

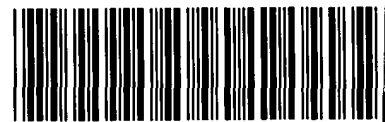
Registration number: 00511804

Carlisle Group Limited

Annual Report

for the 52 weeks ended 3 January 2020

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Carlisle Group Limited

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Carlisle Group Limited

Company Information

Directors T Briant
 J Robertson
 R J Watson

Company secretary R J Watson

Registered office 800 The Boulevard
 Capability Green
 Luton
 Bedfordshire
 LU1 3BA

Auditors BDO LLP
 55 Baker Street
 London
 W1U 7EU

Carlisle Group Limited

Strategic Report for the 52 weeks ended 3 January 2020

The directors present their strategic report for the 52 weeks ended 3 January 2020.

Fair review of the business

The principal activity of the company is that of an investment holding company. There were no pre-tax recognised gains or losses for the current or previous financial periods. The directors are satisfied with the performance of the company during the period and expect no change in the foreseeable future.

Whilst the COVID-19 global pandemic has had no direct impact on the profitability of the company, the directors acknowledge that there has been an impact on some of the trading subsidiaries of the company and that this may cause a reduction in the carrying value of the investments held by the company. The company has availed itself on the support offered by the government around the deferral of payment of certain tax payments. The directors are monitoring the situation and will continue to take all appropriate actions both for the benefit of the company and to assist the subsidiaries of the company.

The directors recognise that Brexit has increased the general level of uncertainty and degree of business confidence around permanent and temporary hiring decisions for the clients of the company's trading subsidiaries. The company's UK trading subsidiaries derive a limited amount of their trade from countries within the European Union, and whilst it is currently too early to have a clear view of the consequences for the operations of the company's subsidiaries, the directors are aware of the potential impact of Brexit and continue to monitor the situation in this regard.

Principal risks and uncertainties

The principal risks and uncertainties of the Impellam Group, which include those of the company, are discussed in the Finance Report in Impellam Group Plc's annual report, the company's ultimate parent undertaking (the Group), which does not form part of this report. Certain of the Group's business and financial risks are managed at a Group level, rather than at an individual company level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company.

Approved by the Board on 24 September 2020 and signed on its behalf by:



T Briant
Director

Carlisle Group Limited

Directors' Report for the 52 weeks ended 3 January 2020

The directors present their report and the financial statements for the 52 weeks ended 3 January 2020.

Directors' of the company

The directors, who held office during the period, were as follows:

J Robertson

R J Watson

The following director was appointed after the period end:

T Briant (appointed 20 February 2020)

Principal activity

The principal activity of the company is that of an investment holding company

Dividends

No dividend is paid or recommended in respect of either the current or prior periods.

Political donations

The company made no political donations during either the current or prior periods.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This assessment has been carried out on the cash flows of the wider Impellam Group, which the company is a member of, as cash is managed by a centralised treasury function who ensure all parts of the Group have sufficient cash to meet their immediate needs. The company has also issued a guarantee over the Group revolving credit facility, which includes an overdraft arrangement, so the cash flows implicit in the company on a stand-alone basis are not the most appropriate when reviewing the going concern basis of the company. As part of the arrangement, the Group has issued a letter of support for a period of twelve months from the date of approval of these financial statements to the company which includes both making funds available if required and not to seek repayment of amounts due at the balance sheet date if this would be detrimental to the company.

The going concern assessment carried out has taken into account the impact of the COVID-19 pandemic on the worldwide Impellam Group. Impellam Group Plc, the ultimate parent company, has carried out various assessments over the Group's profit and cash flow plans for the 18 months after the date of approval of these financial statements. These assessments included adjusting assumptions which impact gross profit as well as administrative expenses and considering the related impact on our working capital requirements and covenant calculations. These tests resulted in the directors concluding that it is appropriate to continue adopting the going concern basis in preparing the financial statements. The Group has cyclical working capital requirements which increase during periods of higher trading levels and therefore if there is a significant short-term decline in trading, the working capital requirements and therefore net debt would initially reduce providing a natural hedge against a sharp downturn. In the projections, as business activity increases, the working capital requirements and net debt levels would rise, but would remain within both the overall credit limit and the key covenant ratio of net debt being less than two and a half times the twelve months' earnings before exceptional, one off, non-recurring or extraordinary items, interest, tax, depreciation and amortisation at the quarterly testing points. Given the lack of certainty that COVID-19 will have on the Group's customers and the markets in which it operates, which may result in a more pronounced downturn than expected, and given the uncertainty for Impellam Group Plc, if the impacts of COVID-19 on the Group are worse or more prolonged than the Directors' expectations, and further mitigating actions are not sufficient, the Group may need to seek the support of its lenders. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the going concern basis of preparation was no longer appropriate.

Carlisle Group Limited

Directors' Report for the 52 weeks ended 3 January 2020 (continued)

Important non adjusting events after the financial period

In line with the FRC's guidance that COVID-19 should be treated as a non-adjusting post balance sheet event given our year-end and the development of the pandemic after that date, we have performed a re-assessment (but not adjustment) of the carrying value of the reported assets and liabilities.

Investments

The Company has investments which if downside scenarios were applied may result in an impairment. However, although there is inherent uncertainty of the future trading as a result of the impact of COVID-19, if such a downturn is temporary future cash flow models would not include the major impacted year of 2020. At this stage it would not be appropriate to model any additional impairment until there is a clearer picture of longer-term trading.

Receivables from related parties and their recoverability

The Company holds various receivables from related parties. At the date of these financial statements there had been no specific issues identified in the recoverability of amounts due from the related parties.

Directors' liabilities

During the period and to the date of these financial statements, the company had in force an indemnity provision in favour of one or more Directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

On 19 September 2019, KPMG LLP resigned as the Company auditor. Subsequently, in accordance with Section 489 of the Companies Act 2006, BDO LLP was appointed as the Company's auditor. A resolution to reappoint BDO LLP as the Company's auditor will be proposed at the Annual General Meeting.

Approved by the Board on 24 September 2020 and signed on its behalf by:



T Briant
Director

Carlisle Group Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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.

Carlisle Group Limited

Independent Auditor's Report to the Members of Carlisle Group Limited

Opinion

We have audited the financial statements of Carlisle Group Limited (the 'Company') for the 52 weeks ended 3 January 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 3 January 2020 and of its profit for the period 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 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.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which indicates the directors' assessment over going concern including the potential impact of the Covid-19 pandemic. If the impacts of Covid-19 are more significant or prolonged than the directors' expectations, and further mitigating actions are not sufficient, the company may need to seek the support of its lenders. As stated in note 2, these events or conditions, along with other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Carlisle Group Limited

Independent Auditor's Report to the Members of Carlisle Group Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Carlisle Group Limited

Independent Auditor's Report to the Members of Carlisle Group Limited (continued)

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.

BDO LLP

Benjamin Courts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London, UK

Date: 24/09/2020

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

Carlisle Group Limited

Profit and Loss Account for the 52 weeks ended 3 January 2020

		52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
	Note		
Turnover		-	-
Operating profit		-	-
Profit before tax		-	-
Tax on profit	5	88	82
Profit for the period		<u>88</u>	<u>82</u>

The above results were derived from continuing operations.

Carlisle Group Limited

Statement of Comprehensive Income for the 52 weeks ended 3 January 2020

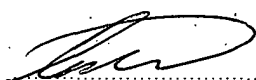
	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Profit for the period	88	82
Total comprehensive income for the period	88	82

Carlisle Group Limited

(Registration number: 00511804)
Balance Sheet as at 3 January 2020

	Note	3 January 2020 £ 000	4 January 2019 £ 000
Fixed assets			
Investments	6	36,507	36,507
Current assets			
Debtors	7	47,040	47,040
Creditors: Amounts falling due within one year	8	<u>(60,081)</u>	<u>(60,169)</u>
Net current liabilities		<u>(13,041)</u>	<u>(13,129)</u>
Net assets		<u>23,466</u>	<u>23,378</u>
Capital and reserves			
Called up share capital	9	56,481	56,481
Share premium reserve		702	702
Other reserves		22	22
Profit and loss account		<u>(33,739)</u>	<u>(33,827)</u>
Shareholders' funds		<u>23,466</u>	<u>23,378</u>

These financial statements were approved by the Board on 24 September 2020 and signed on its behalf by:



T Briant
Director

Carlisle Group Limited

Statement of Changes in Equity for the 52 weeks ended 3 January 2020

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 30 December 2017	56,481	702	22	(33,909)	23,296
Profit for the period	-	-	-	82	82
Total comprehensive income	-	-	-	82	82
At 4 January 2019	56,481	702	22	(33,827)	23,378
At 5 January 2019	56,481	702	22	(33,827)	23,378
Profit for the period	-	-	-	88	88
Total comprehensive income	-	-	-	88	88
At 3 January 2020	56,481	702	22	(33,739)	23,466

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020

1 General information

The company is a private company limited by share capital, incorporated and domiciled in the United Kingdom.

The address of its registered office is:

800 The Boulevard

Capability Green

Luton

Bedfordshire

LU1 3BA

These financial statements were authorised for issue by the Board on 24 September 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Summary of disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Comparative period reconciliations for share capital and investments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Cash flow statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Impellam Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

2 Accounting policies (continued)

Going concern

The directors have set out their business review for the company in the Strategic Report on page 2.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This assessment has been carried out on the cash flows of the wider Impellam Group, which the company is a member of, as cash is managed by a centralised treasury function who ensure all parts of the Group have sufficient cash to meet their immediate needs. The company has also issued a guarantee over the Group revolving credit facility, which includes an overdraft arrangement, so the cash flows implicit in the company on a stand-alone basis are not the most appropriate when reviewing the going concern basis of the company. As part of the arrangement, the Group has issued a letter of support for a period of twelve months from the date of approval of these financial statements to the company which includes both making funds available if required and not to seek repayment of amounts due at the balance sheet date if this would be detrimental to the company.

The going concern assessment carried out has taken into account the impact of the COVID-19 pandemic on the worldwide Impellam Group. Impellam Group Plc, the ultimate parent company, has carried out various assessments over the Group's profit and cash flow plans for the 18 months after the date of approval of these financial statements. These assessments included adjusting assumptions which impact gross profit as well as administrative expenses and considering the related impact on our working capital requirements and covenant calculations. These tests resulted in the directors concluding that it is appropriate to continue adopting the going concern basis in preparing the financial statements. The Group has cyclical working capital requirements which increase during periods of higher trading levels and therefore if there is a significant short-term decline in trading, the working capital requirements and therefore net debt would initially reduce providing a natural hedge against a sharp downturn. In the projections, as business activity increases, the working capital requirements and net debt levels would rise, but would remain within both the overall credit limit and the key covenant ratio of net debt being less than two and a half times the twelve months' earnings before exceptional, one off, non-recurring or extraordinary items, interest, tax, depreciation and amortisation at the quarterly testing points. Given the lack of certainty that COVID-19 will have on the Group's customers and the markets in which it operates, which may result in a more pronounced downturn than expected, and given the uncertainty for Impellam Group Plc, if the impacts of COVID-19 on the Group are worse or more prolonged than the Directors' expectations, and further mitigating actions are not sufficient, the Group may need to seek the support of its lenders. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the going concern basis of preparation was no longer appropriate.

Exemption from preparing group accounts

The financial statements contain information about Carlisle Group Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Impellam Group Plc, a company incorporated in United Kingdom.

Changes in accounting policy

None of the other standards, interpretations and amendments effective for the first time from 5 January 2019 have had a material effect on the financial statements.

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

2 Accounting policies (continued)

Changes resulting from adoption of IFRS 9

IFRS 9 Financial Instruments became mandatorily effective on 1 January 2018. The company has applied IFRS 9 for the first time in this accounting period which has resulted in changes to the accounting policies. The nature and effect of these changes are described below.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets; and hedge accounting. The standard also prescribes an 'expected credit loss' model for determining the basis of providing for bad debts (for further details, please refer to the accounting policies that form these financial statements).

The adoption of IFRS 9 has resulted in changes to the accounting policies and adjustments to the amounts recognised in the financial instruments, combining the three aspects; classification and measurement; impairment; and hedge accounting.

No adjustment to the prior period was required as a result of the adoption of IFRS 9.

Finance income and costs policy

Interest income receivable on deposits with financial institutions is recognised on an accrued basis. Contract liabilities are recognised when an invoice has been raised in advance of the service provision discussed above.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

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

Investments

Fixed asset investments are stated at cost less a provision for impairment. The carrying values of investments are reviewed for impairment at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the assets are allocated. Estimating the value in use requires the company to make an estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

2 Accounting policies (continued)

Amounts owed by related parties

Amounts owed by related parties are assessed for impairment based upon the current financial position and expected future performance of the party to which they relate. Amounts due from related parties are interest free demand loans.

The Company applies the IFRS 9 general approach to measuring expected credit losses. This approach requires an assessment at the initiation of the loan as to the risk of default, and a further assessment when the credit risk profile of the loans change. IFRS 9 applies a 3 stage model that is applied when calculating the expected credit losses:

- Stage 1 is defined as having no Significant Increase In Credit Risk ('SICR') – a 12 month expected credit loss is recognised at this point.
- Stage 2 is defined as having a SICR – a lifetime expected credit loss is recognised at this point.
- Stage 3 is defined as being credit impaired – a lifetime expected credit loss is recognised at this point.

There is no impact to any interest due to the Group company loans being interest free.

The Company defines the following:

Definition of a default - A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient assets to repay the loan on demand.

SICR assessment - The risk that the borrower will default on a demand loan depends on whether the party has sufficient cash or other assets to repay the loan immediately (meaning that the risk of default is very low and the loan is in Stage 1); or does not have sufficient cash or other assets to repay the loan immediately (meaning that the risk of default is higher, and the loan could be in Stage 2 or Stage 3).

The Company performs this assessment qualitatively by reference to the borrower's immediate cash flow and asset position. Credit impaired indicators - A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments (post January 2018)

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding investments.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The company's accounting policy for each category is as follows:

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

2 Accounting policies (continued)

Financial assets at amortised cost

Impairment provisions for current and non-current debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. From time to time, the company elects to renegotiate the terms of trade debtors due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company does not have any such assets nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial assets at fair value through the profit or loss (FVTPL)

The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial liabilities at amortised cost

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:

- Trade creditors and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Financial liabilities at fair value through the profit or loss

The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

3 Directors' remuneration

The directors are remunerated by the ultimate parent company, Impellam Group Plc, for their services to the Group as a whole. The directors do not believe it is practical to apportion their remuneration between their services to this company and their services as directors of the parent company and fellow subsidiaries. Other than the directors, the company had no employees in the current or prior periods.

4 Auditors' remuneration

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Audit of the financial statements	<u>1</u>	<u>1</u>

Auditor's remuneration for the current and prior periods has been borne by a Group company.

5 Income tax

Tax charged/(credited) in the profit and loss account

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Current taxation		
UK corporation tax	<u>(88)</u>	<u>(82)</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (4 January 2019 - lower than the standard rate of corporation tax in the UK) of 19% (4 January 2019 - 19%).

The differences are reconciled below:

	52 weeks 3 January 2020 £ 000	53 weeks 4 January 2019 £ 000
Profit before tax	<u>-</u>	<u>-</u>
Corporation tax at standard rate	-	-
Decrease from transfer pricing adjustments	<u>(88)</u>	<u>(82)</u>
Total tax credit	<u>(88)</u>	<u>(82)</u>

UK legislation requires, in broad terms, that most transactions between connected parties be at an arm's length price for tax purposes (commonly known as 'transfer pricing'). As a result, this company must make an adjustment for deemed net interest on intercompany balances that has not been recognised in the financial statements.

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

6 Investments

Subsidiaries	£ 000
Cost or valuation	
At 5 January 2019	42,025
At 3 January 2020	42,025
Provision	
At 5 January 2019	5,518
At 3 January 2020	5,518
Carrying amount	
At 3 January 2020	36,507
At 4 January 2019	36,507

Details of the subsidiaries as at 3 January 2020 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				3 January 2020	4 January 2019
BMS Limited*	Holding company	800 The Boulevard, Capability Green, Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Carlisle Events Services Limited*	Dormant	800 The Boulevard, Capability Green, Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Chadwick Nott (Holdings) Limited*	Employment services	800 The Boulevard, Capability Green, Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Carlisle Staffing Services Holdings Limited	Dormant	800 The Boulevard, Capability Green, Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Carlisle Staffing Services Limited	Holding company	800 The Boulevard, Capability Green, Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Carlisle Staffing Services Ireland Limited	Holding company	7 Ely Place, Dublin 2 Republic of Ireland	Ordinary	100%	100%

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

6 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				3 January 2020	4 January 2019
Celsian Group Limited	Employment services	800 The Boulevard, Capability Green, Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Carlisle Staffing Plc	Employment services	800 The Boulevard, Capability Green, Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Irish Recruitment Consultants Limited	Employment services	7 Ely Place, Dublin 2 Republic of Ireland	Ordinary	100%	100%
Carlisle Cleaning Services Holdings Limited	Dormant	800 The Boulevard, Capability Green, Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Sabertooth Services Limited	Holding company	PO Box 71, Road Town Tortola VG1110 British Virgin Isles	Ordinary	100%	100%

* indicates direct investment of the company

7 Trade and other receivables

	3 January 2020	4 January 2019
	£ 000	£ 000
Receivables from related parties	47,040	47,040

Receivables from related parties are interest free, unsecured and repayable on demand.

8 Trade and other payables

	3 January 2020	4 January 2019
	£ 000	£ 000
Amounts due to related parties	60,081	60,169

Payables to related parties are interest free, unsecured and repayable on demand.

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

9 Share capital

Allotted, called up and fully paid shares

	3 January 2020		4 January 2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.10 each	563,814	56,381	563,814	56,381
Preferred Ordinary shares of £0.10 each	1,000	100	1,000	100
	<u>564,814</u>	<u>56,481</u>	<u>564,814</u>	<u>56,481</u>

Rights, preferences and restrictions

The rights and restrictions attached to the shares are as follows:

- (a) of the profits which the company may from time to time decide to distribute, 99 per cent of such profits shall be distributed to the holders of the preferred ordinary shares with the balance being distributed to the holders of the ordinary shares;
- (b) on any return of capital (whether on a winding up or otherwise) the amount in question shall be applied: (i) first in paying to the holders of each preferred ordinary share a sum equal to 10,000,000 times the capital paid up on each preferred ordinary share; (ii) second, as to any remaining amount, in repaying the capital paid up on each ordinary share; and (iii) third, as to any remaining balance after the payments under subparagraphs (i) and (ii) above, in paying 99 per cent of such balance to the holders of the preferred ordinary shares and the remaining one per cent to the holders of the ordinary shares; and
- (c) the ordinary shares shall not confer on the holders the right to receive notice of or to attend or vote, either in person or by proxy, at any general meeting of the company.

10 Contingent liabilities

The company has given cross guarantees as part of the Group's revolving credit facility of which the company is a member; the aggregate amount outstanding against this facility at 3 January 2020 was £166,732,000 (4 January 2019: £186,265,000).

11 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is Impellam Group Plc.

These financial statements are available upon request from The Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ

The Group has identified Lord Ashcroft as the ultimate controlling party as he has influence over more than 50%, but less than 75%, of both the shares and voting rights of Impellam Group Plc and together with being Chairman of Impellam Group Plc has significant influence over the Group.

Carlisle Group Limited

Notes to the Financial Statements for the 52 weeks ended 3 January 2020 (continued)

12 Non adjusting events after the financial period

In line with the FRC's guidance that COVID-19 should be treated as a non-adjusting post balance sheet event given our year-end and the development of the pandemic after that date, we have performed a re-assessment (but not adjustment) of the carrying value of the reported assets and liabilities.

Investments

The Company has investments which if downside scenarios were applied may result in an impairment. However, although there is inherent uncertainty of the future trading as a result of the impact of COVID-19, if such a downturn is temporary future cash flow models would not include the major impacted year of 2020. At this stage it would not be appropriate to model any additional impairment until there is a clearer picture of longer-term trading.

Receivables from related parties and their recoverability

The Company holds various receivables from related parties. At the date of these financial statements there had been no specific issues identified in the recoverability of amounts due from the related parties.