

**CARLISLE REFRIGERATION (HOLDINGS)
LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**



CARLISLE REFRIGERATION (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	D E Lowe H J Lowe
Secretary	D R Thompson
Company number	07229383
Registered office	Brunthill Road Kingstown Industrial Estate Carlisle Cumbria CA3 0EH
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne NE1 4AD
Bankers	Handelsbanken 1 Merchant's Drive Parkhouse Carlisle CA3 0JW

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Principal activities and fair review of the business

The principal activity of the company is that of a holding company. The principal activities of the group during the year include the sales, servicing and installation of temperature control equipment for transport and commercial customers.

The group is a sales and service dealer for Thermo King temperature control equipment. The group also supplies and repairs vehicle tail lift equipment.

The directors are pleased to report record profits again for the year, with EBIT increasing from £2.025m to £2.716m.

A dedicated focus on cost control has helped to improve the operating profit margin from 9.2% to 12.7%.

The business has continued to trade profitably since the year-end. The importance of temperature control in today's world lends resilience to our business in these testing times.

Principal risks and uncertainties

The group's exposure to the risks described below is assessed and controlled by the directors and senior management team.

COVID-19 risk

The current coronavirus crisis and associated business risk has been mitigated by tight credit control, invoicing and reforecasting activities. The company instigated social distancing and working-from-home initiatives prior to the lockdown on 23rd March 2020. Due to the nature of the group's business, there has not been any substantial impact on the group's activities due to Covid 19.

Credit risk

Credit risk is mitigated by internal credit authorisation procedures.

Foreign currency risk

The risk of adverse movement in currency is minimised by purchasing Euros by way of forward contracts at favourable rates.

Contract risk

The group offers maintenance contracts with a number of its customers on a fixed price basis reviewed periodically. Profitability is reviewed regularly and updated when profile, built up over the group's long history of contracts, indicate changes in the expected repair costs and useful lifespan of the relevant equipment.

Liquidity risk

Trading cash flow and liquidity risks are mitigated by substantial funding facilities available to the group.

Competitive risk

The market for supply and service of temperature control solutions is highly competitive. The group's risk is mitigated by its evolving customer base, and by diversifying its range of service offerings.

Regulatory risk

The impact of the environmental issues on the group and its customers is expected to increase. The group strives to provide energy efficient temperature control solutions, minimising the impact on the environment and reducing operating costs through continually improved systems and telematics.

Price risk

The group would give price support to maintain market penetration if there were adverse currency exchange rates. This would be in the long-term interest of the group's recurring revenues

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Key performance indicators

The directors assess the group's financial performance mainly with reference to regularly produced management information to include monitoring actual results with forecasts to ensure corrective action is taken where the results differ from those anticipated.

	2020 £'000	2019 £'000
Turnover	21,386	22,014
Gross profit	4,912	4,355
EBIT	2,716	2,025
Retained profit	2,004	1,448

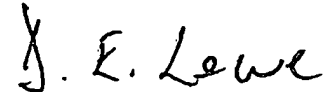
Donations

The group made charitable donations of £8,734 (2019: £5,392) during the year.

Future developments

Moving forward the directors see continued opportunity to increase profitability and gain market share.

On behalf of the board



D E Lowe
Director

Date 20 Aug 20

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company is that of a holding company. The principal activity of the group continued to be the sales, servicing and installation of temperature control equipment for transport and commercial customers.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D E Lowe
H J Lowe

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £205,000. The directors do not recommend payment of a further dividend.

Matters of strategic importance

The group has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the group's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of principal risks and future developments.

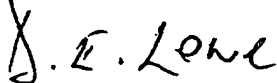
Auditor

RSM UK Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



D E Lowe
Director

Date 20 Aug 20

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Strategic Report and 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE REFRIGERATION (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Carlisle Refrigeration (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of income and retained earnings, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of cash flows and 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 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 group's and the parent company's affairs as at 31 March 2020 and of the group's profit 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 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's 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.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE REFRIGERATION (HOLDINGS) LIMITED (CONTINUED)

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 their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 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 on the Financial Reporting Council's website at: <http://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.



Claire Leece (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

1 St. James' Gate

Newcastle upon Tyne

NE1 4AD

Date 21 Aug 20

CARLISLE REFRIGERATION (HOLDINGS) LIMITED
CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2020

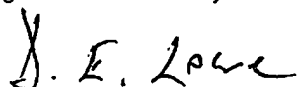
	Notes	2020 £	2019 £
Turnover	3	21,385,603	22,014,108
Cost of sales		(16,473,414)	(17,658,170)
Gross profit		4,912,189	4,355,938
Administrative expenses		(2,196,543)	(2,330,814)
Operating profit	5	2,715,646	2,025,124
Interest receivable and similar income	7	15,671	5,413
Interest payable and similar expenses	8	-	(739)
Profit before taxation		2,731,317	2,029,798
Tax on profit	9	(522,317)	(386,306)
Profit for the financial year		2,209,000	1,643,492
Retained earnings brought forward	10	8,353,138	6,904,646
Dividends		(205,000)	(195,000)
Retained earnings carried forward		10,357,138	8,353,138

Profit for the financial year is all attributable to the owners of the parent company.

CARLISLE REFRIGERATION (HOLDINGS) LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		1,327,622		1,370,696
Current assets					
Stocks	14	4,158,370		3,615,355	
Debtors	15	3,339,864		3,881,969	
Cash at bank and in hand		4,979,171		3,520,447	
		12,477,405		11,017,771	
Creditors: amounts falling due within one year	16	(2,005,440)		(2,585,585)	
Net current assets			10,471,965		8,432,186
Total assets less current liabilities			11,799,587		9,802,882
Creditors: amounts falling due after more than one year	17		-		-
Provisions for liabilities	20		(10,445)		(17,740)
Net assets			11,789,142		9,785,142
Capital and reserves					
Called up share capital	22		410		410
Share premium account	23		1,431,594		1,431,594
Profit and loss reserves	23		10,357,138		8,353,138
Total equity			11,789,142		9,785,142

The financial statements were approved by the board of directors and authorised for issue on 23/8/20 and are signed on its behalf by:



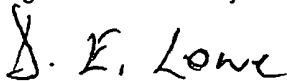
D E Lowe
Director

CARLISLE REFRIGERATION (HOLDINGS) LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Investments	12		3,182,338		3,182,338
Creditors: amounts falling due after more than one year	17		(1,446,451)		(1,446,451)
Net assets			<u>1,735,887</u>		<u>1,735,887</u>
Capital and reserves					
Called up share capital	22		410		410
Share premium account	23		1,431,594		1,431,594
Profit and loss reserves	23		<u>303,883</u>		<u>303,883</u>
Total equity			<u>1,735,887</u>		<u>1,735,887</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £205,000 (2019 - £195,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 20/8/20 and are signed on its behalf by:



D E Lowe
Director

CARLISLE REFRIGERATION (HOLDINGS) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	27	2,081,156		2,057,865	
Interest paid		-		(739)	
Income taxes paid		(400,000)		(410,092)	
Interest received		15,671		5,413	
Net cash inflow from operating activities		1,696,827		1,652,447	
Investing activities					
Purchase of tangible fixed assets		(38,269)		(42,556)	
Proceeds on disposal of tangible fixed assets		12,901		6,650	
Net cash used in investing activities		(25,368)		(35,906)	
Financing activities					
Repayment of bank loans		-		-	
Payment of finance leases obligations		(7,735)		(17,247)	
Dividends paid to equity shareholders		(205,000)		(195,000)	
Net cash used in financing activities		(212,735)		(212,247)	
Net increase in cash and cash equivalents		1,458,724		1,404,294	
Cash and cash equivalents at beginning of year		3,520,447		2,116,153	
Cash and cash equivalents at end of year		4,979,171		3,520,447	

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Carlisle Refrigeration (Holdings) Limited (the 'parent company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Brunthill Road, Kingstown Industrial Estate, Carlisle, Cumbria, CA3 0EH.

The group consists of Carlisle Refrigeration (Holdings) Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has adopted the amendments to FRS102 published in the Triennial Review 2017. This has resulted in no changes in accounting policies and no change in the current or prior year figures presented in the financial statements. The following disclosure changes have been implemented in the current period:

- A note reconciling the opening and closing net debt of the group has been included.

Basis of consolidation

The consolidated financial statements incorporate those of Carlisle Refrigeration (Holdings) Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Going concern

The directors have prepared detailed forecasts which have been updated to consider the impact of the covid 19 pandemic on revenues and working capital. The directors, with reference to these forecasts, consider that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors of Carlisle Refrigeration Holdings Limited have also received a letter of support from Carlisle Refrigeration Limited confirming that the outstanding creditor will not be collected, within 12 months of the date of signing these financial statements.

Revenue

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

Revenue from the rendering of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Tangible fixed assets

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

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

Freehold land and buildings	Not depreciated
Leasehold land and buildings	Over the term of the lease
Plant and equipment	25% reducing balance
Fixtures and fittings	20 - 50% reducing balance
Motor vehicles	33% straight line

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

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Stocks

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

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand with banks.

Financial instruments

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

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

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, loans from fellow group companies, accruals and obligations under finance leases and hire purchase agreements, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income.

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

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

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Inventory

Management make a judgement in determining the inventory provision including pricing, ageing and obsolescence considerations which take into account historical information related to usage and stock counts.

Work-in-progress

Management form a judgement on the inventory and engineers' time within the work-in-progress balance at the year end, which is analysed and provided for as appropriate based on work type and age.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Bad debt provision

Management estimate the level of bad debt provision required following regular meetings between the credit controller and senior financial staff. The carrying value of the provision is offset against the trade debtors balance in note 15. The value of the provision as at the year end is £46,319 (2019: £24,275).

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Sale of goods	10,474,347	11,428,564
Rendering of services	10,911,256	10,585,544
	<u>21,385,603</u>	<u>22,014,108</u>
	2020 £	2019 £
Other revenue		
Interest income	15,671	5,413
	<u>15,671</u>	<u>5,413</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	18,960,348	17,492,732
Overseas	2,425,255	4,521,376
	<u>21,385,603</u>	<u>22,014,108</u>

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Production staff	92	95	-	-
Administrative staff	17	16	-	-
Management staff	4	4	-	-
	<u>113</u>	<u>115</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	3,762,628	3,839,454	-	-
Social security costs	392,154	387,357	-	-
Pension costs	403,759	395,656	-	-
	<u>4,558,541</u>	<u>4,622,467</u>	<u>-</u>	<u>-</u>

5 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	35,901	(10,510)
Fees payable to the company's auditor for the audit of the group financial statements	20,500	20,000
Depreciation of owned tangible fixed assets	75,530	77,423
Profit on disposal of tangible fixed assets	(7,088)	-
Cost of stocks recognised as an expense	12,422,366	13,518,122
Operating lease charges	<u>425,748</u>	<u>461,049</u>

6 Directors' remuneration

Remuneration paid to directors was £64,000 (2019: £58,000). The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019: 1).

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	<u>15,671</u>	<u>5,413</u>

CARLISLE REFRIGERATION (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on finance leases and hire purchase contracts	-	739
Total finance costs	-	739

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	529,612	393,275
Deferred tax		
Origination and reversal of timing differences	(7,295)	(6,969)
Total tax charge	522,317	386,306

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	2,731,317	2,029,798
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	518,950	385,662
Tax effect of expenses that are not deductible in determining taxable profit	1,280	1,022
Permanent capital allowances in excess of depreciation	-	1,710
Movement in deferred tax provision	2,087	(2,601)
Changes in deferred tax rates	-	513
Taxation charge	522,317	386,306

10 Dividends

	2020 £	2019 £
Final paid	205,000	195,000

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2019	800,000	486,000	193,170	665,450	70,122	2,214,742
Additions	-	-	3,515	15,554	19,200	38,269
Disposals	-	-	-	-	(12,917)	(12,917)
At 31 March 2020	800,000	486,000	196,685	681,004	76,405	2,240,094
Depreciation and impairment						
At 1 April 2019	-	55,500	186,553	560,622	41,371	844,046
Depreciation charged in the year	-	9,000	1,693	35,243	29,594	75,530
Eliminated on disposal	-	-	-	-	(7,104)	(7,104)
At 31 March 2020	-	64,500	188,246	595,865	63,861	912,472
Carrying amount						
At 31 March 2020	800,000	421,500	8,439	85,139	12,544	1,327,622
At 31 March 2019	800,000	430,500	6,617	104,828	28,751	1,370,696

The company had no tangible fixed assets at 31 March 2020 or 31 March 2019.

Freehold property and leasehold property were revalued on 15 July 2020 by Hyde Harrington, Property Consultants and Royal Institution of Chartered Surveyors (RICS) Registered Valuers. Hyde Harrington are independent valuers and not connected with the company. The revaluation was made on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. At the above date the properties were valued at:

Freehold property: £795,000
Leasehold property: £485,000

These amounts are not materially different to the amounts above and having no material impact on the financial statements have not been adjusted.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Cost	970,506	970,506	-	-
Accumulated depreciation	(305,244)	(296,244)	-	-
Carrying value	665,262	674,262	-	-

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Tangible fixed assets (Continued)

Freehold and leasehold property with a combined carrying amount of £1,221,500 (2019 - £1,230,500) have been pledged to secure borrowings of the company, in favour of Handelsbanken. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	13	-	-	3,182,338	3,182,338

Movements in fixed asset investments

Company

Shares in
group
undertakings
£

Cost

At 1 April 2019 and 31 March 2020

3,182,338

Carrying amount

At 31 March 2020

3,182,338

At 31 March 2019

3,182,338

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Thermo King Northern Limited	1	Dormant	Ordinary	-	100.00
Criocabin (U.K.) Limited	1	Dormant	Ordinary	-	100.00
Carlisle Refrigeration Limited	1	Sale, servicing and installation of temperature control equipment	Ordinary	100.00	-

Registered Office address:

1 Brunthill Road, Kingstown Industrial Estate, Carlisle, Cumbria, CA3 0EH.

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	1,810,679	1,829,479	-	-
Work in progress	198,794	97,915	-	-
Finished goods and goods for resale	2,148,897	1,687,961	-	-
	<u>4,158,370</u>	<u>3,615,355</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	3,178,573	3,488,031	-	-
Derivative financial instruments	(4,897)	26,182	-	-
Other debtors	1,960	801	-	-
Prepayments and accrued income	164,228	366,955	-	-
	<u>3,339,864</u>	<u>3,881,969</u>	<u>-</u>	<u>-</u>

16 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Obligations under finance leases	18	1,789	9,524	-	-
Trade creditors		653,043	1,337,284	-	-
Corporation tax payable		316,627	187,014	-	-
Other taxation and social security		426,915	473,811	-	-
Other creditors		30,164	31,621	-	-
Accruals and deferred income		576,902	546,331	-	-
		<u>2,005,440</u>	<u>2,585,585</u>	<u>-</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts are secured against the assets they were used to buy.

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Obligations under finance leases	19	-	-	-	-
Amounts owed to group undertakings		-	-	1,446,451	1,446,451
		-	-	1,446,451	1,446,451

18 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Less than one year	1,789	9,524	-	-
Between one and five years	-	-	-	-
	1,789	9,524	-	-

19 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	(4,897)	26,182	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	16,182	22,691
Short term timing differences	(5,737)	(4,951)
	<u>10,445</u>	<u>17,740</u>
	Group 2020 £	Company 2019 £
Movements in the year:		
Liability at 1 April 2019	17,740	24,709
Credit to profit or loss	(7,295)	(6,969)
Liability at 31 March 2020	<u>10,445</u>	<u>17,740</u>

21 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>403,759</u>	<u>395,656</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Included within other creditors at the year end date was £30,164 (2019: £31,621) owed to the group's pension scheme.

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

22 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
225 Ordinary A shares of £1 each	225	225
175 Ordinary B shares of £1 each	175	175
10 Ordinary C shares of £1 each	10	10
	<u>410</u>	<u>410</u>

The company's Ordinary A shares carry the right to vote at general meetings of the Company. All voting shares rank equally for voting purposes. Dividends may be paid to the holders of one or more classes of shares to the exclusion of others, at the same or differing rates. Each share ranks equally for any distribution made on winding up. No shares are redeemable.

Ordinary B and Ordinary C shares have no voting rights attached.

23 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

24 Financial commitments, guarantees and contingent liabilities

At the year end, the group had committed to purchase 0.147 million Euros over a period of 6 months after the year end (2019: 2.2 million Euros over a period of 4 months after the year end).

25 Operating lease commitments

Lessee

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	324,425	216,327	-	-
Between one and five years	461,531	154,331	-	-
In over five years	254,000	260,000	-	-
	<u>1,039,956</u>	<u>630,658</u>	<u>-</u>	<u>-</u>

CARLISLE REFRIGERATION (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

26 Related party transactions

During the year, remuneration of £186,662 (2019: £208,050) was paid to key management personnel for services provided to the group. Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the group.

Dividends totalling £180,000 were paid in the year in respect of shares held by the company's directors.

27 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	2,209,000	1,643,492
Adjustments for:		
Taxation charged	522,317	386,306
Finance costs	-	739
Investment income	(15,671)	(5,413)
Gain on disposal of tangible fixed assets	(7,088)	-
Depreciation and impairment of tangible fixed assets	75,530	77,423
Movements in working capital:		
(Increase) in stocks	(543,015)	(33,915)
Decrease in debtors	542,105	362,196
(Decrease) in creditors	(702,022)	(372,963)
Cash generated from operations	2,081,156	2,057,865

28 Analysis of changes in net debt - group

	1 April 2019 £	Cashflows £	31 March 2020 £
Cash at bank and in hand	3,520,447	1,458,524	4,978,971
Obligations under finance lease	(9,524)	7,735	(1,789)
	<u>3,510,923</u>	<u>1,466,259</u>	<u>4,977,182</u>

29 Controlling party

In the opinion of the directors, the group was under the control of Mr D E Lowe throughout the current and previous year. Mr D E Lowe is the managing director and majority shareholder.