was recognised as an expense in the income statement in respect of operating leases (2018 - £91,017).

21 Capital commitments

Group and company	2019 £	2018 £
Contracted but not provided for	69,850	17,020

The group is a wholly owned subsidiary of Carter Thermal Industries Limited and has taken advantage of the exemption conferred by section 33.1A of FRS 102 not to disclose transactions with Carter Thermal Industries Limited or other wholly owned subsidiaries within the group.

22 Related party disclosures

Key management personnel represent the directors of the group as they have responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. During the period, the key management personnel remuneration included within directors' remuneration was £355,991 (2018 - £353,473).

23 Ultimate parent company and parent undertaking of larger group

The immediate parent company is Carter Thermal Industries Limited.

The ultimate parent company and controlling party is Longdon Estates Limited, a company registered in England and Wales. Copies of the group financial statements of Longdon Estates may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The largest group in which the results of the company are consolidated is that headed by Longdon Estates Limited, incorporated in England & Wales. The smallest group in which they are consolidated is that headed by Carter Thermal Industries Limited, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from the above address.

Carter Retail Equipment Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

24. Post balance sheet events

In December 2019 cases of a novel corona virus ("COVID-19") in Wuhan, China were reported to the World Health Organization ("WHO") and subsequently spread worldwide. The WHO announced COVID-19 as a global health emergency on January 30, 2020, which prompted national governments to begin putting actions in place to slow the spread of COVID-19 worldwide. On March 11, 2020, the WHO declared COVID-19 a global pandemic and recommended containment and mitigation measures. Given that the declaration of a global health emergency did not happen until January 2020 the impacts of COVID-19 are considered by the directors (as supported by relevant accounting authorities) as being non-adjusting events for the Company.

The Company moved quickly to ensure a safe working environment for all employees and have not suffered from any significant staff absences as a result of the pandemic. Although activities were restricted during April and early May 2020 the company continued to trade. Certain staff have been placed on furlough or equivalent during the period to the date of these financial statements. Plans are being put in place to expand operations and trading as lock-downs are eased across the company key markets. Further information on recent and forecast trading is included in the going concern statement in note 1 to the financial statements.

Based on forecasts prepared for the period to 31st March 2022 and the nature of the assets concerned the directors do not consider that there will be any significant impairments of non-financial assets at next year-end. However, it is noted that the issues and uncertainties connected to COVID-19 remain in place and the impact on asset values will be monitored.

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