

Carlisle Security Services Limited

Directors' Report and Financial Statements
for the Year Ended 31 December 2009

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Carlisle Security Services Limited

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Carlisle Security Services Limited
Company Information

Directors	D M C Doyle (resigned 14 May 2009) A Burchall R J Watson
Secretary	R J Watson
Registered office	800 The Boulevard Capability Green Luton Beds LU1 3BA
Bank	Barclays Bank plc 1 Churchill Place London E14 5HP
Auditors	PricewaterhouseCoopers LLP 10 Bricket Road St Albans AL1 3JX

Carlisle Security Services Limited
Directors' Report for the Year Ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

Directors' responsibilities

The directors are responsible 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 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 those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and 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 a 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.

Directors' statement regarding disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) they have taken all the 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.

Principal activity

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

Business review and future developments

	2009 £ 000	2008 £ 000	Change %
Turnover	30,271	23,323	29.8
Gross profit	3,944	2,601	51.6
Administrative expenses	3,508	2,661	31.8
Earnings before interest and tax	436	(60)	(826.7)
Gross profit percentage (%)	13.0	11.2	
EBITDA return on Sales (%)	1.9	-	
Conversion rate (%) (EBIT)	11.1	(2.3)	

Carlisle Security Services Limited
Directors' Report for the Year Ended 31 December 2009

continued

Trading in 2009 remained strong with stable turnover and significant margin improvement driven by new contract wins and diversification into new sectors. Carlisle Security enjoyed steady growth in its CCTV installation business, and together with a tight control on the cost base, the business returned to profitability in the year.

With the longer term nature of the contracts in the business, the directors look to the future with confidence.

Results and dividends

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend (31 December 2008: £nil).

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.

Regulatory environment

The security industry is governed by the SIA. 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.

Principal risks facing the business

The principal risks and uncertainties of the group, which include those of the company, are discussed in the Group Financial Director's 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.

Technology systems

The company is reliant on a number of technology systems in providing its services to clients. These systems are hosted both in-house and in various data centres. The business continues to review and enhance its ability to cope with the loss of a technology system as a result of a significant event.

Fixed assets

In the opinion of the directors no fixed assets have a significant difference in value between the book value reported and the market value.

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 2009 were equivalent to 31 days' (2008: 35 days') purchases, based on the average daily amount invoiced by suppliers during the year.

Carlisle Security Services Limited
Directors' Report for the Year Ended 31 December 2009

continued

Employees

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.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the candidate 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 with that of other employees.

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.

Donations

During the year the company made charitable donations of £4,000 (2008 - £nil). Individual donations were

	2009 £ 000
Local community support	<u>4</u>

There were no political donations made by the company in either 2009 or 2008.

Directors

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

- D M C Doyle (resigned 14 May 2009)
- A Burchall
- R J Watson

Directors' indemnity provisions

During the year and to the date of these accounts, 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.

Retirement of directors

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

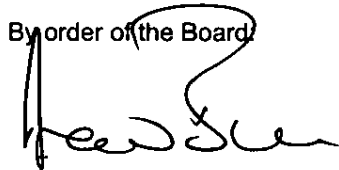
Carlisle Security Services Limited
Directors' Report for the Year Ended 31 December 2009

continued

Election to dispense laying accounts

The company has elected to dispense with laying accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that accounts are laid before the members in general meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'A Burchall', written over the text 'By order of the Board'.

A Burchall
Director

Date 16 Apr 2010

**Independent Auditors' Report to the Members of
Carlisle Security Services Limited**

We have audited the financial statements of Carlisle Security Services Limited for the year ended 31 December 2009 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 Directors' Responsibilities Statement set out on page 2, 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 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 (APB'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.

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 2009 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.

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

Date

Carlisle Security Services Limited
Profit and Loss Account for the Year Ended 31 December 2009

	Note	Year ended 31 December 2009 £ 000	1 April 2008 to 31 December 2008 £ 000
Turnover		30,271	23,323
Cost of sales		(26,327)	(20,722)
Gross profit		<u>3,944</u>	<u>2,601</u>
Administrative expenses		(3,508)	(2,661)
Operating profit/(loss)	2	<u>436</u>	<u>(60)</u>
Interest payable and similar charges	4	(21)	(54)
Profit/(loss) on ordinary activities before taxation		<u>415</u>	<u>(114)</u>
Tax on profit/(loss) on ordinary activities	5	(26)	104
Profit/(loss) for the financial year	15	<u><u>389</u></u>	<u><u>(10)</u></u>

Turnover and operating profit/(loss) derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

There is no difference between the results reported above and their historical cost equivalents

Carlisle Security Services Limited

Registration number. 2654100

Balance Sheet as at 31 December 2009

		31 December 2009		31 December 2008	
	Note	£ 000	£ 000	£ 000	£ 000
Fixed assets					
Intangible assets	6		-		-
Tangible assets	7		191		207
			<u>191</u>		<u>207</u>
Current assets					
Debtors	9	12,146		8,434	
Cash at bank and in hand		<u>14</u>		<u>-</u>	
		12,160		8,434	
Creditors: Amounts falling due within one year	10	<u>(13,036)</u>		<u>(9,868)</u>	
Net current liabilities			<u>(876)</u>		<u>(1,434)</u>
Total assets less current liabilities			(685)		(1,227)
Provisions for liabilities	12		<u>(153)</u>		<u>-</u>
Net liabilities			<u>(838)</u>		<u>(1,227)</u>
Capital and reserves					
Called up share capital	14		21		21
Other reserves	15		7,480		7,480
Profit and loss reserve	15		<u>(8,339)</u>		<u>(8,728)</u>
Shareholders' deficit	16		<u>(838)</u>		<u>(1,227)</u>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 16 April 2010 and were signed on its behalf by



A Burchall
Director

Carlisle Security Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

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.

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:

Impairment of goodwill

The company determines whether goodwill is impaired if events or changes in circumstances indicate that the carrying value may not be recoverable at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the goodwill is 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.

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.

Going concern

These financial statements have been prepared on a going concern basis.

As at 31 December 2009 the company had net liabilities amounting to £838,000. The company is dependent, in the absence of other funding, on the continued support of the ultimate parent company, Impellam Group plc. The ultimate parent company has confirmed that it will continue to support the company for the foreseeable future. On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis.

Turnover

Turnover, which is stated exclusive of value added tax, comprises amounts receivable for services provided, 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.

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its estimated useful economic life of 20 years. The carrying value of goodwill is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Goodwill arising on acquisitions in the year ended 31 December 1997 and earlier periods was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

Carlisle Security Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

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Depreciation of tangible fixed assets

Tangible fixed assets are stated at cost or valuation, less depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life, as follows

Office equipment	25% straight line basis
Fixtures and fittings	15% - 33% straight line basis
Short leasehold land and buildings	Over the length of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable

Fixed asset 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.

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 accounts 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.

Operating leases

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 charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Carlisle Security Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

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.

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.

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard No. 1 (revised 1996) not to publish a cash flow statement as it is a wholly owned subsidiary of Impellam Group plc, which has prepared consolidated financial statements which are publicly available.

Vacant property

When a property substantially ceases to be used for the purposes of the business, provision is made to the extent that the recoverable amount of the interest in the property is expected to be insufficient to cover the future obligations relating to the lease.

Consolidation

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group accounts because it is a wholly owned subsidiary of Impellam Group plc which prepares consolidated accounts which are publicly available. Accordingly, these accounts are those of the company and not of its group.

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 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	Year ended 31 December 2009 £ 000	1 April 2008 to 31 December 2008 £ 000
Operating lease rentals - plant & equipment	89	176
Operating lease rentals - land & buildings	181	162
The audit of the company's annual accounts	42	32
Depreciation of owned assets	89	60

Carlisle Security Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

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3 Particulars of employees

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

	Year ended 31 December 2009 No	1 April 2008 to 31 December 2008 No
Directors	2	-
Management	82	72
Operational	1300	1212
	<u>1384</u>	<u>1284</u>

The aggregate payroll costs of these persons were as follows

	Year ended 31 December 2009 £ 000	1 April 2008 to 31 December 2008 £ 000
Wages and salaries	24,962	18,781
Social security costs	2,062	1,639
Other pension costs	117	52
	<u>27,141</u>	<u>20,472</u>

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 (2008: £nil)

4 Interest payable and similar charges

	Year ended 31 December 2009 £ 000	1 April 2008 to 31 December 2008 £ 000
Interest on bank borrowings	21	19
Other interest payable	-	35
	<u>21</u>	<u>54</u>

Carlisle Security Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

5 Taxation

Analysis of current period tax charge/(credit)

	Year ended 31 December 2009 £ 000	1 April 2008 to 31 December 2008 £ 000
Current tax		
Group relief (receivable)/payable	<u>26</u>	<u>(104)</u>

The effective current tax rate on the loss 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

	31 December 2009 %	31 December 2008 %
Standard rate of tax	28.0	28.0
Transfer pricing adjustments (see below)	(16.6)	69.5
Impairment of intra-group balances	4.1	-
Other permanently disallowable/taxable items	3.0	(9.3)
Timing differences		
Depreciation and similar charges in excess of capital allowances	(2.2)	3.0
Utilisation of losses brought forward	(10.1)	-
Effective current tax rate	<u>6.2</u>	<u>91.2</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 accounts

Carlisle Security Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2009

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6 Intangible fixed assets

	Goodwill £ 000
Cost	
As at 1 January 2009 and 31 December 2009	<u>7,510</u>
Amortisation	
As at 1 January 2009 and 31 December 2009	<u>7,510</u>
Net book value	
As at 31 December 2009	<u>-</u>
As at 31 December 2008	<u>-</u>

7 Tangible fixed assets

	Short leasehold land and buildings £ 000	Fixtures and fittings £ 000	Office equipment £ 000	Total £ 000
Cost				
As at 1 January 2009	28	556	509	1,093
Additions	<u>-</u>	<u>47</u>	<u>27</u>	<u>74</u>
As at 31 December 2009	<u>28</u>	<u>603</u>	<u>536</u>	<u>1,167</u>
Depreciation				
As at 1 January 2009	25	367	494	886
Charge for the year	<u>1</u>	<u>72</u>	<u>17</u>	<u>90</u>
As at 31 December 2009	<u>26</u>	<u>439</u>	<u>511</u>	<u>976</u>
Net book value				
As at 31 December 2009	<u>2</u>	<u>164</u>	<u>25</u>	<u>191</u>
As at 31 December 2008	<u>3</u>	<u>189</u>	<u>15</u>	<u>207</u>

Carlisle Security Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2009

continued

8 Investments held as fixed assets

	Shares in group undertakings £ 000
Cost	
As at 1 January 2009 and 31 December 2009	534
Provision	
As at 1 January 2009 and 31 December 2009	534
Net book value	
As at 31 December 2009	-
As at 31 December 2008	-

The company holds more than 20% of the share capital of the following companies

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Bourne Security Limited	Great Britain	Dormant	Ordinary	100
Carlisle Distribution Sector Services Limited	Great Britain	Dormant	Ordinary	100

9 Debtors

	31 December 2009 £ 000	31 December 2008 £ 000
Trade debtors	3,537	3,220
Amounts owed by group undertakings	5,959	3,397
Other debtors	33	-
Prepayments and accrued income	2,617	1,817
	<u>12,146</u>	<u>8,434</u>

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

Certain trade debtors are subject to revolving credit facilities under which the company receives a substantial proportion of the value of the trade debtors shortly after they have been invoiced (see note 10)

Carlisle Security Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

10 Creditors Amounts falling due within one year

	31 December 2009 £ 000	31 December 2008 £ 000
Bank loans and overdrafts	-	2,924
Short term loans	188	3,306
Trade creditors	134	288
Amounts owed to group undertakings	7,985	13
Taxation and social security	1,461	2,555
Other creditors	2,251	-
Accruals and deferred income	1,017	782
	<u>13,036</u>	<u>9,868</u>

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

The bank overdraft is secured by a fixed and floating charge over the assets of the company. The company is also subject to a cross guarantee covering any overdrafts of Impellam Group plc and certain other group companies. These facilities incur interest at between 1.5% and 0.95% below UK base rate and are repayable on demand.

Short term loans comprise amounts due under a confidential invoice discounting facility and are secured over the company's trade debtors. The company is also subject to a cross guarantee covering any similar short term loans of certain other group companies. These facilities incur interest at between 2.1% and 2.6% over UK base rate and are repayable on demand.

11 Maturation of borrowings

Amounts repayable

	Bank loans and overdrafts £ 000	Other loans £ 000	Total £ 000
As at 31 December 2009			
In one year or less on demand	-	188	188
	<u>-</u>	<u>188</u>	<u>188</u>
As at 31 December 2008			
In one year or less on demand	2,924	3,306	6,230
	<u>2,924</u>	<u>3,306</u>	<u>6,230</u>

Carlisle Security Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

12 Provisions for liabilities

	Vacant property provision £ 000
Transfer from accruals	80
Charge to the profit and loss account	73
As at 31 December 2009	<u>153</u>

The property provisions are in respect of the expected holding costs to the estimated disposal dates on properties under leases expiring between one and ten years

Deferred taxation

	Recognised		Unrecognised	
The total recognised and unrecognised deferred tax liability/(asset) is as follows	2009	2008	2009	2008
	£ 000	£ 000	£ 000	£ 000
Accelerated / (deferred) capital allowances	-	-	(81)	(63)
Short term timing differences	-	-	(17)	(14)
	<u>-</u>	<u>-</u>	<u>(98)</u>	<u>(77)</u>

The unrecognised assets relating to deferred capital allowances will be recovered in due course if the company makes sufficient taxable profits and the depreciation charges no longer exceed the tax allowances available on the relevant assets. The unrecognised assets relating to other short term timing differences will be recoverable when the company incurs allowable expenditure against the provisions in question or releases them, again subject to the company making sufficient taxable profits of the right type.

13 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £117,000 (31 December 2008: £52,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Carlisle Security Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

14 Share capital

	31 December 2009 £	31 December 2008 £
Authorised		
Equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
Equity		
21,100 Ordinary shares of £1 each	<u>21,100</u>	<u>21,100</u>

15 Reserves

	Other reserves £ 000	Profit and loss reserve £ 000	Total £ 000
Balance at 1 January 2009	7,480	(8,728)	(1,248)
Transfer from profit and loss account for the year	-	389	389
Balance at 31 December 2009	<u>7,480</u>	<u>(8,339)</u>	<u>(859)</u>

16 Reconciliation of movements in shareholders' funds

	31 December 2009 £ 000	31 December 2008 £ 000
Profit/(loss) attributable to members of the company	389	(10)
Opening shareholders' deficit	<u>(1,227)</u>	<u>(1,217)</u>
Closing shareholders' deficit	<u>(838)</u>	<u>(1,227)</u>

17 Contingent liabilities

The company has given cross guarantees as follows

- a) As part of the group's invoice discounting facilities, the net aggregate amount outstanding against these facilities at 31 December 2009 was £50,250,503 (2008 £46,714,775)
- b) As part of the group's overdraft facility, the net aggregate amount outstanding against this facility at 31 December 2009 was £2,710,065 (2008 £nil)
- c) In respect of the group's £45 million 10 per cent guaranteed secured notes due 2011, the net aggregate amount outstanding at 31 December 2009 was £20,000,000 (2008 £ 20,000,000)

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18 Operating lease commitments

As at 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Land and buildings		Other	
	31 December 2009 £ 000	31 December 2008 £ 000	31 December 2009 £ 000	31 December 2008 £ 000
Within one year	-	-	34	27
Within two and five years	147	147	97	142
	<u>147</u>	<u>147</u>	<u>131</u>	<u>169</u>

19 Related parties

Controlling entity

The company's immediate parent undertaking is Capitol Group plc, a company incorporated in Great Britain

The directors regard Impellam Group plc, a company incorporated in Great Britain, 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 accounts are prepared. Copies of the group accounts 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 2009, Lord Ashcroft, KCMG was interested in and controlled 57.2% of Impellam Group plc. On 6 April 2010, following a transfer of an indirect interest in the Company, Lord Ashcroft no longer had a beneficial interest in the Company. The transfer of this indirect interest was made to the Lombard Trust (the "Trust") which now has a beneficial interest of 57.2%, representing its entire interest in the Company. The beneficiaries of the Trust are Lord Ashcroft's children and remoter issue.

Related party transactions

The company has taken advantage of the exemption granted to 90% subsidiaries not to disclose transactions with group undertakings under the provisions of Financial Reporting Standard No. 8 "Related Party Disclosures".