

# Carlisle Security Services Limited

Annual Report and Financial Statements

for the year ended 31 December 2015

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# **Carlisle Security Services Limited**

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# **Carlisle Security Services Limited**

## **Company Information**

<b>Directors</b>	D Mee J Robertson R J Watson
<b>Company secretary</b>	R J Watson
<b>Registered office</b>	800 The Boulevard Capability Green Luton Bedfordshire LU1 3BA
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL United Kingdom

# Carlisle Security Services Limited

## Strategic Report for the Year Ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

The company has created a new vision and strategy to focus on its core markets of transport, events education, healthcare and manufacturing and retains its position as a market leader. In early 2016 we are engaging with our employees, customers and future prospects to achieve this strategy, and the business continues to retain its key contracts and win new business.

Our Vision is to be preferred experts and the most trusted provider of people-based services for the customers we serve and the markets we choose to work in.

Our mission is to provide customer driven, people-based services and strive to deliver measurable value to all involved. We do this by empowering passionate people to deliver exceptional outcomes.

The company is supporting all of its employees to become sector-based experts by investing in nationally recognised customer services skills training, bespoke online and classroom based training programmes, apprenticeships, contract managers school of excellence, Rail and Community Safety Accreditation Schemes (RSAS and CSAS).

### Review of the business

	2015	2014	Change
	£000s	£000s	%
Turnover	19,137	21,424	(10.67)
Gross profit	2,238	2,859	(21.72)
Administrative expenses	2,255	2,500	34.92
Operating profit	(17)	359	(416.16)
Gross profit percentage (%)	12.0	13.3	
Conversion rate (%) (operating profit to Gross profit)	(0.76)	12.6	

The company reports revenues of £19.1m which was a decrease of 10.7% on 2014 and gross profit reduced by 21.7% to £2.2m due to the full year effect of contracts lost in 2014. However the company has had no contract losses since 2015 and continues to win new business into early 2016.

The business restructured its cost base and significantly lowered its core overheads during 2015 and there were several changes in the senior management team. Operating profit has decreased from £359k in 2014 to a small loss of £17k in 2015, though due to the management restructure and cost reductions this is improving again. Business processes have been fundamentally overhauled and strict controls over contract pricing and tendering have been put in place in order to ensure profitability.

In 2016 the company has invested in its sales and marketing strategy by recruiting business development directors, by developing its external and internal marketing proposition and focussing on social media.

### 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. Certain of the Group's business and financial risks are managed at a Group level, rather than at an individual company level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company.

## Carlisle Security Services Limited

### Strategic Report for the Year Ended 31 December 2015 (continued)

#### Regulatory environment

The provision of staffing and support services requires an increasing number of checks for compliance both with legislation and client contractual arrangements; these can vary widely by sector and geography. Such compliance requirements are constantly changing with new legislation being introduced and new or revised contracts being negotiated.

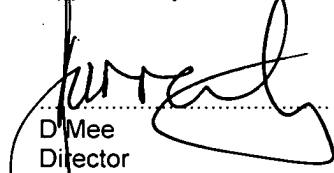
The company takes its responsibilities seriously, is committed to meeting all of its regulatory responsibilities and regularly reviews its policies, processes and systems to reflect best practice. All employees are informed and trained on any new requirements as they become necessary, all new employees receive training on all relevant operating standards and there is a team of compliance officers who regularly conduct spot checks to ensure standards are being maintained.

#### Technology systems

The company is reliant on a number of technology systems in providing its services to clients and in sourcing and communicating with employees. 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.

Approved by the Board on 6 June 2016 and signed on its behalf by:



.....  
D. Wee  
Director

800 The Boulevard  
Capability Green  
Luton  
LU1 3BA

## **Carlisle Security Services Limited**

### **Directors' Report for the year ended 31 December 2015**

The directors present their report and the financial statements for the year ended 31 December 2015.

#### **Directors of the company**

The directors who held office during the year were as follows:

D Mee (appointed 20 April 2015)

J Robertson

R J Watson

#### **Financial instruments**

##### ***Objectives and policies***

The company's principal financial instruments comprise a revolving credit facility, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions. The main risks arising from the company's financial instruments are interest rate risk and foreign currency risk. The board reviews and agrees policies for managing each of these risks as summarised below:

##### **Interest rate risk**

The company's exposure to interest rate risk is minimal as borrowings are held at a group level. The company does not currently hedge this risk.

##### **Foreign currency risk**

The company is exposed to fluctuations in the exchange rate between sterling and Euro. Wherever possible this risk is managed by ensuring expenses related to the generation of these overseas revenues are in the same currency as the income. The company does not seek to hedge this exposure.

#### **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.

#### **Directors' liabilities**

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

## Carlisle Security Services Limited

### Directors' Report for the year ended 31 December 2015 (continued)

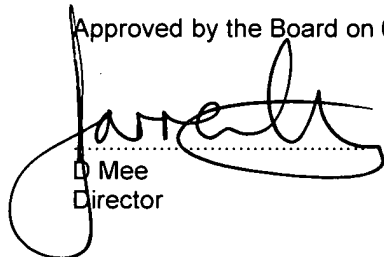
#### Disclosure of information to the auditors

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

#### Reappointment of auditors

During the period KPMG LLP were appointed as auditors and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 6 June 2016 and signed on its behalf by:



D. Mee  
Director

## **Carlisle Security Services Limited**

### **Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



## **Independent Auditor's 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 2015, set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), 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 to the financial statements.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Strategic Report and Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

**Independent Auditor's Report to the members of Carlisle Security Services  
Limited (continued)**

**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



Aimie Keki (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
United Kingdom

7 June 2016

# Carlisle Security Services Limited

## Profit and Loss Account for the year ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Turnover	3	19,137	21,424
Cost of sales		<u>(16,899)</u>	<u>(18,565)</u>
Gross profit		2,238	2,859
Administrative expenses		<u>(2,255)</u>	<u>(2,500)</u>
Operating (loss)/profit	4	(17)	359
Interest payable and similar charges	6	<u>(4)</u>	<u>(9)</u>
(Loss)/profit before tax		(21)	350
Tax on (loss)/profit on ordinary activities	9	<u>114</u>	<u>(35)</u>
Profit for the year		<u>93</u>	<u>315</u>

The above results were derived from continuing operations.

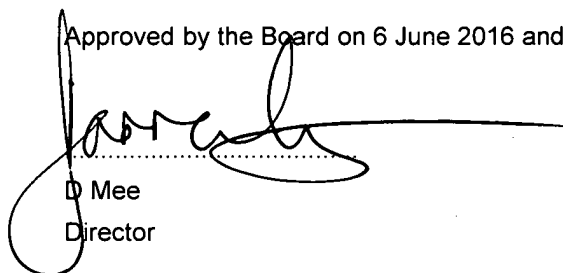
## Statement of Comprehensive Income for the year ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Profit for the year		<u>93</u>	<u>315</u>
Total comprehensive income for the year		<u>93</u>	<u>315</u>

**Carlisle Security Services Limited**  
**(Registration number: 02654100)**  
**Balance Sheet as at 31 December 2015**

	Note	2015 £ 000	2014 £ 000
<b>Fixed assets</b>			
Property, plant and equipment	10	372	634
Deferred tax assets	9	137	106
		<u>509</u>	<u>740</u>
<b>Current assets</b>			
Trade and other receivables	11	6,868	11,487
Income tax asset		43	-
Cash and cash equivalents		294	2,275
		<u>7,205</u>	<u>13,762</u>
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	12	(6,331)	(12,779)
Income tax liability		-	(40)
		<u>(6,331)</u>	<u>(12,819)</u>
Creditors: Amounts falling due within one year			
Net current assets		<u>874</u>	<u>943</u>
Total assets less current liabilities		1,383	1,683
Provisions for liabilities	13	(200)	(593)
Net assets		<u>1,183</u>	<u>1,090</u>
<b>Capital and reserves</b>			
Called up share capital	14	21	21
Profit and loss account		1,162	1,069
Shareholders' funds		<u>1,183</u>	<u>1,090</u>

Approved by the Board on 6 June 2016 and signed on its behalf by:

  
D Mee  
Director

# Carlisle Security Services Limited

## Statement of Changes in Equity for the year ended 31 December 2015

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015	21	1,069	1,090
Profit for the year	-	93	93
Total comprehensive income	-	93	93
At 31 December 2015	21	1,162	1,183

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2014	21	754	775
Profit for the year	-	315	315
Total comprehensive income	-	315	315
At 31 December 2014	21	1,069	1,090

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015

### 1 General information

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

The address of its registered office is:

800 The Boulevard

Capability Green

Luton

Bedfordshire

LU1 3BA

These financial statements were authorised for issue by the Board on 6 June 2016 and the balance sheet was signed on behalf of the Board by Darren Mee.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

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

#### 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.

##### *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.

#### Basis of preparation

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

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

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in the notes to the financial statements (note 17).

## **Carlisle Security Services Limited**

### **Notes to the Financial Statements for the year ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions**

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

- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

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

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 January 2014 for the purposes of the transition to FRS 101 Adopted IFRSs.

##### **Going concern**

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

##### **Exemption from preparing a cash flow statement**

The company has taken advantage of the exemption under FRS 101 not to publish a cash flow statement as its ultimate parent, Impellam Group Plc, a company incorporated in the United Kingdom, has prepared consolidated financial statements which are publicly available.

##### **Exemption from preparing group accounts**

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

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

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 January 2014 have had a material effect on the financial statements.

## Carlisle Security Services Limited

### Notes to the Financial Statements for the year ended 31 December 2015 (continued)

#### 2 Accounting policies (continued)

##### Revenue recognition

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.

##### Tax

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

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

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

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

##### Tangible assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Asset class	Depreciation method and rate
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

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.



# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 2 Accounting policies (continued)

#### Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefit will be required to settle the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

#### 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.

#### Share capital

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

#### Defined contribution pension obligation

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.

#### Financial assets and liabilities

##### Classification

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.

### 3 Revenue

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

The analysis of the company's revenue for the year from continuing operations is as follows:

	2015 £ 000	2014 £ 000
Rendering of services	<u>19,137</u>	<u>21,424</u>

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 4 Operating profit

Arrived at after charging

	2015 £ 000	2014 £ 000
Depreciation expense	270	280
Operating lease expense - property	19	194
Operating lease expense - plant and machinery	65	69

### 5 Auditor's remuneration

	2015 £ 000	2014 £ 000
Audit of the financial statements	16	28

### 6 Interest payable and similar charges

	2015 £ 000	2014 £ 000
Interest on bank overdrafts and borrowings	1	-
Other finance costs	3	9
	4	9

### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £ 000	2014 £ 000
Wages and salaries	16,117	18,363
Social security costs	1,250	1,429
Pension costs, defined contribution scheme	139	109
	17,506	19,901

The figures in the tables above include £15,703,000 (31 December 2014: £17,816,000) in relation to operational staff which have been included in cost of sales in the profit and loss account.

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

	2015 No.	2014 No.
Administration and support	3	2
Sales, marketing and distribution	731	818
Other departments	67	50
	801	870

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 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 period (31 December 2014: £Nil).

### 9 Income tax

Tax charged/(credited) in the income statement

	2015 £ 000	2014 £ 000
<b>Current taxation</b>		
UK corporation tax	-	40
Payment for group relief received	(83)	-
Total current income tax	(83)	40
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(28)	22
Deferred tax adjustment relating to previous years	(3)	(27)
Total deferred taxation	(31)	(5)
Tax (income)/expense in the income statement	(114)	35

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20% (2014 - 21.5%).

The differences are reconciled below:

	2015 £ 000	2014 £ 000
(Loss)/profit before tax	(21)	350
Corporation tax at standard rate	(4)	75
Decrease from transfer pricing adjustments	(23)	(26)
(Income)/expenses not taxable/allowable in determining taxable profits	(88)	16
Difference between depreciation and capital allowances	36	(17)
Payments for Group relief not at the standard rate of tax	(4)	(8)
Deferred tax on short term timing differences	(31)	(5)
Total tax (credit)/charge	(114)	35

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 9 Income tax (continued)

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

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.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

#### Deferred tax

Deferred tax asset

#### 2015

Accelerated tax depreciation  
Other items

Asset  
£ 000

124  
13  
137

#### 2014

Accelerated tax depreciation  
Other items

Asset  
£ 000

93  
13  
106

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 9 Income tax (continued)

Deferred tax movement during the year:

	At 1 January 2015 £ 000	Recognised in income £ 000	At 31 December 2015 £ 000
Accelerated tax depreciation	93	31	124
Other items	13	-	13
Net tax assets	<u>106</u>	<u>31</u>	<u>137</u>

Deferred tax movement during the prior year:

	At 1 January 2014 £ 000	Recognised in income £ 000	At 31 December 2014 £ 000
Accelerated tax depreciation	95	(2)	93
Other items	6	7	13
Net tax assets	<u>101</u>	<u>5</u>	<u>106</u>

### 10 Property, plant and equipment

	Short leasehold land and buildings £ 000	Fixtures and fittings £ 000	Office equipment £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2015	115	779	1,900	2,794
Additions	-	-	8	8
Transfers	-	(7)	7	-
At 31 December 2015	<u>115</u>	<u>772</u>	<u>1,915</u>	<u>2,802</u>
<b>Depreciation</b>				
At 1 January 2015	115	750	1,295	2,160
Charge for the year	-	17	253	270
At 31 December 2015	<u>115</u>	<u>767</u>	<u>1,548</u>	<u>2,430</u>
<b>Carrying amount</b>				
At 31 December 2015	<u>-</u>	<u>5</u>	<u>367</u>	<u>372</u>
At 31 December 2014	<u>-</u>	<u>29</u>	<u>605</u>	<u>634</u>

There is no material difference between the market value and net book value of the fixed assets.

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 11 Trade and other receivables

	2015 £ 000	2014 £ 000
Trade receivables	2,137	1,855
Receivables from related parties	4,175	8,832
Accrued income	305	352
Prepayments	163	136
Other receivables	88	312
Total current trade and other receivables	<u>6,868</u>	<u>11,487</u>

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

### 12 Trade and other payables

	2015 £ 000	2014 £ 000
Trade payables	208	73
Accrued expenses	416	675
Amounts due to related parties	3,456	10,443
Social security and other taxes	984	584
Outstanding defined contribution pension costs	40	14
Other payables	1,227	990
	<u>6,331</u>	<u>12,779</u>

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

### 13 Provisions for liabilities

	Property provision £ 000
At 1 January 2015	593
Decrease in existing provisions credited to the profit and loss account	<u>(393)</u>
At 31 December 2015	<u>200</u>

Property provision relate to the costs of paying rent and associated costs on various properties which are leased by the company but are currently empty with no plans to occupy. This provision is expected to be utilised as actual payments are made over the life of the lease of up to 7 years.

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 14 Share capital

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

	2015		2014	
	No. 000	£ 000	No. 000	£ 000
Ordinary £1 share of £1 each	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>

### 15 Obligations under leases and hire purchase contracts

#### Operating leases

The total future value of minimum lease payments is as follows:

	2015 £ 000	2014 £ 000
Within one year	256	258
In two to five years	1,017	1,017
In over five years	<u>70</u>	<u>325</u>
	<u>1,343</u>	<u>1,600</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £45,000 (2014 - £263,000)

### 16 Pension and other 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 £139,000 (2014 - £109,000).

Contributions totalling £40,000 (2014 - £14,000) were payable to the scheme at the end of the year and are included in creditors.

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 17 Transition to FRS 101

#### Balance sheet at 1 January 2014

	Note	As originally reported £ 000	As restated £ 000
<b>Fixed assets</b>			
Tangible fixed assets		906	906
<b>Current assets</b>			
Trade and other receivables		7,172	7,172
Cash and cash equivalents		5,786	5,786
		<u>12,958</u>	<u>12,958</u>
Creditors: Amounts falling due within one year		<u>(12,247)</u>	<u>(12,247)</u>
Net current assets		<u>711</u>	<u>711</u>
Total assets less current liabilities		1,617	1,617
Provisions for liabilities		<u>(842)</u>	<u>(842)</u>
Net assets		<u>775</u>	<u>775</u>
<b>Capital and reserves</b>			
Share capital		21	21
Profit and loss account		<u>754</u>	<u>754</u>
Shareholders' funds		<u>775</u>	<u>775</u>



# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 17 Transition to FRS 101 (continued)

#### Balance sheet at 31 December 2014

	Note	As originally reported £ 000	As restated £ 000
<b>Fixed assets</b>			
Tangible fixed assets		634	634
<b>Current assets</b>			
Trade and other receivables		11,593	11,593
Cash and cash equivalents		<u>2,275</u>	<u>2,275</u>
		13,868	13,868
Creditors: Amounts falling due within one year		<u>(12,819)</u>	<u>(12,819)</u>
Net current assets		<u>1,049</u>	<u>1,049</u>
Total assets less current liabilities		1,683	1,683
Provisions for liabilities		<u>(593)</u>	<u>(593)</u>
Net assets		<u><u>1,090</u></u>	<u><u>1,090</u></u>
<b>Capital and reserves</b>			
Share capital		21	21
Profit and loss account		<u>1,069</u>	<u>1,069</u>
Shareholders' funds		<u><u>1,090</u></u>	<u><u>1,090</u></u>

# Carlisle Security Services Limited

## Notes to the Financial Statements for the year ended 31 December 2015 (continued)

### 17 Transition to FRS 101 (continued)

#### Profit and loss account for the year ended 31 December 2014

	Note	As originally reported £ 000	Reclassification £ 000	As restated £ 000
Turnover		21,424	-	21,424
Cost of sales		(18,565)	-	(18,565)
Gross profit		2,859	-	2,859
Administrative expenses*		(2,509)	9	(2,500)
Operating profit		350	9	359
Interest payable and similar charges*		-	(9)	(9)
Profit before tax		350	-	350
Tax on profit on ordinary activities		(35)	-	(35)
Profit for the financial year		315	-	315

\* Bank charges have been re-classified as interest payable and similar charges.

### 18 Related party transactions

The company has taken advantage of the exemptions in FRS101 Section 8 from disclosing transactions with other members of the Group.

### 19 Parent and ultimate parent undertaking

The Company's immediate parent is Carlisle Support Services Group Limited.

The Company's ultimate parent undertaking, Impellam Group Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Impellam Group Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ. Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

At 1 January 2016, the Lombard Trust was interested in and controlled 51.9% of Impellam Group Plc.