

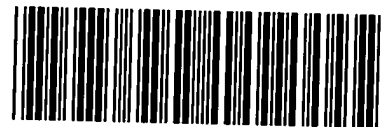
Registered number: 07880629

CARLISLE SUPPORT SERVICES GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

TUESDAY



AC70QDS2

A13

04/07/2023

#89

COMPANIES HOUSE

CARLISLE SUPPORT SERVICES GROUP LIMITED
--

COMPANY INFORMATION

Directors	A E Entwistle P A Evans P M R Gaze P T Osborne M J Hallas A F Lovat
Company secretary	R A Chinn
Registered number	07880629
Registered office	First Floor 251 The Boulevard Capability Green Luton LU1 3LU
Independent auditor	BDO LLP Arcadia House Maritime Walk Southampton SO14 3TL

CARLISLE SUPPORT SERVICES GROUP LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 13
Directors' Report	14 - 17
Directors' Responsibilities Statement	18
Independent Auditor's Report	19 - 22
Consolidated Statement of Comprehensive Income	23
Consolidated Statement of Financial Position	24
Company Statement of Financial Position	25
Consolidated Statement of Changes in Equity	26
Company Statement of Changes in Equity	27
Consolidated Statement of Cash Flows	28
Notes to the Financial Statements	29 - 53

CARLISLE SUPPORT SERVICES GROUP LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2022.

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 seen the highest levels of inflation in four decades.

The continuing 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 changes, we must balance such cost increases with ongoing operational efficiencies in our service offerings.

Whilst Carlisle has operated at a sustainable level and continues to do so, we have, due many of these factors, seen a depressed margin performance continue across recent years, 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.

The UK Security industry saw a changing landscape when it came to labour shortages, with them easing towards the end of 2022. However one clear area of concern is the violence (verbal and physical) being shown towards Security Officers, especially those in public facing environments. Whilst Carlisle has been able to cope with these challenges, mainly due to prior years focus on wage rates it was able to offer and the prestigious client brands we work with, it should not be something too easily overlooked for the years ahead.

CARLISLE SUPPORT SERVICES GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2022 Financial Performance

£000	2022	2021	Change
Turnover	117,388	96,060	22.2%
Gross profit (incl. other income)	9,126	7,783	17.2%
Administrative expenses	7,957	6,626	20.1%
Operating profit	1,169	1,157	1.0%
Gross profit margin	7.8%	8.1%	-3.7%
Operating profit margin	1.0%	1.2%	-25.0%

We are pleased to confirm that business revenues have continued to grow, with a 22.2% increase to £117.4m in FY2022 (2021 - £96m). This was achieved in spite of the continued challenges presented by the pandemic restrictions and the threat of economic downturn.

Continued growth into 2023 means that our current position in 2023 demonstrates annualised run rate revenues exceeding £120m.

The business started 2022 with lower than expected gross profit performance due to additional head count and wider cost increases. In light of this the business reviewed each individual contract performance and profitability identifying opportunities for improvement. New systems and processes to support the business were implemented at the end of 2022 and will have positive upsides in coming years.

Carlisle Support Services Group Limited ('the Company') and its subsidiaries (together 'Carlisle' or 'the Group') has invested in fixed assets during 2022, including the implementation of a new finance system and continued investment in machinery and equipment for the effective delivery of service. Creditors increased in the year to £18.5m (2021 - £17.5m) due to an increased overdraft held in one subsidiary which is offset by the increased cash held at bank at year end of £5.5m (2021 - £2.3m). Debtor balances have decreased in the year to £13.2m (2021 - £14.4m) due to timing of settlement from trade debtors which is, again reflected in the increased cash held at bank.

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

Despite significant wage inflation, labour shortages, and the cost-of-living crisis we are pleased to confirm that Carlisle during 2022 was able to secure with our client base like-to-like wage increases of 6.3% on average across all areas of its front-line employees. We continue to thank our clients for their support in this regard and equally for our employees who have worked tirelessly over this period to deliver services to exceptional levels.

Our, and our clients', support of the Real Living Wage has been maintained during 2022 and we are pleased to confirm that we now see 98.2% (2021 - 97.2%) of all hours worked being paid at these enhanced levels of pay. When the Real Living Wage was increased to £9.50 in 2022, all of our clients agreed to adjust their contracts to reflect the increase.

Our prestigious client base includes the following industry-leading brands and organisations, all of whom we are very proud to be working alongside:

CARLISLE SUPPORT SERVICES GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022



CARLISLE SUPPORT SERVICES GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Trading Overview by Division

Security and Events

Our largest operating division has continued to grow with revenue of circa £90m (2021 - £72m). This enviable position 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 (97% across last three years).

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, a new Skills Board has been launched by the Security Industry Authority (SIA) and the City Security Council (CSC) to address the need for higher standards of professionalism in the private security industry. Carlisle is proud to have been invited and sit on the board of this key initiative.

The Skills Board will consult with, and comprise of, senior leaders and security professionals from across the industry. Together, they will agree strategic priorities and commit to deliver what is hoped to be transformational change in support of all those working in the industry.

Market conditions have seen a number of key sector 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. This coupled with economic pressures, are continuing to challenge operating returns for providers in this space. 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 also seek clients who can differentiate the value they receive in our offering.

Cleaning and Soft FM

With revenues rising to £23.4m in 2022 and a current run rate of £25m (2021 - £22.3m), we see this division as a real growth potential for Carlisle.

Whilst heavily focused on the UK Transport sector we have seen our range of services broaden in recent times, to include Vegetation Management, Specialist Cleaning, Waste Management, FM Helpdesk, and Pest Control services.

With a clear emphasis on our Work-IT Workforce Management platform, we can offer real-time validation of completed works and fault rectification. We believe our offering is capable of being expanded into other new sectors, whilst also seeing a positive uptake of clients in other divisions now combining these services.

The arrival of Great British Railways and the removal of traditional railway franchising models pose both a key risk and opportunity for Carlisle. The opportunity here is to provide more multi-skilled teams that can provide improved efficiencies to the entire sector, whilst building on our position as a market leader of these services in the sector. Margins in this division have held up strongly during the pandemic for obvious reasons, and additional services were brought in during such times. However, we need to ensure that we continue to focus on innovation and quality of service to ensure our customers, and their customers' in-turn, continue to place a real emphasis on clean and environmentally friendly facilities.

CARLISLE SUPPORT SERVICES GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Retail merchandising

Following a slight drop in 2021 after consolidating the offering in this space, revenues increased in 2022 to £4.2m (2021 - £3.9m). This entire division's offering, like many of its competitors, sees the movement of skilled resources around the UK to undertake project-based assignments for our clients. These assignments range from new store openings, range reviews, refurbishments, store closures, and general store support.

With an increasing opportunity for workers to earn higher wages locally we are mindful that we must maintain clear incentives for our employees to work away from home for prolonged periods.

Alternatively, we are also working with a number of our key clients to consider how we can offer work to staff that is still attractive with the employees becoming multi-skilled for a client - thereby reducing the need for staff to travel.

Due to the current economic landscape, we continue to encounter financial pressures on travel and accommodation costs and are working hard to achieve agreed positions that present a more sustainable offering for the Company.

This retail division is Carlisle's smallest at present, some 3% of revenues, yet it has a great potential to grow by the introduction of new service lines, including our entrance in the stocktaking service space within the sector. By combining this with our Retail Security offering we are seeing significant interest from clients who are keen to consider a dual approach to controlling stock losses.

Strategic Journey and Business Priorities

Our "WHY" defines our company purpose and vision and this remains unchanged:

“

We want Carlisle to be known for being different in our market-place. We will do this by truly looking after our people, with prominence around our front-line family members

To do this we will ensure we are always visible, that clear routes of communication and feedback exist, that we strive for better and more enjoyable working conditions, whilst recognising and rewarding those for doing a job well done!

”

Paul Evans
Chief Executive Officer



We are fortunate to have a workforce that is now over 4,750 strong, providing presence across the entire UK, with employees regularly surpassing lengthy long-service milestones – some over 40 years.

CARLISLE SUPPORT SERVICES GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Strategic Journey and Business Priorities (continued)

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 the communities and 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. Reward and recognition of our front-line teams will continue to be a prominent part of our journey and we are proud to have moved the industry where many others now follow in this trait of rewarding their key workers publicly.

Our growth aspirations, whilst modest, will be driven primarily through selective new client contracts, organic growth of existing 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 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.

CARLISLE SUPPORT SERVICES GROUP LIMITED
--

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 Carlisle 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.

Significant event / decision – Implementation of New Finance System

Key S.172 Stakeholders affected – Employees & Customers

Actions & Impact

- Following the growth of the business over recent years, the decision was taken in 2021 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 took place during 2022 with the new system going live from 1 January 2023. 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 managing directors and other key management personnel which in turn should have a positive effect on the Carlisle's future earnings potential. In 2022, the Group invested £143k in the implementation of the new finance system, all of which has been recognised within fixed assets.

Significant event / decision – Restructure of operational divisions

Actions & Impact

- To ensure the business keeps sufficient and sustainable headroom in operating margins, and to reflect on the impact of the new systems and practices, the business took the decision to review all areas of its business structure. The decision was taken to move to three operating divisions led by Managing Directors. A newly appointed Chief Operating Officer took responsibility as a whole for all operational aspects of the business.

CARLISLE SUPPORT SERVICES GROUP LIMITED
--

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 jointly and not in isolation. Our most efficient route to profitable growth will be 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 and recognition schemes that recognise exceptional performance of those in front line roles.

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).

Business relationships

The Group 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 a 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 Carlisle'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.

CARLISLE SUPPORT SERVICES GROUP LIMITED
--

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Community and environment

The Group 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 / 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 Group's website..

Shareholders

The Company's shares are eligible for trade via the London based J P Jenkins ("JPJ") share matching facility. This facility provides a cost-effective mechanism to buy or sell shares. However, share volumes sold using the JPJ facility have been very low.

JPJ is a trading division of Peterhouse Corporate Finance Limited and provides companies which are unlisted and unquoted on a stock exchange with a facility that enables existing and prospective shareholders to deal in the company's shares.

Shareholders should be aware that liquidity of Carlisle Shared trading via JPJ is less than if such shares were traded on a recognised stock exchange. It does therefore take a considerably longer time for proposed share transactions to be executed.

Supplier Relationships

Carlisle is committed to encouraging strong and loyal supplier relationships. Carlisle is keen to increase the levels of supplier engagement activity in 2023 and has recently appointed a new Head of Procurement. 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 Carlisle's risk management process which is combined with an active responsibility from all levels of leadership across the Group.

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 SUPPORT SERVICES GROUP LIMITED
--

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

**Risk
Strategic risks**

Impact

Mitigation

Customer concentration

Loss of a key customer within a brand or significant reduction in volume of an account could result in reduced revenue or increased gross profit pressure.

Carlisle has regular meetings with key customers to discuss opportunities and current service performance. Management discusses and reviews 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 Company's objectives.

Tough economic conditions, particularly wage increases, price inflation and increases in National Insurance could also create pressure on margins where these cannot be fully passed on to clients.

The impact of this has increased in the last year with rising cost of living.

Flexibility in delivery of our services and reduces fixed costs in operations allows Carlisle to manage fluctuations in volume.

Diversity of customer base, widespread geographical coverage and expanding into new sectors provide competitive advantage.

Contracts that include annual price reviews based on economic indicators (RPI) and provide for legislative changes to be passed on to customers protect the Group from increasing costs.

CARLISLE SUPPORT SERVICES GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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.	Comprehensive health, safety, quality and environment (HSQE) management system in place, accredited to ISO 45001 standards. External audits performed periodically. Monthly HSQE review meetings at divisional and group level, attended by senior management and directors. Regular training and updates for operational staff.
Technology systems	Carlisle 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.	Carlisle has strong alliances with key partners to deliver these projects and is investing in its IT systems.
Cyber and information security	The risk of external cyber-attacks continues to increase. A successful attack could result in the loss of sensitive data, business disruption 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 SUPPORT SERVICES GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Risks (continued)

Risk Financial, Regulatory, Compliance risks	Impact	Mitigation
Contractual complexity	<p>In certain sectors, Carlisle'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.</p> <p>This necessitates constant development of Carlisle's service offering, the sophistication of our selling activities and the management of tendering processes.</p>	<p>Carlisle has a standardised contract review process in place involving operational, commercial and legal oversight.</p> <p>Carlisle also continues to invest in specialist resources to support these activities and delivery of clients' service expectations.</p>
Cash and liquidity management	<p>Poor cash and liquidity management may result in a strain on the Group's credit facilities and operational cash issues.</p>	<p>The Group's finance function closely monitors and reviews its cash position and forecasts.</p> <p>The Group has a Delegation of Authority policy in place which governs payment terms for suppliers and clients.</p> <p>The Group is debt free and has an overdraft facility in place which is suitable for meeting its liabilities.</p>
Financial Control	<p>A failure of financial control could lead to a material loss to the business.</p>	<p>The Group 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 SUPPORT SERVICES GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Summary

Over the last six 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 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 (Jun 29, 2023 18:05 GMT+1)

P A Evans
Director

Date: 29-Jun-2023

CARLISLE SUPPORT SERVICES GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company was that of a holding company and the principal activity of the Carlisle Group was that of providing support services.

Results and dividends

The profit for the year, after taxation, amounted to £898k (2021 - £953k).

No dividends were paid or proposed during the year (2021 - £Nil).

Directors

The directors who served during the year were:

A E Entwistle
P A Evans
P M R Gaze
P T Osborne
G R Phillips (resigned 21 November 2022)
M J Hallas (appointed 17 January 2022)
A F Lovat (appointed 21 November 2022)

Energy and Carbon Reporting

In accordance with "The Companies Act 2006" (Strategic and Directors Report) in particular part 7A to Schedule 7 "Dealing with energy and carbon disclosure by large unquoted companies" the following information discloses energy and CO2 consumption for the Company covering the year ended 31 December 2022.

The information includes the reporting of greenhouse gas emissions (scope 1, 2 and 3), energy consumption data for fuels, electricity and transport, and associated energy intensity ratio. The declaration identifies some of the energy measures implemented during the financial year.

To Calculate the disclosure, a methodology similar to the ESOS has been used where applicable to ensure consistency in reporting. Building energy consumption has been captured in order of preference, using invoice consumption figures where available; meter readings supplied by the management teams or pro-rata estimations. Transport energy consumption has been extracted from internal employee expenses reports and the fuel cards database. Carbon emissions conversion factors have been taken from the 'UK Government GHG Conversion Factors for Company Reporting 2022'.

CARLISLE SUPPORT SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

GHG emissions for the period ending 31 December 2022

	1 January 2022 - 31 December 2022 CO2e	1 January 2021 - 31 December 2021 CO2e
Emission Source		
Scope 1 - Natural Gas	9,514	-
Scope 1 - Fuel Consumption	92,925	90,691
Scope 1 - Company Cars	72,321	78,382
Total Scope 1	174,760	169,073
Scope 2 - Electricity	27,095	18,487
Total Scope 2	27,095	18,487
Scope 3 - Business travel	105,203	88,849
Scope 3 - Rail travel	16,738	11,058
Total Scope 3	121,941	99,907
Total Scope 1, 2 & 3	323,796	287,467
Intensity Ratio - tCO2e/turnover £m	2.82	2.36

The annual aggregate KWH of energy consumed for the period ending 31 December 2022

	1 January 2022 - 31 December 2022 KWH	1 January 2021 - 31 December 2021 KWH
Emission Source		
Total Scope 1, 2 & 3	4,428,008.73	4,044,063.35
KWH Yearly comparison	383,945.38	0

Our emissions increased during this reporting period as the business has grown and continues to recover from the pandemic with offices re-opening across our estate. Additionally, Carlisle Support Services continued to successfully win new businesses and by the end of the year revenue significantly exceeded pre-pandemic levels. We continue to implement energy efficiency methods across our business to help reduce our carbon emissions.

Protecting the Environment

Carlisle Support Services (CSS) is committed to achieving Net Zero Emissions by 2050. We are aware that reducing our Greenhouse Gas Emissions represents significant benefits for us, our customers, suppliers and the wider community. Our Carbon Reduction Plan covers the strategies for CCS' ongoing commitment to the management and reduction of our business-related carbon emissions. The plan will cover CCS' baseline year information, setting clear targets for reducing Greenhouse Gas (GHG) emissions over key timeframes and listing our planned projects to achieve carbon net zero by 2050. While some of these achievements will be achieved through behavioural change, it is noted that, where funding is needed, it will be accessed to take these projects to the right outcome.

Energy Efficiency Measures

Carlisle support Services recognise the risk that climate change poses to our business and society. We seek to manage our contribution to this by reducing our energy use and limiting carbon emissions throughout our operation.

Monthly energy reporting has been established across our estate to ensure accuracy of usage and to better understand trends and anomalies.

CARLISLE SUPPORT SERVICES GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Carlisle Support Services will continue to look at ways of reducing our fleet and will also continue to increase the percentage of hybrid and electric vehicles as part of our company fleet strategy.

Qualifying third party indemnity provision

During the period and up to the date of these financial statement, 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.

Financial instruments

Objectives and policies

During the year, the Group's principal financial instruments comprised access to funding from an overdraft, cash and short term deposits. The main purpose of these financial instruments is to fund working capital requirements such as trade debtors and trade creditors, which arise directly from its operations. The Group 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 reviews 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.

Cash flow risk

The Group manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Risk is managed by the Group Finance Director through short and long term forecasts and projections and is monitored on a weekly basis.

Employees

Carlisle is committed to being a responsible employer and actively engages with employees as detailed in the Section 172 Statement in the Strategic Report.

Statement of Corporate Governance arrangements

The Group did not formally apply a code of governance but broadly followed the Wates Principles in applying its corporate governance arrangements during the year. There is a comprehensive governance framework that draws on external expertise as appropriate. The framework also provides for regular governance meetings of the Senior Leadership Team, the Board of Directors and the review of key performance indicators.

CARLISLE SUPPORT SERVICES GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 Group continues and that appropriate training is arranged. It is the policy of the Group 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 the Group 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 Group, 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 Group, 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 Group's business activities 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 and the Group'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 and the Group's auditor is aware of that information.

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.

A Lovat

A Lovat (Jun 29, 2023 18:04 GMT+1)

A F Lovat
Director

Date: 29-Jun-2023

CARLISLE SUPPORT SERVICES GROUP LIMITED
--

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

CARLISLE SUPPORT SERVICES GROUP LIMITED

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

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group'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 Support Services Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 Group and the Parent 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 Group's or the Parent 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 SUPPORT SERVICES GROUP LIMITED
--

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE SUPPORT SERVICES GROUP 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.

Opinion on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent 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 Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent 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.

CARLISLE SUPPORT SERVICES GROUP LIMITED
--

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE SUPPORT SERVICES GROUP
LIMITED (CONTINUED)**

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 Group's and the Parent 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 Group or the Parent 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:

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 group accounting policies relating to significant accounting estimates;
- Obtaining an understanding of the significant laws and regulations impacting the group;
- 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 noncompliance with laws and regulations;
- 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; and
- Consideration of significant management judgements, particularly in respect of the underlying assumptions in estimating the defined pension benefit liability.

CARLISLE SUPPORT SERVICES GROUP LIMITED

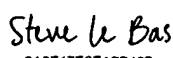
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE SUPPORT SERVICES GROUP
LIMITED (CONTINUED)

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 for the audit of the financial statements is located 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 Parent 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 Parent 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 Parent Company and the Parent Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

3A8E17E6EA7B437...

Stephen Le Bas (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor
Southampton

29 June 2023

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

CARLISLE SUPPORT SERVICES GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	4	117,388	96,060
Cost of sales		(108,262)	(88,788)
Gross profit		9,126	7,272
Administrative expenses		(7,957)	(6,626)
Other operating income	5	-	511
Operating profit	6	1,169	1,157
Interest payable and similar expenses	10	(69)	(10)
Profit before taxation		1,100	1,147
Tax on profit	11	(202)	(194)
Profit for the financial year		898	953
Actuarial gains on defined benefit pension scheme	21	690	199
Movement of deferred tax relating to pension liability	18	(173)	(38)
Other comprehensive income for the year		517	161
Total comprehensive income for the year		1,415	1,114

The notes on pages 29 to 53 form part of these financial statements.

CARLISLE SUPPORT SERVICES GROUP LIMITED
REGISTERED NUMBER: 07880629

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	12	1,033	1,127
		<u>1,033</u>	<u>1,127</u>
Current assets			
Debtors: amounts falling due within one year	14	17,093	18,539
Cash at bank and in hand	15	5,580	2,315
		<u>22,673</u>	<u>20,854</u>
Creditors: amounts falling due within one year	16	(18,541)	(17,515)
Net current assets		<u>4,132</u>	<u>3,339</u>
Total assets less current liabilities		<u>5,165</u>	<u>4,466</u>
Creditors: amounts falling due after more than one year	17	(33)	(131)
Provisions for liabilities			
Deferred taxation	18	(208)	-
Net assets excluding pension asset/(liability)		<u>4,924</u>	<u>4,335</u>
Pension asset/(liability)	21	606	(220)
Net assets		<u><u>5,530</u></u>	<u><u>4,115</u></u>
Capital and reserves			
Called up share capital	19	1,671	1,671
Merger reserve	20	(1,037)	(1,037)
Profit and loss account	20	4,896	3,481
Total equity		<u><u>5,530</u></u>	<u><u>4,115</u></u>

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

A Lovat
A Lovat (Jun 29, 2023 18:04 GMT+1)
A F Lovat
Director

Date: 29-Jun-2023

The notes on pages 29 to 53 form part of these financial statements.

CARLISLE SUPPORT SERVICES GROUP LIMITED
REGISTERED NUMBER: 07880629

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	13	1,670	1,670
		<u>1,670</u>	<u>1,670</u>
Current assets			
Debtors: amounts falling due within one year	14	467	467
		<u>467</u>	<u>467</u>
Creditors: amounts falling due within one year	16	(407)	(407)
		<u></u>	<u></u>
Net current assets		<u>60</u>	<u>60</u>
Total assets less current liabilities		<u>1,730</u>	<u>1,730</u>
Net assets		<u>1,730</u>	<u>1,730</u>
Capital and reserves			
Called up share capital	19	1,671	1,671
Profit and loss account		59	59
		<u></u>	<u></u>
Total equity		<u>1,730</u>	<u>1,730</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Company for the year was £Nil (2021 - £14k).

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

A Lovat
A Lovat (Jun 29, 2023 18:04 GMT+1)
A F Lovat
Director

Date: 29-Jun-2023

The notes on pages 29 to 53 form part of these financial statements.

CARLISLE SUPPORT SERVICES GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	1,671	(1,037)	2,367	3,001
Comprehensive income for the year				
Profit for the year	-	-	953	953
Actuarial gains on pension scheme net of taxation	-	-	161	161
Total comprehensive income for the year	-	-	1,114	1,114
At 1 January 2022	1,671	(1,037)	3,481	4,115
Comprehensive income for the year				
Profit for the year	-	-	898	898
Actuarial gains on pension scheme net of taxation	-	-	517	517
Total comprehensive income for the year	-	-	1,415	1,415
At 31 December 2022	1,671	(1,037)	4,896	5,530

CARLISLE SUPPORT SERVICES GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2021	1,671	73	1,744
Comprehensive income for the year			
Loss for the year	-	(14)	(14)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(14)	(14)
	<hr/>	<hr/>	<hr/>
At 1 January 2022	1,671	59	1,730
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2022	<u>1,671</u>	<u>59</u>	<u>1,730</u>

CARLISLE SUPPORT SERVICES GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £000	2021 £000
Cash flows from operating activities		
Profit for the financial year	898	953
Adjustments for:		
Depreciation of tangible assets	585	444
Interest paid	69	10
Taxation charge	202	194
Decrease/(increase) in debtors	1,446	(6,703)
Decrease in creditors	(1,837)	(265)
Corporation tax (repaid)/paid	38	(154)
Difference between net pension expense and cash contribution	(136)	(10)
Net cash generated from/(used in) operating activities	<u>1,265</u>	<u>(5,531)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(508)	(739)
Sale of tangible fixed assets	17	-
Net cash used in investing activities	<u>(491)</u>	<u>(739)</u>
Cash flows from financing activities		
Interest paid	(69)	(10)
Capital element of hire purchase	(98)	(66)
Net cash used in financing activities	<u>(167)</u>	<u>(76)</u>
Net increase/(decrease) in cash and cash equivalents	<u>607</u>	<u>(6,346)</u>
Cash and cash equivalents at beginning of year	1,329	7,675
Cash and cash equivalents at the end of year	<u><u>1,936</u></u>	<u><u>1,329</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,580	2,315
Bank overdrafts	(3,644)	(986)
	<u><u>1,936</u></u>	<u><u>1,329</u></u>

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Carlisle Support Services Group Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 07880629). 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the Parent Company;
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Company as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance, financial position, its cash flows, liquidity position, principal risks and uncertainties affecting the business are set out in the Strategic report on pages 1 to 13.

The Group meets its day-to-day working capital requirements through cash generated from operations and its current overdraft facility.

The directors have considered the Group's forecast cash flows as well as the Group's liquidity requirements and borrowing facilities. The Group's trading results in the period to May 2023 have remained profitable and in line with current forecasts. The directors have prepared forecasts to the end of 2024 which show a good level of profitability and cash generation. These forecasts have been based upon a significant level of agreed contracts and a significant level of tenders that are currently taking place.

The directors have also produced a detailed going concern stress test for the Group, including downside scenarios reflecting the full financial impact of a sustained material event reducing revenues by 20% over the next twelve months. The conclusion of the stress test for the Group is that in this considered unlikely scenario the business will hold minimum cash reserves of £2.6m sufficient to be able to meet all of its liabilities as they fall due for at least 12 months from the date of signing these financial statements.

Following this review and a discussion of the sensitivities and stress tests performed the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements and will not exceed its current banking facilities. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Revenue

Recognition

The Group earns turnover from the provision of services relating to cleaning, security and events stewarding services and from the provision of staffing services relating to retail merchandising and retail store development projects.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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 either:

- the provisions of a certain number of hours of cleaning or the cleaning of a certain location, depending on the contract;
- the provision of suitably trained and qualified personnel to provide security services, events stewarding services, transport security and safety services; or
- the provision of labour supply to fulfil retail merchandising and store development services.

For all contracts the stage of completion and delivery of performance obligations are measured at the statement of financial position date by the number of days services that have been provided.

2.6 Operating leases: the Group as lessee

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

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 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.

2.9 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
Plant and machinery	- 25% straight-line per annum
Motor vehicles	- 33% straight-line per annum
Fixtures and fittings	- 15% - 33% straight-line per annum
Office equipment	- 20% - 33% straight-line per annum

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 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.11 Financial instruments

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

Trade and other debtors and creditors are classified as basic financial instruments and measured at 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 Group 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 Group's cash management.

Financial liabilities and equity instruments issued by the Group 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 Group 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.

2.12 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.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

CARLISLE SUPPORT SERVICES GROUP LIMITED
--

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contribution in the future or through refunds from the scheme.

The asset recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed in Analysis of actuarial gains recognised in Other Comprehensive Income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Pensions (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.15 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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.

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

Key sources of estimation uncertainty are:

- **Tangible 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.

Plant & Equipment and Motor vehicles all relate to assets acquired to support long term contracts. These contracts all have defined contract terms, but with potential extension periods. The assets have the ability to support the contract for the life of the original contract and the extension period, should it be granted. Due to the uncertain nature of whether an extension will be signed, or the length of any extension, these assets are depreciated over a term equivalent to the original contract length only.

- **Defined benefit pension scheme**

The Group operates a defined benefit pension scheme, in accordance with the accounting policy stated above. The future pension liabilities that will arise and the expected return on scheme assets are based upon various assumptions such as mortality rates, investment returns and future inflation. The calculation of the scheme's deficit/surplus is based on these assumptions which are discussed and agreed with the scheme's actuary who assists the directors with the calculation of the figures included in note 21. The principal actuarial assumptions used at the statement of financial position date are included in note 21.

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Turnover

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

	2022 £000	2021 £000
Rendering of security and event services	89,773	72,300
Rendering of cleaning services	23,402	19,865
Rendering of retail merchandising	4,213	3,895
	<u>117,388</u>	<u>96,060</u>

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	<u>117,388</u>	<u>96,060</u>

5. Other operating income

	2022 £000	2021 £000
Coronavirus Job Retention Scheme grant	<u>-</u>	<u>511</u>

6. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible fixed assets	585	444
Exchange differences	-	1
Other operating lease rentals	721	656
IT licence fees and support costs	917	690
Professional and legal fees	297	488
Defined contribution pension scheme	1,363	1,293
Defined benefit pension scheme	<u>10</u>	<u>-</u>

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	20	17
Other services - audit of subsidiaries	75	97
Additional fees payable to the Group's auditor and its associates relating to the prior period	20	-
	<u>115</u>	<u>114</u>

8. Employees

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

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	91,077	74,623	-	-
Social security costs	7,002	6,131	-	-
Cost of defined benefit scheme	10	7	-	-
Cost of defined contribution scheme	1,363	1,293	-	-
	<u>99,452</u>	<u>82,054</u>	<u>-</u>	<u>-</u>

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

	2022 No.	2021 No.
Operations	4,119	3,364
Operating management	126	85
Sales / Marketing	4	7
Admin / Support	53	60
	<u>4,302</u>	<u>3,516</u>

The average monthly number of employees during the year, including directors, calculated on a full time equivalent (FTE) basis was 3,628 (2021 - 2,889).

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £Nil).

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	368	410
Group contributions to defined contribution pension schemes	22	21
	<u>390</u>	<u>431</u>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £222k (2021 - £206k).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16k (2021 - £15k).

The value of the Group's contributions paid to a defined benefit pension scheme amounted to £Nil (2021 - £Nil).

The emoluments of the directors in office during the year were paid by Carlisle Security Services Limited with their remuneration as disclosed in the financial statements of that company.

10. Interest payable and similar expenses

	2022 £000	2021 £000
Bank interest payable	66	4
Other loan interest payable	-	1
Other interest payable	3	5
	<u>69</u>	<u>10</u>

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	111	56
Adjustments in respect of previous periods	56	-
Total current tax	167	56
Deferred tax		
Origination and reversal of timing differences	97	193
Changes to tax rates	-	(55)
Adjustments in respect of prior periods	(62)	-
Total deferred tax	35	138
Taxation on profit on ordinary activities	202	194

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	1,100	1,147
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	209	218
Effects of:		
Expenses not deductible for tax purposes	3	5
Adjustments to tax charge in respect of prior periods	(5)	-
Fixed asset differences	(27)	(29)
Change in deferred tax rate	22	-
Total tax charge for the year	202	194

Factors that may affect future tax charges

Finance Act 2021 includes 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 SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Office equipment £000	Total £000
Cost						
At 1 January 2022	12	684	709	259	999	2,663
Additions	-	264	11	47	186	508
Disposals	-	(25)	-	(68)	(598)	(691)
At 31 December 2022	<u>12</u>	<u>923</u>	<u>720</u>	<u>238</u>	<u>587</u>	<u>2,480</u>
Depreciation						
At 1 January 2022	12	245	316	126	837	1,536
Charge for the year	-	216	237	66	66	585
Disposals	-	(25)	-	(51)	(598)	(674)
At 31 December 2022	<u>12</u>	<u>436</u>	<u>553</u>	<u>141</u>	<u>305</u>	<u>1,447</u>
Net book value						
At 31 December 2022	<u>-</u>	<u>487</u>	<u>167</u>	<u>97</u>	<u>282</u>	<u>1,033</u>
At 31 December 2021	<u>-</u>	<u>439</u>	<u>393</u>	<u>133</u>	<u>162</u>	<u>1,127</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £000	2021 £000
Motor vehicles	<u>131</u>	<u>229</u>

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2022	1,670
At 31 December 2022	<u>1,670</u>
Net book value	
At 31 December 2022	<u><u>1,670</u></u>
At 31 December 2021	<u><u>1,670</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Carlisle Security Services Limited	United Kingdom	Security services	Ordinary	100%
Carlisle Retail Services (Luton) Plc	United Kingdom	Retail merchandising	Ordinary	100%
Carlisle Cleaning Services Limited	United Kingdom	Contract cleaning services	Ordinary	100%
Carlisle Interior Services Limited*	United Kingdom	Dormant	Ordinary	100%

*Indicates indirect investment of the Company

The registered office of all subsidiaries incorporated in the United Kingdom is First Floor, 251 The Boulevard, Capability Green, Luton, Bedfordshire, LU1 3LU.

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	13,307	14,352	-	-
Amounts owed by group undertakings	-	-	467	467
Other debtors	99	21	-	-
Prepayments and accrued income	3,687	4,166	-	-
	17,093	18,539	467	467

15. Cash and cash equivalents

	Group 2022 £000	Group 2021 £000
Cash at bank and in hand	5,580	2,315

16. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank overdrafts	3,644	986	-	-
Trade creditors	880	1,247	-	-
Amounts owed to group undertakings	-	-	405	405
Corporation tax	221	17	-	-
Other taxation and social security	4,919	5,339	-	-
Other creditors	6,198	5,889	-	-
Accruals and deferred income	2,582	3,939	2	2
Hire purchase	97	98	-	-
	18,541	17,515	407	407

The bank overdrafts are secured by a fixed and floating charge over the assets of the Company and the Group.

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000
Hire purchase	33	131

An analysis of hire purchase is as follows:

	Group 2022 £000	Group 2021 £000
Less than one year	98	98
1 - 2 years	33	98
2 - 5 years	-	33
	<u>131</u>	<u>229</u>

18. Deferred taxation

Group

	2022 £000	2021 £000
At beginning of year	-	176
Charged to profit or loss	(35)	(138)
Credited/(charged) to other comprehensive income	(173)	(38)
At end of year	<u>(208)</u>	<u>-</u>

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	Group 2022 £000	Group 2021 £000
Fixed asset timing differences	(109)	(103)
Short-term timing differences	52	48
Defined benefit pension scheme	(151)	55
	<u>(208)</u>	<u>-</u>

Fixed asset timing differences are expected to reverse in line with each corresponding fixed asset class and the classes depreciation rates, as noted in the accounting policies.

Short-term timing differences are expected to reverse over the next 12 months.

Deferred tax on the defined benefit pension scheme are expected to reverse over the weighted average duration of the scheme, which as at 31 December 2022 was 15 years (2021 - 16 years).

19. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
49,400,015 Ordinary shares of £0.0338 each	<u>1,671</u>	<u>1,671</u>

The Ordinary shares have attached to them full voting, dividend and capital distribution rights, including on a winding up of the Company. They do not confer any rights of redemption.

20. Reserves

Merger Reserve

Under the merger accounting principles the merger reserve arose following the de-merger of the group from Impellam Group plc on 8 March 2019.

In accordance with merger accounting under FRS102 the merger reserve is accounted for as having been in existence since the date the subsidiaries were originally acquired by the group.

Profit and loss account

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

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments

Defined contribution pension scheme

The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,363k (2021 - £1,293k). Contributions totalling £360k (2021 - £329k) were payable to the fund at the reporting date and are included in creditors.

Defined benefit pension scheme

The Group operates a Defined Benefit Pension Scheme.

A limited number of employees are members of the Carlisle Services Shared Cost Section of the Railway Pension Scheme ("RPS"). The RPS Provides benefits based on the final salary for members of the scheme.

Contributions paid to the pension scheme during the year totalled £148k (2021 - £7k). The expected contributions to the plan for the next reporting period are £65k. The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years (2021 - 16 years).

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2022 £000	2021 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	2,992	3,130
Current service cost	10	7
Interest cost	53	37
Actuarial (gains)/losses	(1,107)	23
Contributions	6	6
Benefits paid	(122)	(121)
Experience losses/(gains) arising on scheme liabilities	173	(90)
At the end of the year	2,005	2,992

Composition of plan liabilities:

	2022 £000	2021 £000
Present value of scheme liabilities arising from wholly or partly funded schemes	2,005	2,992
Total plan liabilities	2,005	2,992

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

21. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2022 £000	2021 £000
At the beginning of the year	2,772	2,701
Interest income	50	32
Actuarial (losses)/gains arising from changes in financial assumptions	(243)	132
Employer contributions	148	22
Benefits paid	(122)	(121)
Contributions by scheme participants	6	6
At the end of the year	2,611	2,772

Composition of plan assets:

	2022 £000	2021 £000
UK Government bond pooled funds	731	607
Investment funds	1,880	2,165
Total plan assets	2,611	2,772
	2022 £000	2021 £000
Fair value of plan assets	2,611	2,772
Present value of plan liabilities	(2,005)	(2,992)
Net pension scheme asset/(liability)	606	(220)

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2022 £000	2021 £000
Current service cost	10	7
Net interest cost	3	5
Total	13	12

The pension scheme has not invested in any of the Group's own financial instruments or in properties or other assets used by the Group.

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset categories.

The cumulative amount of actuarial losses recognised in Statement of Comprehensive Income since 1 January 2022 is £226k (2021 - £916k).

The Group expects to contribute £65k to its Defined Benefit Pension Scheme in 2023.

	2022 £000	2021 £000
Analysis of actuarial gains recognised in Other Comprehensive Income		
Actuarial gains arising from changes in financial assumptions	934	66
Actual return less interest return on pension assets	(244)	132
	690	198

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2022 %	2021 %
Discount rate	4.75	1.80
Future salary increases	2.60	2.90
Future pension increases	2.60	2.90
Retail price inflation	3.10	3.40
Mortality rates		
Current UK pensioners at retirement age - male	84.60 years	84.60 years
Future UK pensioners at retirement age - male	87.30 years	87.30 years

CARLISLE SUPPORT SERVICES GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments (continued)

Sensitivity:

	Approximate increase in liabilities £000
Decrease discount rate by 1%	265
Increase inflation rate by 1%	257
Increase life expectancy by 1 year	90

22. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Not later than 1 year	1,126	1,052	183	179
Later than 1 year and not later than 5 years	877	1,716	592	640
Later than 5 years	256	384	256	384
	<u>2,259</u>	<u>3,152</u>	<u>1,031</u>	<u>1,203</u>

23. Related party transactions

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

Transactions with Impellam

During the year the Group made sales of £56k (2021 - £55k) to Impellam Group plc relating to the provision of security and cleaning services. At 31 December 2022 amounts totalling £4k (2021 - £6k) were outstanding and included in trade debtors.

The Impellam Group plc is a related party by virtue of common shareholding.

Other related party transactions

During the year the Group made purchases of £133k (2021 - £270k) from Blue Arrow Limited, a wholly owned subsidiary of Impellam Group plc. At 31 December 2022 amounts totalling £7k (2021 - £31k) were outstanding and included in trade creditors and other creditors.

CARLISLE SUPPORT SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. Related party transactions (continued)

During the year the Group made sales of £530k (2021 - £797k) to Medacs Limited, a wholly owned subsidiary of Impellam Group plc. At 31 December 2022 amounts totalling £2k (2021 - £81k) were outstanding and included in trade debtors. The entity is a related party by virtue of a common share holding.

Key management remuneration

Key management personnel include all directors and a number of senior managers 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 was £934k (2021 - £1,075k).

24. Analysis of net debt

	At 1 January 2022 £000	Cash flows £000	At 31 December 2022 £000
Cash at bank and in hand	2,315	3,265	5,580
Bank overdrafts	(986)	(2,658)	(3,644)
Hire purchase	(229)	98	(131)
	<u>1,100</u>	<u>705</u>	<u>1,805</u>

25. Controlling party

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

Letter of Authority

Our Reference:

Our Client:

I _____ hereby give authority for:-

Name:-.....

Address:-

.....

.....

Relation:

Contact Number:-.....

Email Address:-

to discuss this matter on my behalf.

Signed:

Dated: