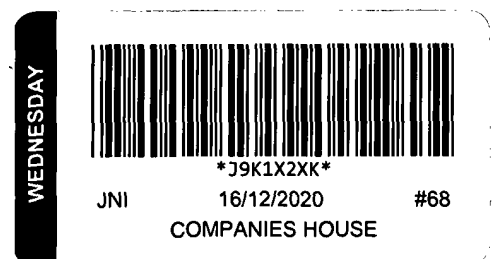
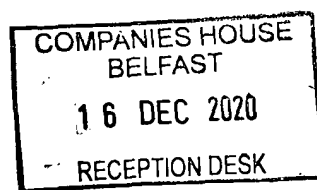


**REGISTEREDNUMBER: 00599365 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
CHARTER CENTRAL SERVICES LIMITED**



**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**CHARTER CENTRAL SERVICES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**DIRECTORS:**

G Rostron  
E A Raperport  
D A Pryor  
W B Flexon (resigned 5 February 2020)  
M P Lehman (resigned 1 October 2019)  
A L Puckett (resigned 12 February 2019)

**COMPANY SECRETARY:**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH  
United Kingdom

**REGISTERED OFFICE:**

322 High Holborn  
6th Floor  
London  
WC1V 7PB  
United Kingdom

**REGISTERED NUMBER:**

00599365 (England and Wales)

**AUDITORS:**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT  
United Kingdom

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their Strategic Report for the year ended 31 December 2019.

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The principal activity of the company in the year under review was that of providing administration services for subsidiaries of Colfax Corporation and no change is planned in its activities in the year ended 31 December 2020. The company will continue to provide administration services to Colfax Corporation.

The Profit for the year, after taxation, was £293,000 (2018: profit of £3,134,000).

The financial position at the year-end was considered satisfactory.

**PRINCIPAL RISKS AND UNCERTAINTIES**

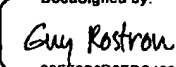
The company is a wholly owned subsidiary of Colfax Corporation as of 31 December 2019. Colfax Corporation is the ultimate parent and not the immediate parent company. From the perspective of the company, the principal risks and uncertainties and financial risk management are aligned with the principal risks and uncertainties and financial risk management of Colfax Corporation and its subsidiaries. Those risks and uncertainties, which include those of the company, are discussed in the annual report of Colfax Corporation, which does not form part of this report.

The management have made a Covid-19 risk assessment and accordingly deem the risk to be low. Given the low level of transactions and providing services to other entities of the Colfax group who have the support of Colfax Corporation and that the entity has no external revenue.

**KEY PERFORMANCE INDICATORS (KPIs)**

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or financial position of the business. The development, performance and financial position of Colfax Corporation subsidiaries, which includes the company, are discussed in the annual report of Colfax Corporation which does not form part of this report.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
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G Rostron - Director

Date: December 15, 2020

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2019.

**DIVIDENDS**

No dividends were paid or proposed in the financial year (2018: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

G Rostron  
E A Raperport  
D A Pryor

Other changes in directors holding office are as follows:

W B Flexon (resigned 5 February 2020)  
M P Lehman (resigned 1 October 2019)  
A L Puckett (resigned 12 February 2019)

**DIRECTORS' QUALIFYING THIRD PARTY AND PENSION SCHEME INDEMNITY PROVISIONS**

D A Pryor, E A Raperport and G Rostron have been granted a qualifying third-party indemnity, as defined in the Companies Act 2006, by the ultimate parent company, Colfax Corporation, to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies. They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities. In addition, Colfax Corporation may pay the directors' legal costs as they are incurred, subject to reimbursement if the director is convicted, or if judgement is given against the director in an action brought against the company. Such indemnities survive the resignation of each director.

**FUTURE DEVELOPMENTS**

The future developments of the Company are described in the Strategic Report.

**GOING CONCERN**

The company's business activities, together with the factors likely to affect its financial position and its exposure to risk are described in the Strategic Report on page 2.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future as the company's ultimate parent has confirmed that it will provide support to ensure the company is able to meet its liabilities as and when they fall due for a period of at least 12 months from the date of approval of the directors' report. The directors have made appropriate and sufficient enquiries to satisfy themselves that the parent company is capable of providing the stated support and, accordingly, these financial statements have been prepared on the going concern basis.

The Directors have also considered the impact of the Covid-19 pandemic to going concern. Covid-19 has had an adverse effect on the global economy which has been negatively impacted by considerable uncertainty. Despite this fact the Colfax group is well capitalised and has adequate access to capital in order to continue its operations for the foreseeable future. As such the directors have considered the impact of Covid-19 to be a non-adjusting post Balance Sheet event however will continue to monitor the situation moving forward.

**AUDITORS**

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)**

**REPORT OF THE DIRECTORS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report and the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are each aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each director has taken all the steps they ought to have taken as a director, in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
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G Rostron - Director

Date: December 15, 2020

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHARTER CENTRAL SERVICES LIMITED**

We have audited the financial statements of Charter Central Services Limited for the year ended 31 December 2019 which comprise the Income statement, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19, 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 company's affairs as at 31 December 2019 and of its 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter- Effect of Covid-19**

We draw attention to Note 1 and 19 of the financial statements, which describe the economic and social consequences the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

### **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 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHARTER CENTRAL SERVICES LIMITED (continued)**

### **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 this 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 the 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 the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CHARTER CENTRAL SERVICES LIMITED (continued)**

**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 <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.

*Ernst & Young LLP*

Neil Corry (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast

Date: 15 December 2020

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £'000	2018 £'000
<b>TURNOVER</b>	2	2,853	2,387
Administrative expenses		(2,533)	(2,585)
Operating exceptional items	4	<u>62</u>	<u>3,793</u>
<b>OPERATING PROFIT</b>	5	382	3,595
Interest receivable and similar income	6	1	-
Interest payable and similar expenses	7	<u>(14)</u>	<u>(35)</u>
<b>PROFIT BEFORE TAXATION</b>		369	3,560
Tax on profit	8	<u>(76)</u>	<u>(426)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>293</u></u>	<u><u>3,134</u></u>

The notes form part of these financial statements

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)**

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

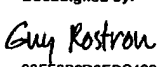
	2019 £'000	2018 £'000
PROFIT FOR THE FINANCIAL YEAR	293	3,134
OTHER COMPREHENSIVE INCOME	—	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	—	—
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	<u>293</u>	<u>3,134</u>

The notes form part of these financial statements

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****BALANCE SHEET  
31 DECEMBER 2019**

	Note	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Intangible assets	9	1,010	1,515
Investments	10	<u>17,488</u>	<u>17,488</u>
		<u>18,498</u>	<u>19,003</u>
<b>CURRENT ASSETS</b>			
Debtors	11	16,522	14,483
Cash at bank and in hand		<u>124</u>	<u>92</u>
		16,646	14,575
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(2,848)</u>	<u>(1,668)</u>
<b>NET CURRENT ASSETS</b>		<u>13,798</u>	<u>12,907</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		32,296	31,910
<b>PROVISIONS FOR LIABILITIES</b>	13	-	(62)
<b>NET ASSETS</b>		<u>32,296</u>	<u>31,848</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	29,826	29,826
Share premium	15	20	20
Retained earnings	15	<u>2,450</u>	<u>2,002</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>32,296</u>	<u>31,848</u>

The financial statements were approved by the Board of Directors on December 15, 2020 and were signed on its behalf by:

DocuSigned by:  
  
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 G Rostron - Director

The notes form part of these financial statements

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
<b>Balance at 1 January 2018</b>	29,826	(1,292)	20	28,554
<b>Changes in equity</b>				
Other comprehensive income	-	3,134	-	3,134
Share based payment credit	-	160	-	160
<b>Balance at 31 December 2018</b>	<u>29,826</u>	<u>2,002</u>	<u>20</u>	<u>31,848</u>
<b>Changes in equity</b>				
Other comprehensive income	-	293	-	293
Share based payment credit	-	155	-	155
<b>Balance at 31 December 2019</b>	<u>29,826</u>	<u>2,450</u>	<u>20</u>	<u>32,296</u>

The notes form part of these financial statements

## **CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. All amounts are presented to the nearest thousand unless stated otherwise.

Charter Central Services Limited is a limited liability company incorporated and domiciled in England and Wales. The Registered Office is 322 High Holborn, 6th Floor, London, WC1V 7PB.

##### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future as the company's ultimate parent has confirmed that it will provide support to ensure the company is able to meet its liabilities as and when they fall due for a period of at least 12 months from the date of approval of the directors' report. The directors have made appropriate and sufficient enquiries to satisfy themselves that the parent company is capable of providing the stated support and, accordingly, these financial statements have been prepared on the going concern basis.

The Directors have also considered the impact of the Covid-19 pandemic to going concern. Covid-19 has had an adverse effect on the global economy which has been negatively impacted by considerable uncertainty. Despite this fact the Colfax group is well capitalised and has adequate access to capital in order to continue its operations for a period of at least one year from the date of approval of the financial statements. As such the directors have considered the impact of Covid-19 to be a non-adjusting post Balance Sheet event however will continue to monitor the situation moving forward.

##### **Exemptions for qualifying entities under FRS 102**

The company has taken advantage of the exemption available under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of Colfax Corporation, which prepares publicly available group financial statements which include the results of the company and its subsidiaries. Copies of its group financial statements are publicly available at [www.colfaxcorp.com](http://www.colfaxcorp.com).

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### **Intangible assets**

Internal expenditure associated with developing or maintaining computer software is charged to the profit and loss account in the year in which it is incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company that are likely to generate benefits exceeding costs beyond one year are capitalised and amortised on a straight-line basis over their expected useful economic lives of up to seven years. Amortisation is charged once the intangible asset has been brought into use.

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover comprises the invoiced value of management fees charged to subsidiaries of Colfax Corporation and other fees and is recorded net of value added tax. Revenue is recognised when the service has been rendered.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

In respect of share-based payments the tax attributable to the difference between the fair value for tax purposes and the amount charged to the profit and loss account is taken directly to reserves.

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result in the profit and loss account.

**Operating leases**

Costs in respect of operating leases are expensed on a straight-line basis over the term of the lease.

**Pension schemes**

The company participates in the Charter pension scheme which is a defined benefit scheme. One former employee, who was a member of the Charter pension scheme and whose earnings were in excess of the HMRC pensionable earnings cap, receives additional defined benefit pension entitlement through a funded unapproved scheme based on the additional benefit that would have been provided from the Charter pension scheme had the earnings cap not applied.

For these schemes the amounts charged to operating profit are the current service cost and gains and losses on settlements and curtailments. They are included as part of employee costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses and the related movement in the surplus not recognised and deferred tax are included in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the schemes held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at market value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the schemes' liabilities. To the extent any surplus is not recoverable from reduced future contributions or refunds from the scheme such surplus is not recognised in the Balance Sheet. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The resulting defined benefit asset or liability, net of related deferred tax, is presented separately after other net assets on the face of the Balance Sheet.

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****1. ACCOUNTING POLICIES – continued****Pension schemes (continued)**

The company also operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost disclosed in note 16 represents contributions payable by the company to the fund.

**Amounts owed by or to group undertakings**

Amounts owed by or to group undertakings are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Amounts that are due within one year are not discounted.

**Share-based payments**

The ultimate parent company, Colfax Corporation, operates equity-settled share-based compensation plans in which the Directors and senior management of Charter Central Services Limited can participate.

The expense related to the share-based payments is based on the fair value of the instruments issued and is recognised in the profit and loss account. The expense is spread over the vesting period of the instrument.

**Interest**

Interest on cash and cash equivalents and borrowings held at amortised cost is recognised in the profit and loss account using the effective interest method. Interest includes exchange differences arising on cash and cash equivalents and borrowings.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for revenues and expenses during the year. Actual results could differ from those estimates. There were no significant judgements or estimates made in connection with the preparation of these financial statements.

**Fixed asset investments and impairments**

Fixed asset investments are included at cost less provision for any impairment in value. The amount of any provision for impairment in value is determined by reference to the recoverable amount. Any provision for impairment in value will be released if the fixed asset investment demonstrates a sustained increase in the recoverable amount. Impairment reviews are performed by the directors annually.

**2. TURNOVER**

All turnover arises in the United Kingdom and arises from management charges to other group companies for costs incurred.

**3. EMPLOYEES AND DIRECTORS**

	2019	2018
	£'000	£'000
Wages and salaries	1,856	2,026
Social security costs	232	213
Other pension costs	87	89
	<u>2,175</u>	<u>2,328</u>

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

	2019	2018
	Number	Number
Finance and administration	<u>20</u>	<u>21</u>

Included within wages and salaries is £155,000 relating to equity-settled share-based payments (2018: £160,000).



**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****4. OPERATING EXCEPTIONAL ITEMS**

During the year, the company investigated the other provisions remaining balance amounting to £62,000. Following investigation, the company concluded that the provision was highly unlikely to be settled and as a result the provision was released in the year.

In 2018, the company investigated historic accrued costs amounting to £3.8m. These costs had been recorded some years ago but not settled. Following investigation, the company has concluded that the costs are now highly unlikely to result in settlement and as a result, those accruals were released in the year.

**5. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):-

	2019 £'000	2018 £'000
Auditors' remuneration		
- audit services	60	67
Amortisation of intangible assets	505	505
Operating leases - land and buildings	109	111
Management charges to other group companies included in turnover	<u>(2,448)</u>	<u>(2,387)</u>

**Directors' emoluments**

	2019 £'000	2018 £'000
Salaries and other remuneration		
Aggregate emoluments	270	297
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	68	76
Company contributions to defined contribution scheme	<u>11</u>	<u>11</u>
	<u>349</u>	<u>384</u>

**Highest paid director**

	2019 £'000	2018 £'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	<u>180</u>	<u>189</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2019 £'000	2018 £'000
Bank interest receivable	<u>1</u>	<u>-</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019 £'000	2018 £'000
Interest expense	13	22
Bank interest payable	<u>1</u>	<u>13</u>
	<u>14</u>	<u>35</u>

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****8. TAX ON PROFIT****Analysis of the tax loss**

The tax expense on the profit for the year was as follows:

	2019 £'000	2018 £'000
<b>Deferred tax:</b>		
Origination and reversal of timing differences	76	398
Change in tax rate	-	-
Adjustments in respect of prior periods	-	28
<b>Total deferred tax charge</b>	<u>76</u>	<u>426</u>
<b>Total tax charge in the income statement</b>	<u>76</u>	<u>426</u>

UK corporation tax was charged at 19% (2018: 19%).

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than (2018: lower than) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £'000	2018 £'000
Profit before tax	<u>369</u>	<u>3,560</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	70	676
Effects of:		
Expenses not deductible & other permanent differences	15	18
Income not taxable	-	(249)
Differences between current and deferred tax rates	(9)	(47)
Adjustments to tax charge in respect of previous periods – deferred tax	-	28
<b>Total tax charge</b>	<u>76</u>	<u>426</u>

**The deferred tax asset is analysed as follows:**

	2019 £'000	2018 £'000
Decelerated capital allowances	336	275
Tax losses	1,070	1,207
<b>Deferred tax (note 11)</b>	<u>1,406</u>	<u>1,482</u>

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****8. TAX ON PROFIT - continued**

Deferred tax liabilities have not been discounted.

The Finance Act 2016, substantively enacted on 6 September 2016, included legislation that would reduce the main rate of corporation tax to 17%, effective from 1 April 2020. However, in his budget speech on 11 March 2020, the Chancellor announced the cancellation of the reduction in the main UK corporation tax rate to 17%. As such, the main UK corporation tax rate will remain at 19% from 1 April 2020. As the cancellation of the reduction in the rate to 17% was not substantively enacted at the balance sheet date, deferred tax continues to be recognised at 17%.

**9. INTANGIBLE FIXED ASSETS**

	Computer software £'000
<b>COST</b>	
At 1 January 2019	5,598
Additions	-
	<u>          </u>
At 31 December 2019	<u>5,598</u>
<b>AMORTISATION</b>	
At 1 January 2019	4,083
Amortisation for year	505
	<u>          </u>
At 31 December 2019	<u>4,588</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>1,010</u>
At 31 December 2018	<u>1,515</u>

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****10. FIXED ASSET INVESTMENTS**

	Shares in group undertaking £'000
<b>COST</b>	
At 1 January 2019	17,488
and 31 December 2019	<u>17,488</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>17,488</u>
At 31 December 2018	<u>17,488</u>

The company owns 0.23% of the issued £0.01 ordinary - D shares of CAST Limited, a company incorporated and domiciled in England and Wales, whose principal activity is that of an investment holding company. The registered address is 322 High Holborn, 6<sup>th</sup> Floor, London, WC1V 7PB.

In accordance with Section 401 of the Companies Act 2006, consolidated accounts have not been prepared as the company is a wholly owned subsidiary of Colfax Corporation, a company incorporated in the United States of America.

**11. DEBTORS**

	2019 £'000	2018 £'000
Trade debtors	202	160
Amounts due from group undertakings - interest free	324	3,034
Amounts due from group undertakings - interest bearing	12,232	9,555
Restricted cash	1,483	-
Other debtors	831	176
Deferred tax	1,406	1,482
Prepayments	<u>44</u>	<u>76</u>
	<u>16,522</u>	<u>14,483</u>

The interest-bearing amounts due from group undertakings are unsecured, have no fixed repayment date, are repayable on demand and interest is received at LIBOR minus 1%. Interest free amounts due from group undertakings are unsecured and have no fixed repayment date and are repayable on demand.

During the year, the company received a restricted cash balance of £1,483,000 from Howden Group Pension Plan this is currently in Escrow. The cash will only be payable to the company when certain conditions are met when the Howden Group Pension Plan completes the buy-out with Legal and General.

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £'000	2018 £'000
Trade creditors	234	313
Amounts owed to group undertakings	84	66
Other creditors	1,660	218
VAT	367	471
Accruals and deferred income	<u>503</u>	<u>600</u>
	<u>2,848</u>	<u>1,668</u>

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

**13. PROVISIONS FOR LIABILITIES**

	2019 £'000	2018 £'000
Other provisions	<u>-</u>	<u>62</u>
	<u>-</u>	<u>62</u>

	Other provisions £'000
Balance at 1 January 2019	(62)
Credit to income statement	<u>62</u>
	<u>-</u>
Balance at 31 December 2019	<u>-</u>

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
29,825,552	Ordinary shares	£1	
		2019 £'000	2018 £'000
		<u>29,826</u>	<u>29,826</u>

**15. RESERVES*****Retained earnings account***

Retained earnings represents current and prior period profit and losses.

***Share premium account***

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****16. EMPLOYEE BENEFIT OBLIGATIONS****(i) Charter pension scheme**

The company is now the only participating employer of the Charter pension scheme which is a United Kingdom defined benefit scheme. During the current year, there were no contributions payable to the scheme (2018: £Nil). At the year end the amount due to the pension scheme was £nil (2018: £nil) and due from the scheme was £nil (2018: £nil) in respect of expenses paid by the company on behalf of the scheme.

A full actuarial valuation of the scheme was carried out as at 31 March 2016. The results of the latest valuation have been updated by professionally qualified independent actuaries, taking into account the requirements of FRS 102, in order to assess the liabilities of the scheme at 31 December 2019 using the projected unit credit method. Scheme assets are stated at their market value at 31 December 2019. The Trustee of the Charter Pension Scheme (CPS) signed a bulk annuity agreement with an insurance company in late 2017. This is a buy-in arrangement at present whereby the Trustee transferred scheme assets to the insurance company matching their quoted premium, and all risks associated with future movements in assets and liabilities similarly passed to the insurance company. The Trustee of CPS currently remains legally responsible for paying the pensioners but the funding is provided by the insurance company. The plan is to buy-out the CPS as soon as practical, at which point the insurance company will be fully responsible for paying and administering members' benefits, and the Trustee will then wind-up the scheme. The remaining surplus funds were written off as at the 2017 year-end, as the employer has no unconditional right to a refund of these monies, irrespective of how these monies might be allocated in due course.

**(ii) Funded unapproved scheme**

One former employee, who was a member of the Charter pension scheme and whose earnings were in excess of the HM Revenue & Customs pensionable earnings cap, receives additional defined benefit pension entitlement through a funded unapproved scheme based on the additional benefit that would have been provided from the Charter pension scheme had the earnings cap not applied.

The assets and liabilities of the schemes at 31 December are:

	2019 £'000	2018 £'000
<b>Scheme assets at fair value</b>		
Buy-in Policy	202,700	196,700
Other	<u>18,300</u>	<u>18,400</u>
Fair value of scheme assets	221,000	215,100
Present value of scheme liabilities	<u>(221,000)</u>	<u>(215,100)</u>
	<u>-</u>	<u>-</u>

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****16. EMPLOYEE BENEFIT OBLIGATIONS – CONTINUED**

The amounts recognised in the profit and loss account and in the statement of other comprehensive income are analysed as follows:

	2019 £'000	2018 £'000
<b>Recognised in the profit and loss account</b>		
Past service cost	-	-
Recognised in arriving at operating profit	-	-
Net interest on net defined benefit asset	-	-
Total recognised in the profit and loss account	-	-

	2019 £'000	2018 £'000
<b>Recognised in other comprehensive income</b>		
Actual return on scheme assets	13,500	(9,200)
Assumption changes	(13,500)	9,200
Remeasurement gains and losses recognised in other comprehensive income	-	-

The main financial assumptions used by the actuary to calculate the scheme liabilities under FRS 102 are:

	2019 %	2018 %
Rate of salary increases	-	-
Rate of increase to pensions in payment	3.10	3.20
Discount rate	2.00	2.80
Inflation assumption	3.20	3.40

**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****16. EMPLOYEE BENEFIT OBLIGATIONS – CONTINUED****Mortality assumptions**

The post-retirement mortality assumptions are based on scheme specific tables with allowance for future mortality improvements. Based on the rates used, a member currently aged 45 who retires at age 60 will live on average for a further 29 years (2018: 29 years) after retirement if they are male and for a further 31 years (2018: 31 years) after retirement if they are female. A retired member currently aged 60 is assumed to live on average for a further 28 years (2018: 28 years) if they are male and for a further 29 years (2018: 29 years) if they are female.

Changes in the present value of the defined benefit obligations are analysed as follows:

	2019 £'000	2018 £'000
As at 1 January	215,100	233,100
Interest cost	5,800	5,400
Benefits paid	(13,400)	(14,200)
Actuarial loss/(gain)	<u>13,500</u>	<u>(9,200)</u>
As at 31 December	<u>221,000</u>	<u>215,100</u>

Changes in the fair value of plan assets are analysed as follows:

	2019 £'000	2018 £'000
As at 1 January	215,100	233,100
Actual return on plan assets	13,500	(9,200)
Interest income	5,800	5,400
Benefits Paid	<u>(13,400)</u>	<u>(14,200)</u>
As at 31 December	<u>221,000</u>	<u>215,100</u>

**Defined contribution scheme**

The cost of contributions to the defined contribution scheme amounts to £87,000 (2018: £89,000).

**(iii) Howden pension scheme**

In September 2019, further to the sale of the Howden companies by Colfax Corporation and following a Flexible Apportionment Arrangement, Charter Central Service Limited replaced Howden Group Limited as the principal employer of the Howden Group Pension Plan. The Trustees of the Howden Group Pension Plan (HGPP) had signed a bulk annuity agreement with an insurance company in February 2019 prior to the transfer of the Plan to Charter Central Services Limited and the Plan liabilities are fully bought-in by this insurance policy.



**CHARTER CENTRAL SERVICES LIMITED (REGISTERED NUMBER: 00599365)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**17. CONTINGENT LIABILITIES**

Since about 1985, certain subsidiaries of Charter International Limited have been named as defendants (the "defendants") in asbestos-related actions in the United Kingdom. The litigation is reviewed each year and, based on that review and legal advice, the directors believe that the aggregate of any such liability is unlikely to have a material effect on our financial position. In these circumstances, the directors have concluded that it is not appropriate to make provision for any liability in respect of such actions.

**18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The company's shares are held by Charter Consolidated Limited, its immediate parent company and controlling party. The company regards Colfax Corporation, which is listed on the New York Stock Exchange, as the Company's ultimate parent company and controlling party.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements for the year ended 31 December 2019 are prepared and of which the company is a member is Colfax Corporation, a company incorporated in the United States of America. Copies of its group financial statements are publicly available at [www.colfaxcorp.com](http://www.colfaxcorp.com)

**19. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Europe and around the world. As of the Balance Sheet date of 31 December 2019, management has considered the impact of COVID-19 and have concluded that it is a non-adjusting post Balance Sheet event. The Board has also taken into account the fact that the Company's primary purpose is that of a service company to other companies in the Colfax group. The Board is monitoring the situation to mitigate any potential impact of COVID-19 on the Company's financial performance.