

# Carlisle Security Services Limited

Directors' Report and Financial Statements

for the year ended 31 December 2011

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**Carlisle Security Services Limited**  
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**Carlisle Security Services Limited**  
**Company Information**

<b>Directors</b>	A J Burchall R J Watson
<b>Company secretary</b>	R J Watson
<b>Registered office</b>	800 The Boulevard Capability Green Luton Bedfordshire LU1 3BA
<b>Bankers</b>	Barclays Bank plc 1 Churchill Place London E14 5HP
<b>Auditors</b>	PricewaterhouseCoopers LLP 10 Bricket Road St Albans Hertfordshire AL1 3JX

# Carlisle Security Services Limited

## Directors' Report for the year ended 31 December 2011

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011

### Directors of the company

The directors of the company who were in office during the period and up to the date of signing the financial statements were

A J Burchall

R J Watson

### Principal activity

The principal activity of the company is the provision of security services in the UK

### Business review

	2011 £ 000	2010 £ 000	Change %
Turnover	27,190	30,487	(10.8)
Gross Profit	3,652	4,297	(15.0)
Administrative expenses	2,579	2,883	(10.5)
Earnings before interest and tax	1,073	1,414	(24.1)
Gross profit percentage (%)	13.4	14.1	
EBITDA return on sales (%)	4.6	5.0	
Conversion rate (%) (EBIT to Gross profit)	29.4	32.9	

Carlisle Security has had a solid operating performance in 2011, but saw reduced turnover from 2010 due to contraction in spend from existing clients. During 2011 a number of clients re-tendered business and the company, while being successful, has experienced reduced margins on this business. This has resulted in a lower operating profit of £1,073,000.

The company will now concentrate on winning new business in 2012 and will look to improve margins through more CCTV work with new and existing clients. After the year end the company acquired the trade and assets of Carlisle Events Services Ltd, a fellow group company, for net book value. The directors look forward to the London Olympic year with confidence.

### Insurance

Impellam Group plc ("the Group"), of which the company is a member, maintains a comprehensive insurance programme with a number of reputable third party underwriters. These insurance policies are reviewed annually to ensure that there is adequate cover for insurable risks and that the terms of those policies are optimised.

### Principal risks and uncertainties

The principal risks and uncertainties of the Group, which include those of the company, are discussed in the Finance Report in the Group's annual report which does not form part of this report. 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.

### Regulatory environment

The security industry is governed by the Security Industry Authority. Additionally our clients require more complex levels of compliance in their contractual arrangements. The company takes its responsibilities seriously, is committed to meeting all of its regulatory responsibilities, and continues to strengthen its internal controls and processes with respect to legal and contractual obligations.

**Carlisle Security Services Limited**  
**Directors' Report for the year ended 31 December 2011**

**..... continued**

**Technology systems**

The company is reliant on a number of technology systems in providing its services to clients and in sourcing and communicating with candidates and staff. These systems are located both in-house and in various data centres. These systems are vulnerable to matters beyond the Group's control, such as natural disasters and power or telecommunications failures. Also, the systems could be vulnerable to improper or negligent operation by employees or from unauthorised access.

The business continues to develop and enhance controls, the associated disaster recovery systems, including physically separate disaster recovery sites, and other areas to improve its ability to cope with the loss or disruption of a technology system as a result of any such event. In addition, data protection is a key priority and specific contractual provisions exist to ensure safety and security of confidential data.

**Donations**

There were no charitable or political donations made by the company in the year (2010: none).

**Employment of disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**Employee involvement**

The company recognises that it is essential to maintain a highly skilled workforce. To this end the policy of training and development is incorporated in the company plan. It is the policy to promote from within the organisation wherever the possibility exists.

Health and safety measures are given particular attention by the directors and a written policy exists and is known throughout the company.

The company recognises the need for employees to be informed of the company's activities and performance. A corporate intranet for all employees provides a wide range of information and provides an increasingly important communication tool for policies and procedures as well as the sharing of information, document storage and specific news. Meetings are held between management and employees to allow sharing of information and consultation. Employees participate directly in the performance of the business through the Company's bonus arrangements.

**Supplier payment policy**

The company's policy, which is also applied by the group of which the company is a member, is to settle terms of payment with suppliers when agreeing the terms of each transaction and to ensure that suppliers are made aware of the terms of payment. The company abides by the terms of payment. Trade creditors of the company prior to close of business on 31 December 2011 were equivalent to 26 days' (2010: 21 days') purchases, based on the average daily amount invoiced by suppliers and timesheets submitted by staff who are supplied to clients during the year.

**Directors' liabilities**

During the year and to the date of these financial statements, the Group 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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Carlisle Security Services Limited**  
**Directors' Report for the year ended 31 December 2011**

**..... continued**

**Reappointment of auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and so are deemed to be reappointed under section 487(2) of the Companies Act 2006

Approved by the Board on 30 March 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'A J Burchall', written over a horizontal line.

A J Burchall  
Director

## **Carlisle Security Services Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Carlisle Security Services Limited**

### **Independent Auditors' Report**

We have audited the financial statements of Carlisle Security Services Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

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



James French (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans

30 March 2012



**Carlisle Security Services Limited**  
**Profit and Loss Account for the year ended 31 December 2011**

	<b>Note</b>	<b>2011 £ 000</b>	<b>2010 £ 000</b>
Turnover	2	27,190	30,487
Cost of sales		<u>(23,538)</u>	<u>(26,190)</u>
Gross profit		3,652	4,297
Administrative expenses		<u>(2,579)</u>	<u>(2,883)</u>
Operating profit	3	1,073	1,414
Other interest receivable and similar income	7	3	-
Interest payable and similar charges	8	<u>-</u>	<u>(6)</u>
Profit on ordinary activities before taxation		1,076	1,408
Tax on profit on ordinary activities	9	<u>(298)</u>	<u>(287)</u>
Profit for the financial year	17	<u>778</u>	<u>1,121</u>

Turnover and operating profit in both the current and prior periods derive wholly from continuing operations

The company has no recognised gains or losses for the current and prior periods other than the results above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary business activities before taxation and the retained profit for the period stated above and their historical cost equivalents for the current and prior periods

**Carlisle Security Services Limited**  
**Registration number: 02654100**  
**Balance Sheet as at 31 December 2011**

	Note	2011 £ 000	2010 £ 000
<b>Fixed assets</b>			
Tangible assets	11	<u>893</u>	<u>423</u>
<b>Current assets</b>			
Debtors	13	7,492	7,248
Cash at bank and in hand		<u>1,461</u>	<u>289</u>
		8,953	7,537
Creditors Amounts falling due within one year	14	<u>(8,755)</u>	<u>(7,474)</u>
Net current assets		<u>198</u>	<u>63</u>
Total assets less current liabilities		1,091	486
Provisions for liabilities	15	<u>(30)</u>	<u>(203)</u>
Net assets		<u>1,061</u>	<u>283</u>
<b>Capital and reserves</b>			
Called up share capital	16	21	21
Other reserves	17	-	7,480
Profit and loss account	17	<u>1,040</u>	<u>(7,218)</u>
Total shareholders funds		<u>1,061</u>	<u>283</u>

The financial statements on pages 7 to 18 were approved by the Board on 30 March 2012 and signed on its behalf by



A J Burchall  
Director

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 2006. The principal accounting policies have been applied consistently during the year and are set out below.

**Exemption from preparing a cash flow statement**

The company has taken advantage of the exemption under FRS 1 (Revised 1996) 'Cash flow Statements' not to publish a cash flow as its ultimate parent, Impellam Group plc, a company incorporated in the United Kingdom, has prepared consolidated financial statements which are publicly available.

**Significant accounting judgements**

In applying the company's accounting policies the following judgements have been made that may have a significant effect on the amounts recognised in the financial statements:

*Recoverability of debtors*

The company determines whether debtors are impaired if events or changes in circumstances indicate that the carrying value may not be recoverable at least on an annual basis.

**Turnover**

Turnover, which is stated exclusive of value added tax, comprises amounts receivable for employment services, net of rebates and discounts provided within the United Kingdom. The nature of the company's activities is such that revenue is recognised when a written agreement, terms and conditions or an approved customer order is in place and the services have been fully rendered. At that time, pricing is then fixed and determinable. The company's procedures require review of a customer's ability to pay prior to a service provision, at the time of such provision, and at the time of billing, such that collectability is reasonably assured.

**Goodwill**

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**Tangible assets and depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office equipment	25% straight line basis
Fixtures and fittings	15 - 33% straight line basis
Short leasehold land and buildings	over the term of the lease

**Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial assets and financial liabilities are recorded at fair value on the transaction date, on the company's balance sheet when the company has become a party to the contractual provisions of the instrument and derecognised when this is no longer the case.

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

**..... continued**

**Taxation**

Current tax is recognised at the amounts estimated to be payable or recoverable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax assets and liabilities are recognised, subject to certain exceptions, in respect of all material timing differences between the recognition of gains and losses in the financial statements and for tax purposes. Those timing differences recognised may include accelerated capital allowances, unrelieved tax losses and short term timing differences. Timing differences not recognised include those relating to the revaluation of fixed assets in the absence of a commitment to sell the revalued assets and the gain on sale of assets rolled over into replacement assets in the absence of a commitment to sell the replacement assets.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Hire purchase and leasing**

Rentals payable under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged in the profit and loss account on a straight line basis over the lease term.

**Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

**Capital instruments**

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

**2 Turnover**

The turnover of the company arises wholly from activities undertaken within the United Kingdom.

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

..... *continued*

**3 Operating profit**

Operating profit is stated after charging

	2011 £ 000	2010 £ 000
Operating leases - plant and machinery	134	140
Operating leases - other assets	243	147
Depreciation of owned assets	165	101
Auditor's remuneration	13	8
	<u>          </u>	<u>          </u>

**4 Auditor's remuneration**

	2011 £ 000	2010 £ 000
Audit of the financial statements	13	8
	<u>          </u>	<u>          </u>

**5 Particulars of employees**

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows

	2011 Number	2010 Number
Administration and support	2	2
Management	91	84
Operational	956	1,085
	<u>          </u>	<u>          </u>
	1,049	1,171
	<u>          </u>	<u>          </u>

The aggregate payroll costs were as follows

	2011 £ 000	2010 £ 000
Wages and salaries	22,836	25,412
Social security costs	2,021	2,078
Staff pensions	79	128
	<u>          </u>	<u>          </u>
	24,936	27,618
	<u>          </u>	<u>          </u>

**6 Directors' remuneration**

The emoluments of the directors are paid by the ultimate parent company, or by another group company. The directors' services to this company are of a non-executive nature and are deemed to be attributable to services to the remunerating company. Accordingly, the directors received no remuneration for services to the company in the year (2010 £nil)

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

..... *continued*

**7 Interest receivable and similar income**

	2011 £ 000	2010 £ 000
Bank interest receivable	<u>3</u>	<u>-</u>

**8 Interest payable and similar charges**

	2011 £ 000	2010 £ 000
Interest on bank borrowings	<u>-</u>	<u>6</u>
	<u>-</u>	<u>6</u>

**9 Tax on profit on ordinary activities**

	2011 £ 000	2010 £ 000
<b>Current tax</b>		
Corporation tax charge	290	-
Group relief payable	<u>-</u>	<u>372</u>
UK Corporation tax	290	372
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>8</u>	<u>(85)</u>
Total tax on profit on ordinary activities	<u>298</u>	<u>287</u>

**Factors affecting current tax charge for the year**

The effective current tax rate on the profit on ordinary activities before tax can be reconciled to the standard rate of corporation tax (taken to be the standard rate of corporation tax in the UK) as follows

	2011 %	2010 %
Standard rate of tax	26.5	28.0
Transfer pricing adjustments (see below)	-	(2.0)
Other permanently disallowable/taxable items	2.0	0.8
Depreciation and similar charges in excess of capital allowances	<u>(1.6)</u>	<u>(0.4)</u>
Effective current tax rate	<u>26.9</u>	<u>26.4</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 is entitled to a deduction for deemed net interest payable that has not been recognised in the financial statements

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

**..... continued**

A reduction in the main rate of corporation tax to 26% from 1 April 2011 was substantively enacted on 29 March 2011 and impacts the measurement of deferred tax balances for periods ending after this date

Finance Act 2011 subsequently confirmed a further 1% reduction in the main rate to 25% with effect from 1 April 2012 which has impacted the current period's deferred tax

Following the Budget speech on 21 March 2012, it is now expected that there will be a further 1% reduction to the standard rate of tax to 24% with effect from 1 April 2012, with further 1 per cent per annum reductions to 22% by 1 April 2014. These proposed changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

**10 Intangible fixed assets**

	<b>Goodwill</b> <b>£ 000</b>
<b>Cost</b>	
At 1 January 2011	7,510
At 31 December 2011	7,510
<b>Amortisation</b>	
At 1 January 2011	7,510
At 31 December 2011	7,510
<b>Net book value</b>	
At 31 December 2011	-
At 31 December 2010	-

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

..... *continued*

**11 Tangible assets**

	Short leasehold land and buildings £ 000	Fixtures and fittings £ 000	Office equipment £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2011	28	651	821	1,500
Additions	401	19	190	610
Transfer from group company	83	76	170	329
Disposals	-	-	(1)	(1)
At 31 December 2011	<u>512</u>	<u>746</u>	<u>1,180</u>	<u>2,438</u>
<b>Depreciation</b>				
At 1 January 2011	27	511	539	1,077
Charge for the year	25	66	74	165
Transfer from group company	77	66	160	303
At 31 December 2011	<u>129</u>	<u>643</u>	<u>773</u>	<u>1,545</u>
<b>Net book value</b>				
At 31 December 2011	<u>383</u>	<u>103</u>	<u>407</u>	<u>893</u>
At 31 December 2010	<u>1</u>	<u>140</u>	<u>282</u>	<u>423</u>

**12 Fixed asset investments**

**Shares in group undertakings and participating interests**

	Subsidiary undertaking £ 000
<b>Cost</b>	
At 1 January 2011	<u>534</u>
At 31 December 2011	<u>534</u>
<b>Provision for impairment</b>	
At 1 January 2011	<u>(534)</u>
At 31 December 2011	<u>(534)</u>
<b>Net book value</b>	
At 31 December 2011	<u>-</u>
At 31 December 2010	<u>-</u>



**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

..... *continued*

**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>			
Bourne Security Limited	Ordinary	100%	Dormant
Carlisle Distribution Sector Services Limited	Ordinary	100%	Dormant

The directors believe that the carrying value of the investments is supported by their underlying trade and net assets

**13 Debtors**

	2011 £ 000	2010 £ 000
Trade debtors	3,313	1,980
Amounts owed by group undertakings	2,585	3,462
Other debtors	441	10
Deferred tax	100	85
Prepayments and accrued income	1,053	1,711
	<u>7,492</u>	<u>7,248</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand

**Deferred tax**

The movement in the deferred tax asset in the year is as follows

	£ 000
At 1 January 2011	85
Deferred tax charged to the profit and loss account	(8)
Deferred tax transferred from a group company	23
At 31 December 2011	<u>100</u>

**Analysis of deferred tax**

	2011 £ 000	2010 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	71	69
Other timing differences	29	16
	<u>100</u>	<u>85</u>

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

..... *continued*

**14 Creditors: Amounts falling due within one year**

	<b>2011</b> <b>£ 000</b>	<b>2010</b> <b>£ 000</b>
Bank loans and overdrafts	-	1,643
Amounts owed to group undertakings	4,071	1,010
Trade creditors	665	258
Corporation tax	290	372
Other taxes and social security	1,727	1,321
Other creditors	1,652	1,882
Accruals and deferred income	350	988
	<u>8,755</u>	<u>7,474</u>

- a) Bank overdrafts are secured by cross guarantees across all major UK trading subsidiaries of the company's ultimate parent undertaking, Impellam Group plc. These facilities incur no interest as they are part of a group offset arrangement against positive balances in other group companies.
- b) Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

**15 Provisions for liabilities**

	<b>Dilapidation provision £ 000</b>
At 1 January 2011	<u>203</u>
Credited to the profit and loss account	(50)
Utilised during the year	<u>(123)</u>
	(173)
At 31 December 2011	<u>30</u>

**16 Called up share capital**

**Allotted, called up and fully paid shares**

	<b>2011</b>		<b>2010</b>	
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
Ordinary shares of £1 each	<u>21,100</u>	<u>21,100</u>	<u>21,100</u>	<u>21,100</u>

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

..... *continued*

**17 Profit and loss account**

	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2011	7,480	(7,218)	262
Profit for the year	-	778	778
Other reserve movements	(7,480)	7,480	-
At 31 December 2011	-	1,040	1,040

On 30 December 2011 the company reduced its capital contribution reserve by the sum of £7,480,321 under s641 of the Companies Act 2006. The Companies (Reduction of Share Capital) Order 2008 allows any reserve arising from such a reduction to be treated as a realised profit.

**18 Reconciliation of movements in shareholders' funds**

	2011 £ 000	2010 £ 000
Profit attributable to the members of the company	778	1,121
Net addition to shareholders' funds	778	1,121
Shareholders' funds/(deficit) at 1 January	283	(838)
Shareholders' funds at 31 December	1,061	283

**19 Pension schemes**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £79,000 (2010 - £128,000).

Contributions totalling £40,000 (2010 - £nil) were payable to the scheme at the end of the year and are included in creditors.

**20 Contingent liabilities**

The company has given cross guarantees as part of the invoice discounting facility of the Group of which the company is a member, a net aggregate amount of £20,476,447 was drawn down by other group companies as at 31 December 2011 (2010 - £12,345,895).

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2011**

..... *continued*

**21 Commitments**

**Operating lease commitments**

As at 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £ 000	2010 £ 000
<b>Land and buildings</b>		
Within one year	28	21
Over five years	267	77
	<u>295</u>	<u>98</u>
<b>Other</b>		
Within one year	23	-
Within two and five years	139	-
	<u>162</u>	<u>-</u>

**22 Post balance sheet events**

On 1 March 2012, an application was submitted to Companies House to strike off Bourne Security Limited and Carlisle Distribution Sector Services Limited, dormant companies in which Carlisle Security Services Limited holds an investment

**23 Related party transactions**

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the Group

**24 Control**

At the balance sheet date the company's immediate parent undertaking is Capitol Group plc, a company incorporated in England and Wales. On 31 January 2012 the company's immediate parent undertaking became Carlisle Support Services Group Ltd, a company incorporated in England and Wales.

The directors regard Impellam Group plc, a company incorporated in England and Wales, as the ultimate parent undertaking. This is also the parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared. Copies of the group financial statements of Impellam Group plc will be delivered to, and be available from, the Registrar of Companies, Companies Registration Office, Crown Way, Maundy, Cardiff, CF14 3UZ.

At 31 December 2011, the Lombard Trust was interested in and controlled 57.6% of Impellam Group plc.