

# Carlisle Security Services Limited

Directors' Report and Financial Statements  
for the year ended 31 December 2012

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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>Independent Auditors</b>	PricewaterhouseCoopers LLP 10 Bricket Road St Albans Hertfordshire AL1 3JX

# Carlisle Security Services Limited

## Directors' Report for the year ended 31 December 2012

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

### Directors of the company

The directors of the company who were in office during the year 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

	2012	2011	Change
	£ 000	£ 000	%
Turnover	35,543	27,190	30.7
Gross Profit	4,454	3,652	22.0
Administrative expenses	3,638	2,579	41.1
Earnings before interest and tax	816	1,073	(24.0)
Gross profit percentage (%)	12.5	13.4	
EBITDA return on sales (%)	2.9	4.6	
Conversion rate (%) (EBIT to Gross profit)	18.3	29.4	

On 23 January 2012 the company acquired the Event Management trade from Carlisle Events Services Limited, a fellow group company, at net book value. This was to take advantage of the synergies in stewarding at sports events with providing the overall security. Subsequently the company restructured some of its operations.

Carlisle Security Services had a stronger operating performance in 2012, in part due to increased work generated from the Olympic activity in London. The company secured further contract wins in 2012 that will take full effect in 2013 and consequently the directors look to the future 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.

The requirement to auto enrol all employees in a pension scheme comes into effect in 2013. This will have further operational and IT implications for the businesses. The staggered implementation also means that certain larger businesses, such as this company, could be at a competitive disadvantage as first adopters of this requirement. Accordingly, not only is there a potential to directly impact profitability, but failure to meet these requirements could lead to legal, financial and reputational consequences.

**Carlisle Security Services Limited**  
**Directors' Report for the year ended 31 December 2012**

**..... 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 either 2012 or 2011.

**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 2012 were equivalent to 18 days' (2011: 26 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.

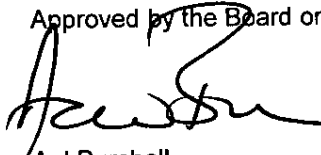
**Carlisle Security Services Limited**  
**Directors' Report for the year ended 31 December 2012**

**..... 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 28 March 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'A J Burchall', is written over the printed name.

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 year. 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 then 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 2012 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 2012 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.

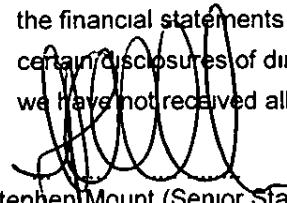
#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year 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.



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

28 March 2013



**Carlisle Security Services Limited**  
**Profit and Loss Account for the year ended 31 December 2012**

	Note	2012 £000	2011 £ 000
<b>Turnover</b>	<b>2</b>		
Continuing operations		30,368	27,190
Acquisitions		5,175	-
		<u>35,543</u>	<u>27,190</u>
		35,543	27,190
Cost of sales	3	<u>(31,089)</u>	<u>(23,538)</u>
Gross profit		4,454	3,652
Administrative expenses	3	(3,638)	(2,579)
<b>Operating profit</b>	<b>4</b>		
Continuing operations		91	1,073
Acquisitions		725	-
		<u>816</u>	<u>1,073</u>
Operating profit		816	1,073
Other interest receivable and similar income	9	-	3
Profit on ordinary activities before taxation		816	1,076
Tax on profit on ordinary activities	10	<u>(325)</u>	<u>(298)</u>
Profit for the financial year	19	<u><u>491</u></u>	<u><u>778</u></u>

Turnover and operating profit for the current and prior years derive wholly from continuing operations

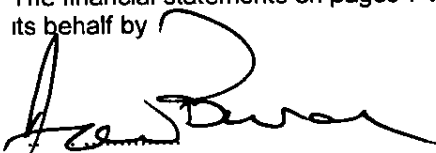
The company has no recognised gains or losses for the current and prior years other than the results above and therefore no separate statement of total recognised gains and losses has been presented

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

**Carlisle Security Services Limited**  
**Registration number: 02654100**  
**Balance Sheet as at 31 December 2012**

	Note	2012 £ 000	2011 £ 000
<b>Fixed assets</b>			
Tangible assets	12	<u>1,008</u>	<u>893</u>
<b>Current assets</b>			
Stock	14	38	-
Debtors	15	11,391	7,492
Cash at bank and in hand		<u>-</u>	<u>1,461</u>
		11,429	8,953
Creditors Amounts falling due within one year	16	<u>(10,840)</u>	<u>(8,755)</u>
Net current assets		<u>589</u>	<u>198</u>
Total assets less current liabilities		1,597	1,091
Provisions for liabilities	17	<u>(45)</u>	<u>(30)</u>
Net assets		<u>1,552</u>	<u>1,061</u>
<b>Capital and reserves</b>			
Called up share capital	18	21	21
Profit and loss account	19	<u>1,531</u>	<u>1,040</u>
Total shareholders' funds	20	<u>1,552</u>	<u>1,061</u>

The financial statements on pages 7 to 19 were approved by the Board on 28 March 2013 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 2012**

**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 collectibility is reasonably assured.

**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.

**Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2012**

**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.

**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.

**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 2012**

**3 Cost of sales and operating expenses**

	2012 £ 000	2011 £ 000
<b>Cost of sales</b>		
Continuing operations	<u>31,089</u>	<u>23,538</u>
<b>Administrative expenses</b>		
Continuing operations	<u>3,638</u>	<u>2,579</u>

The total figures for continuing operations in the year ending 31 December 2012 includes the following amounts relating to acquisitions

	2012 £ 000
Cost of sales	4,051
Administrative expenses	<u>399</u>

**4 Operating profit**

Operating profit is stated after charging

	2012 £ 000	2011 £ 000
Operating leases - plant and machinery	240	134
Operating leases - other assets	289	243
Depreciation of owned assets	225	165
Auditors' remuneration	<u>10</u>	<u>13</u>

**5 Auditors' remuneration**

	2012 £ 000	2011 £ 000
Audit of the financial statements	<u>10</u>	<u>13</u>

**6 Exceptional items**

	2012 £ 000	2011 £ 000
Exceptional administrative expenses	<u>181</u>	<u>-</u>

Exceptional administration expenses in the year relate primarily to redundancy and other employment costs following an internal restructure

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2012**

**7 Particulars of employees**

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

	<b>2012 Number</b>	<b>2011 Number</b>
Administration and support	2	2
Management	54	55
Operational	1,159	992
	<u>1,215</u>	<u>1,049</u>

The aggregate payroll costs were as follows

	<b>2012 £ 000</b>	<b>2011 £ 000</b>
Wages and salaries	30,000	22,836
Social security costs	2,296	2,021
Staff pensions	30	79
	<u>32,326</u>	<u>24,936</u>

**8 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 (2011: £nil).

**9 Other interest receivable and similar income**

	<b>2012 £ 000</b>	<b>2011 £ 000</b>
Bank interest receivable	<u>-</u>	<u>3</u>

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2012**

**10 Tax on profit on ordinary activities**

	2012 £ 000	2011 £ 000
<b>Current tax</b>		
Corporation tax charge	-	290
Group relief payable	295	-
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 15)	30	8
Total tax on profit on ordinary activities	<u>325</u>	<u>298</u>

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

The effective current tax rate on the profit on ordinary activities before tax is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%) and can be reconciled to the standard rate as follows

	2012 %	2011 %
Standard rate of tax	24.5	26.5
Transfer pricing adjustments (see below)	12.1	-
Other permanently disallowable/taxable items	1.6	2.0
Depreciation and similar charges in excess of capital allowances	(2.1)	(1.6)
Effective current tax rate	<u>36.1</u>	<u>26.9</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 and other charges that have not been recognised in the financial statements.

UK legislation also places restrictions on the amount of interest payable by a group of companies which can be deducted for tax purposes (commonly known as the 'debt cap rules'), but also allows a restricted exemption for interest receivable subject to various conditions.

Under Finance Act 2012, the standard rate of tax has been reduced to 23% with effect from 1 April 2013. It is expected that this will be further reduced with effect from 1 April 2014, but this proposed change had not been substantively enacted at the balance sheet date and, therefore, is not included in these financial statements.

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2012**

**11 Intangible fixed assets**

	<b>Goodwill £ 000</b>
<b>Cost</b>	
At 1 January 2012	7,510
At 31 December 2012	7,510
<b>Accumulated Amortisation</b>	
At 1 January 2012	7,510
At 31 December 2012	7,510
<b>Net book value</b>	
At 31 December 2012	-
At 31 December 2011	-

**12 Tangible assets**

	<b>Short leasehold land and buildings £ 000</b>	<b>Fixtures and fittings £ 000</b>	<b>Office equipment £ 000</b>	<b>Total £ 000</b>
<b>Cost or valuation</b>				
At 1 January 2012	512	746	1,180	2,438
Additions	-	55	285	340
At 31 December 2012	512	801	1,465	2,778
<b>Accumulated Depreciation</b>				
At 1 January 2012	129	643	773	1,545
Charge for the year	49	58	118	225
At 31 December 2012	178	701	891	1,770
<b>Net book value</b>				
At 31 December 2012	334	100	574	1,008
At 31 December 2011	383	103	407	893

There is no material difference between the market value and net book value of short leasehold land and buildings



**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2012**

**13 Fixed asset investments**

**Shares in group undertakings and participating interests**

	<b>Subsidiary undertaking £ 000</b>
<b>Cost</b>	
At 1 January 2012	534
Disposals	<u>(534)</u>
At 31 December 2012	<u>-</u>
<b>Provision for impairment</b>	
At 1 January 2012	(534)
Eliminated on disposal	<u>534</u>
At 31 December 2012	<u>-</u>
<b>Net book value</b>	
At 31 December 2012	<u>-</u>
At 31 December 2011	<u>-</u>

During the year the company dissolved Bourne Security Limited and Carlisle Distribution Sector Services Limited, dormant companies in which Carlisle Security Services Limited held an investment

**14 Stock**

	<b>2012 £ 000</b>	<b>2011 £ 000</b>
CCTV installation equipment	<u>38</u>	<u>-</u>

**15 Debtors**

	<b>2012 £ 000</b>	<b>2011 £ 000</b>
Trade debtors	5,202	3,313
Amounts owed by group undertakings	5,432	2,585
Other debtors	433	441
Deferred tax	70	100
Prepayments and accrued income	<u>254</u>	<u>1,053</u>
	<u>11,391</u>	<u>7,492</u>

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

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2012**

**Deferred tax**

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

	£ 000
At 1 January 2012	100
Deferred tax charged to the profit and loss account (note 10)	<u>(30)</u>
At 31 December 2012	<u>70</u>

**Analysis of deferred tax**

	2012 £ 000	2011 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	56	71
Other timing differences	<u>14</u>	<u>29</u>
	<u>70</u>	<u>100</u>

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

	2012 £ 000	2011 £ 000
Bank loans and overdrafts	90	-
Trade creditors	217	665
Amounts owed to group undertakings	6,240	4,071
Corporation tax	290	290
Other taxes and social security	1,539	1,727
Other creditors	1,847	1,652
Accruals and deferred income	<u>617</u>	<u>350</u>
	<u>10,840</u>	<u>8,755</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.

**Carlisle Security Services Limited**  
**Notes to the Financial Statements for the year**  
**ended 31 December 2012**

**17 Provisions for liabilities**

	<b>Dilapidation provision £ 000</b>
At 1 January 2012	<u>30</u>
Charged to the profit and loss account	40
Utilised during the year	<u>(25)</u>
	<u>15</u>
At 31 December 2012	<u><u>45</u></u>

Included within the charge to the profit and loss account is £20,000 in respect of a provision transferred in from Carlisle Events Services Limited, a fellow group company, at net book value

**18 Called up share capital**

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

	<b>31 December 2012</b>		<b>31 December 2011</b>	
	<b>Number Thousands</b>	<b>£ 000</b>	<b>Number Thousands</b>	<b>£ 000</b>
Ordinary shares of £1 each	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>

**19 Profit and loss account**

	<b>£ 000</b>
At 1 January 2012	1,040
Profit for the financial year	<u>491</u>
At 31 December 2012	<u><u>1,531</u></u>

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

	<b>2012 £ 000</b>	<b>2011 £ 000</b>
Profit for the financial year	<u>491</u>	<u>778</u>
Net addition to shareholders' funds	491	778
Shareholders' funds at 1 January	<u>1,061</u>	<u>283</u>
Shareholders' funds at 31 December	<u><u>1,552</u></u>	<u><u>1,061</u></u>

**Carlisle Security Services Limited**  
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**21 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 £30,000 (2011 - £79,000)

Contributions totalling £11,000 (2011 - £40,000) were payable to the scheme at the end of the year and are included in creditors

**22 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 £20,954,810 was drawn down by other group companies as at 28 December 2012 (2011 £20,476,447)

**23 Commitments**

**Operating lease commitments**

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £ 000	2011 £ 000
<b>Land and buildings</b>		
Within one year	-	28
Within two and five years	45	-
Over five years	254	267
	<u>299</u>	<u>295</u>
<b>Other</b>		
Within one year	34	23
Within two and five years	150	139
	<u>184</u>	<u>162</u>

**24 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

**Carlisle Security Services Limited**  
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**25 Control**

At the balance sheet date the company's immediate parent undertaking is Carlisle Support Services Group Limited, 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, Maindy, Cardiff, CF14 3UZ.

At 31 December 2012, the Lombard Trust was interested in and controlled 58.7% of Impellam Group plc.