

Registered number: 02654100

CARLISLE SECURITY SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



CARLISLE SECURITY SERVICES LIMITED

COMPANY INFORMATION

Directors	P A Evans G R Phillips
Company secretary	G R Phillips
Registered number	02654100
Registered office	First Floor 251 The Boulevard Capability Green Luton LU1 3LU
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

CARLISLE SECURITY SERVICES LIMITED

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CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2021.

Review of Business

With record growth in revenues, we are proud to have established a reputation for delivering on our promises to both our clients and our employees. Over the coming years, it will be the strength of such relationships that will stand companies apart.

Economic outlook

Writing this report, the UK economy has experienced the continued trailing effect of the disruption caused by Covid 19 and the associated levels of turbulence.

Covid-19 led to businesses focusing on the immediate challenges facing them as many industries and sectors were forced to operate in different ways, with some even closing or coming to a virtual standstill.

Whilst the pandemic has somewhat passed, and the UK has learned to live with the virus, we should remain aware that the challenges faced in 2020 and 2021 could well resurface as the virus mutates and comes back once more. Such reappearance would once again challenge all businesses in the UK. However, it is likely that many businesses would be better equipped and prepared to deal with these challenges.

As predicted in our previous reports we are now experiencing significant shortfalls in the UK labour market, primarily due to low unemployment and the reduction in worker migration from other countries into the UK. Alongside this, record levels of both wage and general inflation are placing worrying concern on attracting new people into perceived entry-level roles such as Security, Cleaning and Facilities Management.

The current energy and fuel crisis has increased prices for many of the goods that Carlisle requires to provide its services. Whilst many clients are supportive of these increased charges, we must balance the cost increases with ongoing operational efficiencies in our service offerings.

Whilst Carlisle has operated at a sustainable level, and continues to do so, gross margins have not returned to pre-pandemic levels and this is a position we are keen to address in our business strategy moving forward.

The economic outlook and cost of living crisis will have an impact on all people-related businesses, especially those in the facilities sector. We are well established in markets that also have active trade unions and are working with both our clients and union partners to seek pathways to map out the future in this regard.

2021 Financial Performance

£'000	2021	2020	Change
Turnover	72,300	52,105	38.8%
Gross profit (incl Other Income)	5,032	4,306	16.9%
Administrative expenses	4,206	3,958	6.3%
Operating Profit	826	348	137.4%
Gross Profit margin	7.0%	8.3%	-15.7%
Operating Profit margin	1.1%	0.7%	57.1%

We are pleased to confirm that business revenues have continued to grow at record levels, with a 38.8% increase to £72.3m in FY2021 (2020 - £52.1million). This was achieved in spite of the continued challenges presented by the pandemic restrictions and the threat of economic downturn.

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Continued growth in revenues into 2022 means that the business is now operating with run rate revenues of circa £90m which places Carlisle just outside the Top 10 Security Companies in the UK based on revenues. We pride ourselves on partnering with some of the most prestigious brands and clients across various sectors and our client retention rate remains one of the highest amongst our competitors.

We are pleased to have delivered services to many of the UK's high-profile events and businesses, including Royal Ascot, the Wimbledon Championships, several Premier League football clubs, the Channel Tunnel and numerous high profile pop concert venues.

In addition to our offering, we have struck a key alliance with Marlowe Fire and Security (a UK Top 5 systems company), and this partnership will allow us to provide holistic and risk-based security solutions to both existing and new clients.

As an outcome of the Manchester Arena terrorism inquiry, the Security Industry Authority has increased training and competency levels for all security officers operating in the UK. This is a move we wholeheartedly support and are keen to see the sector continue to move forward in improving standards in all areas.

To support this movement, we are proud that Carlisle has been invited to sit on the recently formed Government Skills Board. The Board will consult with and comprise senior leaders and security professionals from across the industry. The Board will agree upon strategic priorities and commit to delivering what is hoped to be a transformational change in support of all those working in the industry.

Market conditions have seen a number of acquisitions take place and we believe there will be many more in this sector, leading to competitors looking for revenue growth at the expense of operating margins. As such we will continue to identify and focus on clients to whom we believe we can add true value by being their chosen partner for the supply of Security and Events personnel. In return, we will seek partners who can differentiate the value they receive in the offering we can make to those attracted to work for us.

Our business remains debt-free and has maintained a strong performance in the recovery of receivables.

Wage inflation, labour shortages, and the cost-of-living crisis continue to hit the sector head-on, so we are pleased to confirm that Carlisle during 2021 was able to negotiate with clients to pay for like-to-like wage increases of 5.9% on average across all areas of its front-line employees. We thank our clients for their support in this regard and equally our employees who have worked tirelessly over this period to deliver services at exceptional levels.

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Strategic Journey and Business Priorities

We do not take lightly the responsibility placed upon us for the services we deliver. Being true to our values-based strategy we believe that Carlisle has the required momentum and focus to move forward in the next stage of its strategic journey.

As such we will continue to:

- Place **Customers at the Heart** of all we do. We will strategically acquire new customers who can align to our sustainable business modelling that sees a fair trade-off for investment against returns;
- Allow everyone we employ to become **Sector Based Experts**. We will continue to focus on creating environments and opportunities for our employees, both vocationally at contract level, but also in wider continuous personal development initiatives;
- Ensure that our **Promised Based Culture** will continue to drive our philosophy of being transparent and open with our shareholders, customers, and employees. In all areas, we will commit to delivering on firm promises that are public and visible to all involved in the delivery and receipt of such. Our reward and remuneration schemes will be geared towards rewarding those who deliver on such promises.
- Maintain our desire to **Care Passionately for All**. From a corporate social responsibility perspective, we will consider our impact on our communities and the lives of those our services touch. Beyond this, we will only make decisions that enhance the lives of our employees and customers, by providing a sustainable and viable business model for the long term.

Our growth aspirations, will be driven primarily through selective new client contracts, organic growth of new accounts and through cross-selling of different service lines into our established client base. Many of our clients currently only take a single service line and we see this as a key opportunity for us to add further value to those clients who have shown their commitment to Carlisle.

Carlisle's immediate focus and priorities for the next period are as follows:

- To invest in and implementation of a new SAP Business ByDesign finance system. This system will join up several legacy and standalone financial systems that will increase automation and enhance controls in our back-office systems;
- To appraise the business appropriately and consider any margin enhancement initiatives both in headcount and cost controls that are evident in the post-pandemic world;
- To engage with our current customer base to achieve active participation toward common high-road operational delivery models, such as one where clients and Carlisle can agree to sets of mutually beneficial goals with a clear commitment to achieving them and the outcomes of such;
- To continue to drive forward our people-based culture that will see Carlisle maintain its position as an employer of choice in the markets we serve. We recognise the need to engage the next generation of new entrants into our sector and will invest accordingly in our recruitment, training, and HR functions to ensure this is possible;
- To have a clear desire and commitment to engage proactively with our shareholders and the market. We will do this by publishing relevant business update communications on our website.

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172 Statement

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decisions in the long term;
- b. The interests of the Company's employees;
- c. The need to foster the Company's business relationships with suppliers, customers and others;
- d. The impact of the Company's operations on the community and environments;
- e. The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. The need to act fairly as between members of the Company.

The directors recognise the importance of maintaining strong relationships with all stakeholder groups to ensure their interests are considered when making decisions, and that this is necessary for achieving the long-term success of the Group. In order to perform their duties, directors can access professional advice, either from the Company Secretary or from an independent advisor. The Board confirms that, during the year, it has had regard to the matters set out above.

The following disclosure describes how the Board has considered the matters set out in Section 172 (1) (a) to (f) and forms the directors' statement required under the Companies Act 2006.

The key Board decisions in the year are set out below:

Significant event / decision – Creation of a centralized People Team

Key S.172 Stakeholders affected – Employees & Customers

Actions & Impact

- In order to reduce the time spent by contract management teams in dealing with employee queries a People Team was created to act as the first line responder to queries relating to pay, holidays and shifts. The decision was taken so that Contract Managers would be freed up to better support their customers and provide improved service levels.

Significant event / decision – Creation of a new operating division

Key S.172 Stakeholders affected – Employees & Customers

Actions & Impact

- Due to the expansion of the client base, particularly in the North West a new Division was created in late 2021 to concentrate on the customers across Merseyside. New opportunities were created for employees through the creation of new roles and improved contact with our customers was provided through the new divisional team.

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Significant event / decision – Implementation of New Finance System

Key S.172 Stakeholders affected – Employees, Customers & Shareholders

Actions & Impact

- Following the growth of the business over recent years, the decision was taken to invest in a new finance system with the aim of achieving greater transactional efficiency, increased stringency of financial controls, and improved financial reporting. Design and implementation of the new system, chosen following a rigorous selection process, will take place during 2022. There will be an increase in initial costs incurred, but the successful implementation will result in a significant improvement in the timeliness, accuracy and clarity of month on month reporting. This will greatly enhance the decision making ability of divisional directors and other key management personnel which in turn should have a positive effect on the business' future earnings potential.

Employees

Carlisle is committed to being a responsible employer and strives to create a working environment where its employees are actively engaged and part of its success. Regular communication with employees facilitates their views being recognised when monitoring the performance of the business.

The Board receives regular updates on employee related matters and has a clear focus on the well-being of all the levels of staff who are so critical to the successful performance of services to clients, and by extension, the operational and financial success of the Company.

We invest in our people and systems to ensure that we have the correct training and expertise to deliver and enhance our services. Service levels, organic growth and profitability need to be managed in tandem. Our most efficient route to profitable growth is achieved through refining and improving our service operations and delivery.

We value and respect our staff, particularly those working on the front line of our services. To Carlisle and its clients, the employees working the shifts on the front line are just as important as the managers who centrally organise and control the business operations. The Board strongly supports the continuation of employee reward schemes that recognise exceptional performance on the front line.

Carlisle hosts monthly "Town Hall" meetings for all management and support staff. These meetings are used to provide an update on business performance and business strategy to promote employee engagement. Employee questions and participation are strongly encouraged. A Carlisle social media platform for all employees is active and regular business updates provide information to the employees. This allows them to raise questions on an ongoing basis which are responded to by the Board and Senior Management.

The Board took the decision to implement an independent whistleblowing helpline and service. Information on this helpline is regularly shared with employees and provided to all new employees as they join the Group. For employees working in the Rail Sector, the Group also provides information about the Rail Safety and Standards Board's (RSSB) confidential reporting for safety service (CIRAS).

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Business relationships

The Company understands the value of maintaining and developing relationships with its customers and suppliers, as it is these strong relationships which underpin its current and future growth.

Customers are at the heart of Company's business and the Board is committed to continuing monthly "temperature check" reviews of all clients and to carefully monitoring the results. The Board supports the Company's strategy to work with a small number of larger customers, as noted earlier in this report.

Carlisle hosts its annual Innovation Lab event each year and the Board is committed to maintaining these annual events. Customers, suppliers and management attend.

The current strategic decision to invest significant further funds in a comprehensive new IT infrastructure demonstrates Carlisle's commitment to maintaining and enhancing this aspect of reporting and communication internally and with clients.

Community and environment

The Company acknowledges the significance of maintaining and improving the quality of our community and of the environment in which we live and work.

Whilst Carlisle is a low consumer of energy it is still committed to preserving the natural environment and controlling and avoiding pollution within its operations and through the services it provides. As a major employer Carlisle is working with its employees, suppliers and customers to tackle climate change and has created a Carbon Reduction Plan that is available to view on the Company's website.

Shareholders

The Company is 100% owned by Carlisle Support Services Group Ltd ('Group') and a statement on how 'Group' communicates with its shareholders can be seen in the accounts for that company.

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Supplier relationships

Carlisle is committed to encouraging strong and loyal supplier relationships. The Board is keen to increase the levels of supplier engagement activity in 2022 and has recently appointed a new Head of Procurement and Commercial Finance. Creating a Supplier Relationship Management Programme to ensure that suppliers are regularly engaged with, are fully compliant with all applicable standards and processes and are financially sustainable will be central to this role.

Ethical business practice

Carlisle has a responsibility to show the highest levels of ethical practices.

To support this, mandatory training is provided to all management and support staff through an online learning platform and modules include modern slavery, whistleblowing, anti-bribery, equality and diversity, and data protection. Carlisle's Modern Slavery statement is available on our website.

Carlisle Group policies and procedures inclusive of the above are made available to employees through our IT platform.

Principal risks and uncertainties

The Board has overall responsibility for the evaluation of the Company's risk management process which is combined with an active responsibility from all levels of leadership across the Company.

We recognise that effective risk management is fundamental to the delivery of the Group's strategic objectives. Each business sector considers strategic, operational and financial risks on a regular basis. The executive leadership evaluates existing controls and mitigations and identifies further actions required to mitigate risks. Risks that are considered significant at Group level are set out below:

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Risks

The Company has a number of key risks which could have a material impact on its long-term performance. We consider strategic, operational and financial risks and identify actions to mitigate those risks on a regular basis. We recognise that effective risk management is fundamental in helping the Company to deliver its strategy.

Risk	Impact	Mitigation
Strategic risks		
Customer concentration	Loss of a key customer within a sector or significant reduction in volume of an account could result in reduced revenue or increased gross profit pressure.	The Company has regular meetings with key customers to discuss opportunities and current service performance. Management discuss and review market conditions and sales and account management pipelines on an ongoing basis. Ongoing investment in business development and marketing functions.
Economic conditions	A downturn in general economic conditions, particularly in the UK, could result in declining business volumes, difficulties in producing accurate forecasts and/or failure to meet the Group's objectives.	Flexibility in delivery of our services and reduced fixed costs in operations, allows the company to manage fluctuations in volume.
	Tough economic conditions, particularly wage increases, could also create pressure on margins where these cannot be fully passed on to clients.	Diversity of customer base, widespread geographical coverage and expanding into new sectors provide competitive advantage. Contracts that include for annual price reviews based on economic indicators (RPI) and provide for legislative changes to be passed on to customers protect the company from increasing costs.
Brexit	Increased employment regulations for EU workers leading to labour shortage and inability to deliver services.	Tracking of number of EU workers to evaluate potential risk. Continually challenging customers to pay higher wage rates which leads to higher staff retention.

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Risks (continued)

Risk	Impact	Mitigation
Operational risks		
Health, Safety and Environment	Risk of harm to employees, client staff and their customers leading to fines, financial claims and reputational damage.	<p>Comprehensive health, safety, quality and environment (HSQE) management system in place, accredited to ISO 45001 standards. External audits performed periodically.</p> <p>Monthly HSQE review meetings at divisional and group level, attended by senior management and directors.</p> <p>Regular training and updates for operational staff.</p>
Technology systems	The Company is committed to investing in technology solutions that will drive revenue growth or improve operational efficiency. Failure to operate rigorous control and oversight may result in returns on such investment being lower than expected.	The Company has strong alliances with key partners to deliver these projects and is investing in its IT systems following the demerger from the Impellam Group.
Cyber and Information security	The risk of external cyber-attacks continues to increase. A successful attack could result in loss of sensitive data, business disruption and/or damage to the Company's reputation.	<p>IT managed services are provided by our strategic partner who is well qualified to deliver such services including Cyber and Information security; our partner holds the ISO 27001 standard for managing information securely.</p> <p>All senior, management and support function staff are required to undertake annual online Cyber Security training.</p>
Business continuity	A major disruptive event, such as a fire, severe weather etc., affecting one of the Company's operating locations, could lead to loss of business and/or adverse impacts on staff and assets.	Robust cloud-based IT systems and portable IT equipment are in place for all management and support staff working in office locations, enabling those staff to work from any location with an internet connection, including from home.

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Risks (continued)

Risk	Impact	Mitigation
Financial, Regulatory, Compliance risks		
Contractual complexity	In certain sectors, the Company's clients are becoming increasingly sophisticated in their procurement and buying activity. Competitive tendering activity and commercial contracts are becoming increasingly complex, with longer lead times in decision-making. This necessitates constant development of the Company's service offering, the sophistication of our selling activities and the management of tendering processes.	<p>The Company has a standardised contract review process in place involving operational, commercial and legal oversight.</p> <p>The Company also continues to invest in specialist resource to support these activities and delivery of clients' service expectations.</p>
Cash and liquidity management	Poor cash and liquidity management may result in a strain on the Company's credit facilities and operational cash issues	<p>The Company's finance function closely monitor and review its cash position and forecasts.</p> <p>The Company has a Delegation of Authority policy in place which governs payment terms for suppliers and clients.</p> <p>The Company is debt free and has an overdraft facility in place which is suitable for meeting its liabilities.</p>
Financial Control	A failure of financial control could lead to a material loss to the business.	<p>The Company has a Delegation of Authority policy in place which governs approval of decisions and transactions.</p> <p>Appropriate segregation of duties is maintained in all finance processes. All payment runs are reviewed by senior directors.</p> <p>Regular updates relating to financial fraud prevention are communicated to finance staff.</p>

CARLISLE SECURITY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Summary

Over the last five years, Carlisle has enjoyed a successful journey, which has seen us re-emerge in the competitive landscape. We are proud to work with some high profile and/or strategically important UK clients and equally have some of the best talent working for us at all levels.

Whilst the growth of our business remains a critical measure, we also need to ensure we right-size our infrastructure to allow us to consistently deliver across all areas in both equal measures of client satisfaction and shareholder return.

We therefore intend to continue to focus carefully on our current client basis and will be focusing internally to provide a long-term sustainable platform capable of successfully managing our current business whilst allowing future growth and diversification where appropriate.

As CEO, it leaves me to thank all of those who have worked for us over the last year. Without the hard work and dedication shown by all of employees, the business would not be in the position it stands today. I offer equal appreciation to our clients and shareholders who have chosen to maintain their support and custom at this time. Thank you.

This report was approved by the board and signed on its behalf.

Paul Evans

Paul Evans (Nov 15, 2022 13:26 GMT)

P A Evans
Chief Executive Officer

Date: 11/15/2022

CARLISLE SECURITY SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is the provision of security services and events stewarding in the UK.

Results and dividends

The profit for the year, after taxation, amounted to £784k (2020 - £320k).

No dividends were paid or proposed during the year (2020 - £Nil).

Directors

The directors who served during the year were:

P A Evans
M B Shirt (resigned 12 October 2021)
G R Phillips (appointed 27 May 2021)

Future developments

The Company's successful expansion to date has been based on sound organic investment analysis and decisions with selective new clients. This organic approach has enabled us to deliver impressive revenue growth which has been supported by our very high business retention rates over the last few years. This growth has outpaced our competitors and the market. The directors expect to continue with this organic growth strategy for the foreseeable future.

Financial instruments

Objectives and policies:

During the year the Company's principle financial instruments comprised access to an overdraft facility held by the Parent Company. The Company has various other financial instruments such as cash, trade debtors and trade creditors, which arise directly from its operations. The Company does not enter into derivative transactions.

Price risk, credit risk, liquidity risk and cash flow risk

The main risk arising from the Group's financial instruments is credit risk. The board review and agrees policies for managing of these risks as summarised below:

Credit risk

Credit risk is managed on a Group basis with all new potential customers being analysed before agreed payment terms and contract conditions are offered. Customers are reviewed periodically for any changes in their risk profile and the payment of invoices to terms are reviewed on a monthly basis. The Group does not currently hedge this risk.

CARLISLE SECURITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Qualifying third-party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report.

Statement of corporate governance arrangements

The Company did not formally apply a code of governance but broadly followed the Wates Principles in applying its corporate governance and arrangements during the year. References to these arrangements are covered in both the CEO's Statement and the Strategic Report, including the S.172 statement.

Disabled employees

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.

Going Concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that Carlisle Security Services Ltd is able to meet all of its liabilities as they fall due. However, it is acknowledged that there are global and UK inflation pressures on prices and wages. The directors have reviewed the likely impacts of these and produced a detailed going concern stress test for the Company, further details of which are given within note 2.3 to the financial statements. Having completed this and taking in to consideration the financing position of the Company, the directors are confident of being able to trade for a period of at least 12 months from the date of approval of the financial statements.

Disclosure of Information In the Strategic Report

The Company's business activities, together with a review of the business, developments, strategy and objectives, principal risks and uncertainties, as well as Section 172(1) statement are set out in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post statement of financial position events

There have been no significant events affecting the Company since the year end.

CARLISLE SECURITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



G R Phillips
Director

Date: 14 NOVEMBER 2022

CARLISLE SECURITY SERVICES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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; 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARLISLE SECURITY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE SECURITY SERVICES LIMITED

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 2021 and of the Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Carlisle Security Services Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

CARLISLE SECURITY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE SECURITY SERVICES LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

CARLISLE SECURITY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE SECURITY SERVICES LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Obtaining an understanding of controls designed to prevent and detect irregularities, including specific consideration of controls and accounting policies relating to significant accounting estimates;
- Obtaining an understanding of the significant laws and regulations impacting the Company;
- Communicating relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- Reviewing minutes of meetings of those charged with governance to identify any instances of non-compliance with laws and regulations; and
- Assessing journals entries as part of our planned audit approach, with a particular focus on journal entries to key financial statement areas such as revenue and journals raised after the year end.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

CARLISLE SECURITY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE SECURITY SERVICES LIMITED
(CONTINUED)

Use of our report

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

DocuSigned by:

Steve Le Bas

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Stephen Le Bas (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor

15 November 2022

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

CARLISLE SECURITY SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover	4	72,300	52,105
Cost of sales		(67,776)	(50,145)
Gross profit		4,524	1,960
Administrative expenses		(4,182)	(3,958)
Other operating income	5	484	2,346
Operating profit	6	826	348
Interest payable and similar expenses	10	(3)	-
Profit before tax		823	348
Tax on profit	11	(39)	(28)
Profit for the financial year		784	320

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 23 to 38 form part of these financial statements.

CARLISLE SECURITY SERVICES LIMITED
REGISTERED NUMBER: 02654100

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	12	220	210
		<u>220</u>	<u>210</u>
Current assets			
Debtors: amounts falling due within one year	13	16,527	14,792
Cash at bank and in hand	14	-	1,117
		<u>16,527</u>	<u>15,909</u>
Creditors: amounts falling due within one year	15	(14,020)	(14,176)
Net current assets		<u>2,507</u>	<u>1,733</u>
Net assets		<u><u>2,727</u></u>	<u><u>1,943</u></u>
Capital and reserves			
Called up share capital	17	21	21
Profit and loss account	18	2,706	1,922
Total Equity		<u><u>2,727</u></u>	<u><u>1,943</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G R Phillips
 Director

Date: 14/11/2022

The notes on pages 23 to 38 form part of these financial statements.

CARLISLE SECURITY SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2020	21	1,602	1,623
Comprehensive income for the year			
Profit for the year	-	320	320
At 1 January 2021	21	1,922	1,943
Comprehensive income for the year			
Profit for the year	-	784	784
At 31 December 2021	21	2,706	2,727

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Carlisle Security Services Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 02654100). The registered office address is First Floor, 251 The Boulevard, Capability Green, Luton, LU1 3LU.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Carlisle Support Services Group Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

2.3 Going concern

Whilst the Company did feel the impacts of increasing costs following the start of the war in Ukraine and the global supply chain issues in the aftermath of Covid-19, the impact has been manageable, the Company has continued to win new customers and grow its revenues. In the event of further cost increases the directors are confident that additional efficiencies could be found within the business.

Following this review and a discussion of the sensitivities the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next twelve months. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Turnover

Recognition

The Company earns revenue from the provision of security services and events stewarding services.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Performance obligations

The main performance obligations in contracts consist of the provision of suitable trained and qualified personnel to provide security services, events stewarding services, transport security and safety services. For all contracts the stage of completion and delivery of performance obligations are measured at the statement of financial position date by fulfilment of hours and shifts performed.

Principal versus agent

The Company has arrangements whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer. The Company acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Company has in establishing the price for the specified good or service, whether the Company has inventory risk and whether the Company is primarily responsible for fulfilling the promise to deliver the service or good.

Where the Company is acting as a principal, turnover is recorded on a gross basis. Where the Company is acting as an agent turnover is recorded at a net amount reflecting the margin earned.

The Company has reviewed its contracts and is satisfied that it acts as the principal in all situations.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Government grants

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- over the term of the lease
Fixtures and fittings	- 15-33%
Office equipment	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these financial statements, the directors have made no material judgements.

The directors consider that the key sources of estimation uncertainty in preparing the financial statements are:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Rendering of security and events stewarding services	72,300	52,105

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £000	2020 £000
Furlough support income	484	2,346

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	109	81
Operating lease expense	320	598
Defined pension contribution	963	766
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	66	82
	<u> </u>	<u> </u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	59,318	46,082
Social security costs	4,928	3,597
Cost of defined contribution scheme	963	766
	<u>65,209</u>	<u>50,445</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Operations	2,736	3,621
Operations management	85	48
Administration and support	25	35
Sales, marketing and distribution	4	5
	<u>2,850</u>	<u>3,709</u>

The average monthly number of employees during the year, including the directors, calculated on a full time equivalent (FTE) basis was 2,289 (2020 - 1,738).

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	410	429
Company contributions to defined contribution pension schemes	21	18
	<u>431</u>	<u>447</u>

During the year retirement benefits were accruing to 3 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £206k (2020 - £283k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15k (2020 - £13k).

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	<u>3</u>	<u>-</u>

11. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	44	33
Adjustments in respect of previous periods	-	(20)
Total current tax	<u>44</u>	<u>13</u>
Deferred tax		
Arising from origination and reversal of timing differences	8	21
Changes to tax rates	(13)	(6)
Total deferred tax	<u>(5)</u>	<u>15</u>
Taxation on profit on ordinary activities	<u>39</u>	<u>28</u>

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	823	348
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	156	66
Effects of:		
Expenses not deductible for tax purposes	5	3
Fixed asset differences	(6)	-
Adjustments to tax charge in respect of prior periods	-	(20)
Remeasurement of deferred tax for change in rates	(11)	(6)
Group relief	(105)	(15)
Total tax charge for the year	39	28

Factors that may affect future tax charges

Finance Act 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

	Fixtures and fittings £000	Office equipment £000	Total £000
Cost			
At 1 January 2021	208	822	1,030
Additions	44	75	119
At 31 December 2021	252	897	1,149
Depreciation			
At 1 January 2021	41	779	820
Charge for the year	78	31	109
At 31 December 2021	119	810	929
Net book value			
At 31 December 2021	133	87	220
At 31 December 2020	167	43	210

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Debtors

	2021 £000	2020 £000
Trade debtors	11,780	6,974
Amounts owed by group undertakings	2,153	6,205
Other debtors	21	59
Prepayments and accrued income	2,547	1,513
Deferred taxation (Note 16)	46	41
	<u>16,527</u>	<u>14,792</u>

14. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	-	1,117
Less: bank overdrafts	(986)	-
	<u>(986)</u>	<u>1,117</u>

15. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Bank overdrafts	986	-
Trade creditors	832	407
Amounts owed to group undertakings	467	482
Corporation tax	5	81
Other taxation and social security	4,415	7,738
Other creditors	4,218	3,116
Accruals and deferred income	3,097	2,352
	<u>14,020</u>	<u>14,176</u>

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Deferred taxation

	2021 £000	2020 £000
At beginning of year	41	54
Charged/(credited) to profit or loss	5	(13)
At end of year	46	41

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(2)	(13)
Short-term timing differences	(44)	(28)
	(46)	(41)

17. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
21,100 Ordinary shares of £1.00 each	21	21

18. Reserves

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

19. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £963k (2020 - £766k). Contributions totalling £264k (2020 - £327k) were payable to the fund at the reporting date.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Commitments under operating leases

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	434	127
Later than 1 year and not later than 5 years	813	197
	<u>1,247</u>	<u>324</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £320k (2020 - £598k).

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

21. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

During the year, the Company made sales of £797,032 (2020 - £257) to a related party relating to the provision of security services. At 31 December 2021, amounts totalling £81,035 (2020 - £Nil) were outstanding and included in trade debtors.

During the year, the Company made purchases of £Nil (2020 - £295,081) from a related party relating to cross charges under a transitional services agreement put in place following the demerger of the group from Impellam Group plc in March 2019. At 31 December 2021, amounts totalling £Nil (2020 - £Nil) were outstanding and included in trade creditors and accruals. The entity is a related party by virtue of common shareholding.

During the year, the Company made purchases of £232,764 (2020 - £110,256) from a related party relating to the supply of labour. At 31 December 2021, amounts totalling £31,438 (2020 - £Nil) were outstanding and included in trade creditors. The entity is a related party by virtue of common shareholding.

During the year, the Company made purchases of £Nil (2020 - £44,271) from a related party relating to supply of temporary admin staff. At 31 December 2021, amounts totalling £Nil (2020 - £Nil) were outstanding and included in trade creditors. The entity is a related party by virtue of common shareholding.

During the year, the Company made purchases of £5,744 (2020 - Nil) from a related party relating to the supply of security services. As at 31 December 2021, amounts totalling £5,744 (2020 - £Nil) were outstanding and included in trade creditors.

Key management Personnel

Key management personnel include all directors and a number of senior manager across the group who together have authority and responsibility for planning, directing and controlling the activities of the group.

The total compensation paid to key management personnel for services provided to the group is disclosed in the financial statements of the parent company, Carlisle Support Services Group Limited.

22. Controlling party

The immediate and ultimate parent undertaking is Carlisle Support Services Group Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ended 31 December 2021 have been drawn up, is that headed by Carlisle Support Services Group Limited. Copies of the group accounts are available from Companies House.

The ultimate controlling party is Lord Ashcroft KCMG, PC, by virtue of his shareholding in the ultimate parent undertaking.

CARLISLE SECURITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

23. *Contingent liabilities*

There is a cross guarantee and debenture and composite accounting agreement with the parent company and some of its subsidiaries to secure the borrowings of the group.

At 31 December 2021, the company has no contingent liability (2020 - £Nil).