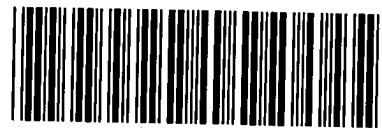


Carlisle Staffing Services Holdings Limited

Annual Report

for the 52 weeks ended 1 January 2021

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Carlisle Staffing Services Holdings Limited

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Carlisle Staffing Services Holdings Limited

Company Information

Directors T Briant
J Robertson
R J Watson

Company secretary R J Watson

Registered office 800 The Boulevard
Capability Green
Luton
Bedfordshire
LU1 3BA

Auditors BDO LLP
55 Baker Street
London
W1U 7EU

Carlisle Staffing Services Holdings Limited

Strategic Report for the 52 weeks ended 1 January 2021

The directors present their strategic report for the 52 weeks ended 1 January 2021.

Fair review of the business

There were no recognised pre-tax gains or losses for the current financial periods (4 January 2020: impairment of investment of £3m). The directors are satisfied with the performance of the company during the period. It is expected that there will be further changes to the structure in the coming years, but it is not anticipated that these will have a significant effect on the results of the company.

Whilst the COVID-19 global pandemic has had no direct impact on the profitability of the company, the directors acknowledge that there has been an impact on some of the trading subsidiaries of the company but this has had no impact on the carrying value of the investments held by the company. The directors are monitoring the situation and will continue to take all appropriate actions both for the benefit of the company and to assist the subsidiaries of the company.

On 31 January 2020 the UK left the European Union, and the transition period ended on 31 December 2020. There is continued uncertainty affecting the trading subsidiary as to the future relationship that will exist between the UK and the European Union and to some extent the rest of the UK's global trading partners. The continued uncertainty could have a detrimental impact on candidate confidence to move jobs, or business confidence to invest and take on new staff. The impact on this could be reduced volumes of placements in our UK business leading to reduced fees. Forward visibility remains limited and the outlook uncertain, but as ever we will monitor activity levels closely.

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.

Environmental matters

An Energy and Carbon report has not been included within the report as it is included within the group report of Impellam Group Plc.

Carlisle Staffing Services Holdings Limited

Strategic Report for the 52 weeks ended 1 January 2021 (continued)

Section 172(1) statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision-making. We believe we have a history of collaborative, informative stakeholder engagement and decision-making based on long-term success, and we maintain governance structures and processes that support good decision-making.

This section articulates how the Directors have acted to promote the success of the Company for the benefit of its stakeholders. In meeting this responsibility, the Directors have had regard, amongst other matters, to:

- a) the likely consequences of any decisions in the long term;
- b) the interests of the Company's colleagues;
- 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 environment;
- e) the Company's reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the Company.


Other than the directors, the Company has no employees, however, as a subsidiary holding Company the Directors consider the impact of the Company's activities on its shareholder, its subsidiaries, the wider Impellam Group and other stakeholders. The Company's stakeholders are consulted routinely on a wide range of matters including funding decisions, investment strategy, governance of its subsidiaries and compliance with Group policies with the aim of maximising investment returns for the benefit of its shareholder and ensuring that its subsidiaries maintain high standards of business conduct and governance.

The Company engages with its shareholder and subsidiaries on an ad hoc basis on requests for additional capital distributions or funding. The Directors assess such requests in light of the Company's minimum capital requirements to maintain profitability in the long term.

The performance of the Company's investments are monitored periodically in light of the Impellam Group's corporate and social responsibility strategy.

The Directors continued to provide oversight governance of the subsidiaries of the Company to ensure that they comply with the Group's policies and maintain high standards of business conduct. The subsidiaries provide regular updates on their activities.

Approved by the Board on 30 June 2021 and signed on its behalf by:



T Briant
Director

Carlisle Staffing Services Holdings Limited

Directors' Report for the 52 weeks ended 1 January 2021

The directors present their report and the financial statements for the 52 weeks ended 1 January 2021.

Directors of the company

The directors, who held office during the period, were as follows:

T Briant (appointed 20 February 2020)

J Robertson

R J Watson

Principal activity

The principal activity of the company is that of an investment holding company.

Dividends

No dividend is paid or recommended in respect of either the current or prior period.

Political donations

The company made no political donations during either the current or prior periods.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This assessment has been carried out on the cash flows of the wider Impellam Group, which the company is a member of, as cash is managed by a centralised treasury function who ensure all parts of the Group have sufficient cash to meet their immediate needs. The company has also issued a guarantee over the Group revolving credit facility so the cash flows implicit in the company on a stand-alone basis are not the most appropriate when reviewing the going concern basis of the company. As part of the arrangement, the Group has issued a letter of support for a period of twelve months from the date of approval of these financial statements to the company which includes both making funds available if required and not to seek repayment of amounts due at the balance sheet date if this would be detrimental to the company.

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.

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

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of BDO LLP as auditor of the Company is expected to be proposed at the Annual General Meeting.

Approved by the Board on 30 June 2021 and signed on its behalf by:


T Briant
Director

Carlisle Staffing Services Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom 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 accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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.

Financial statements are published on the ultimate parent company's website at www.impellam.com in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the ultimate parent company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Carlisle Staffing Services Holdings Limited

Independent Auditor's Report to the Members of Carlisle Staffing Services Holdings 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 1 January 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Carlisle Staffing Services Holdings Limited (the 'Company') for the 52 weeks ended 1 January 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, 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 101 Reduced Disclosure Framework (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 director's 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 original financial statements were 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and

Carlisle Staffing Services Holdings Limited

Independent Auditor's Report to the Members of Carlisle Staffing Services Holdings Limited (continued)

- the Strategic Report and 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 and 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, 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to Carlisle Staffing Services Holdings Limited. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK GAAP and the Companies Act 2006) and UK tax.

Audit procedures to address these risks are listed below:

- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, legal correspondence or confirmations (where relevant) and specific audit testing.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included enquiries with management and group management.

Carlisle Staffing Services Holdings Limited

Independent Auditor's Report to the Members of Carlisle Staffing Services Holdings Limited (continued)

- We also considered potential fraud drivers, including: financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing key areas of estimation uncertainty or judgement, for example potential impairments in relation to intercompany and investment balances held.
- We also communicated relevant identified 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.

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.

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:

Stuart Godfrey

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Stuart Godfrey (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London, UK

30 June 2021

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

Carlisle Staffing Services Holdings Limited

Profit and Loss Account for the 52 weeks ended 1 January 2021

		52 weeks 1 January 2021 £ 000	52 weeks 3 January 2020 £ 000
	Note		
Turnover		-	-
Administrative expenses		-	(3,000)
Operating loss		-	(3,000)
Loss before tax		-	(3,000)
Tax on profit/(loss)	5	19	19
Profit/(loss) for the period		19	(2,981)

The above results were derived from continuing operations.

Carlisle Staffing Services Holdings Limited

Statement of Comprehensive Income for the 52 weeks ended 1 January 2021

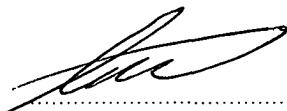
	52 weeks 1 January 2021 £ 000	52 weeks 3 January 2020 £ 000
Profit/(loss) for the period	<u>19</u>	<u>(2,981)</u>
Total comprehensive income/(loss) for the period	<u><u>19</u></u>	<u><u>(2,981)</u></u>

Carlisle Staffing Services Holdings Limited

(Registration number: 04167777)
Balance Sheet as at 1 January 2021

	Note	1 January 2021 £ 000	3 January 2020 £ 000
Fixed assets			
Investments	6	11,840	11,840
Current assets			
Debtors	7	141	61
Creditors: Amounts falling due within one year	8	<u>(2,999)</u>	<u>(2,938)</u>
Net current liabilities		<u>(2,858)</u>	<u>(2,877)</u>
Net assets		<u>8,982</u>	<u>8,963</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>8,982</u>	<u>8,963</u>
Shareholders' funds		<u>8,982</u>	<u>8,963</u>

These financial statements were approved by the Board on 30 June 2021 and signed on its behalf by:



T Briant
Director

Carlisle Staffing Services Holdings Limited

Statement of Changes in Equity for the 52 weeks ended 1 January 2021

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 5 January 2019	-	11,944	11,944
Loss for the period	-	(2,981)	(2,981)
Total comprehensive loss	-	(2,981)	(2,981)
At 3 January 2020	-	8,963	8,963

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 4 January 2020	-	8,963	8,963
Profit for the period	-	19	19
Total comprehensive profit	-	19	19
At 1 January 2021	-	8,982	8,982

Carlisle Staffing Services Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2021

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 30 June 2021.

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.

Basis of preparation

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

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ('IFRS') in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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 and investments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Cash flow statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- 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:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; 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.

Changes in accounting policy

None of the other standards, interpretations and amendments effective for the first time from 4 January 2020 have had a material effect on the financial statements.

Carlisle Staffing Services Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2021 (continued)

2 Accounting policies (continued)

Going concern

The directors have set out their business review for the company in the Strategic Report on page 2.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This assessment has been carried out on the cash flows of the wider Impellam Group, which the company is a member of, as cash is managed by a centralised treasury function who ensure all parts of the Group have sufficient cash to meet their immediate needs. The company has also issued a guarantee over the Group revolving credit facility so the cash flows implicit in the company on a stand-alone basis are not the most appropriate when reviewing the going concern basis of the company. As part of the arrangement, the Group has issued a letter of support for a period of twelve months from the date of approval of these financial statements to the company which includes both making funds available if required and not to seek repayment of amounts due at the balance sheet date if this would be detrimental to the company.

Exemption from preparing group accounts

The financial statements contain information about Carlisle Staffing Services Holdings 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.

Finance income and costs policy

Interest income receivable on deposits with financial institutions is recognised on an accrued basis.

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.

Investments

Fixed asset investments are stated at cost less a provision for impairment. The carrying values of investments are reviewed for impairment at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the assets are allocated. Estimating the value in use requires the company to make an estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Carlisle Staffing Services Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2021 (continued)

2 Accounting policies (continued)

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.

Amounts owed by related parties

Amounts owed by related parties are assessed for impairment based upon the current financial position and expected future performance of the party to which they relate. Amounts due from related parties are interest free demand loans.

The Company applies the IFRS 9 general approach to measuring expected credit losses. This approach requires an assessment at the initiation of the loan as to the risk of default, and a further assessment when the credit risk profile of the loans change. IFRS 9 applies a 3 stage model that is applied when calculating the expected credit losses:

- Stage 1 is defined as having no Significant Increase In Credit Risk ('SICR') – a 12 month expected credit loss is recognised at this point.
- Stage 2 is defined as having a SICR – a lifetime expected credit loss is recognised at this point.
- Stage 3 is defined as being credit impaired – a lifetime expected credit loss is recognised at this point.

There is no impact to any interest due to the Group company loans being interest free.

The Company defines the following:

Definition of a default - A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient assets to repay the loan on demand.

SICR assessment – The risk that the borrower will default on a demand loan depends on whether the party has sufficient cash or other assets to repay the loan immediately (meaning that the risk of default is very low and the loan is in Stage 1); or does not have sufficient cash or other assets to repay the loan immediately (meaning that the risk of default is higher, and the loan could be in Stage 2 or Stage 3).

The Company performs this assessment qualitatively by reference to the borrower's immediate cash flow and asset position. Credit impaired indicators - A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding investments.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The company's accounting policy for each category is as follows:

Carlisle Staffing Services Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2021 (continued)

2 Accounting policies (continued)

Financial assets at amortised cost

Impairment provisions for current and non-current trade debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. From time to time, the company elects to renegotiate the terms of trade debtors due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company does not have any such assets nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial assets at fair value through the profit or loss (FVTPL)

The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial liabilities at amortised cost

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:

- Trade creditors and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Financial liabilities at fair value through the profit or loss

The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Carlisle Staffing Services Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2021 (continued)

3 Directors' remuneration

The directors are remunerated by the ultimate parent company, Impellam Group Plc, for their services to the Group as a whole. The directors do not believe it is practical to apportion their remuneration between their services to this company and their services as directors of the parent company and fellow subsidiaries.

Other than the directors, the company had no employees throughout the current or prior periods.

4 Auditors' remuneration

	52 weeks 1 January 2021 £ 000	52 weeks 3 January 2020 £ 000
Audit of the financial statements	<u>1</u>	<u>1</u>

Auditor's remuneration has been borne by a Group company for the current and prior periods.

5 Income tax

Tax charged/(credited) in the profit and loss account

	52 weeks 1 January 2021 £ 000	52 weeks 3 January 2020 £ 000
Current taxation		
UK corporation tax	<u>(19)</u>	<u>(19)</u>

The tax on result before tax for the period is lower than the standard rate of corporation tax in the UK (3 January 2020 - higher than the standard rate of corporation tax in the UK) of 19% (3 January 2020 - 19%).

The differences are reconciled below:

	52 weeks 1 January 2021 £ 000	52 weeks 3 January 2020 £ 000
Loss before tax	<u>-</u>	<u>(3,000)</u>
Corporation tax at standard rate	-	(570)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	-	570
Decrease from transfer pricing adjustments	<u>(19)</u>	<u>(19)</u>
Total tax credit	<u>(19)</u>	<u>(19)</u>

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

Carlisle Staffing Services Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2021 (continued)

6 Investments

Subsidiaries	£ 000
Cost or valuation	
At 4 January 2020	14,840
At 1 January 2021	14,840
Provision	
At 4 January 2020	3,000
At 1 January 2021	3,000
Carrying amount	
At 1 January 2021	11,840
At 3 January 2020	11,840

Details of the subsidiaries as at 1 January 2021 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				1 January 2021	3 January 2020
Carlisle Staffing Plc	Employment services	800 The Boulevard, Capability Green Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Carlisle Staffing Services Limited*	Holding company	800 The Boulevard, Capability Green Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Carlisle Staffing Services Ireland Limited	Holding company	Block 9, Blackrock Business Park Blackrock Co. Dublin, A94 E4X2 Republic of Ireland	Ordinary	100%	100%
Celsian Group Limited	Employment services	800 The Boulevard, Capability Green Luton LU1 3BA United Kingdom	Ordinary	100%	100%
Irish Recruitment Consultants Limited	Employment services	Block 9, Blackrock Business Park Blackrock Co. Dublin, A94 E4X2 Republic of Ireland	Ordinary	100%	100%
Sabertooth Services Limited*	Holding company	PO Box 71, Road Town Tortola VG1110 British Virgin Isles	Ordinary	100%	100%

* indicates direct investment of the company

Carlisle Staffing Services Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2021 (continued)

7 Trade and other receivables

	1 January 2021 £ 000	3 January 2020 £ 000
Receivables from related parties	<u>141</u>	<u>61</u>

Receivables from related parties are interest free, unsecured and repayable on demand.

8 Trade and other payables

	1 January 2021 £ 000	3 January 2020 £ 000
Amounts due to related parties	<u>2,999</u>	<u>2,938</u>

Payables to related parties are interest free, unsecured and repayable on demand.

9 Share capital

Allotted, called up and fully paid shares

	1 January 2021		3 January 2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Contingent liabilities

The company has given cross guarantees as part of the Group's revolving credit facility of which the company is a member; the aggregate amount outstanding against this facility at 1 January 2021 was £118,951,000 (3 January 2020: £166,732,000).

11 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is Impellam Group Plc.

These financial statements are available upon request from The Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ.

The Group has identified Lord Ashcroft as the ultimate controlling party as he has influence over more than 50%, but less than 75%, of both the shares and voting rights of Impellam Group Plc and together with being Chairman of Impellam Group Plc has significant influence over the Group.