Annual Report 2023

Annual Report and Financial Statements
for the year ended 31 December 2023

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Group Strategic Report

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2023.

Review of Business

With continual growth of both revenue and profit, we are pleased to report that Carlisle has enjoyed a successful and sustainable period. We continue to be trusted by our clients and employees to deliver a broad range of market-leading services. It is our belief that we will see the business continue to progressively evolve and develop even further over the years ahead.

Economic Outlook

In 2023, the UK entered the year with concerns around an increasing cost of living crisis, worsened by worries relating to international conflicts. Alongside this, impacts on supply chains were felt as the cost of materials and services started to increase year on year.

Notable in the first half of the year were significant increases in fuel and electricity charges which fell into the second half of the year.

As a business that is largely dependent upon securing experienced and suitably skilled labour, we were pleased that the previous year's labour shortages were softened in this year. However, we also saw a rise in UK workers who were securing additional roles to support their families, leading to an increase in those taking on second incomes.

Customer confidence in spending was maintained and we were pleased to report a like-for-like increase of 4.7% in revenues (excluding new business wins). We did however notice a return to aggressive margin pricing by a number of competitors and this was a key reason in a small number of clients moving on from Carlisle in the year.

We expect 2024 to be more consistent in the challenges facing our business and believe we are well prepared to handle those already known to us. The UK will see a general election and as such we are considering potential implications that a change of government may bring, albeit we believe these may be beyond this coming year.

2023 Financial Performance

	2023	*2022*	Change
Turnover (£000)	126,988	*117,388*	8.2%
Gross profit (including other income) (£000)	11,852	*9,126*	29.9%
Administrative expenses (£000)	9,573	*7,957*	20.3%
Operating profit (£000)	2,279	*1,169*	95%
Gross profit margin	9.3%	*7.8%*	1.5%
Operating profit margin	1.79%	*1.0%*	0.8%

Over the last eight years, the business has enjoyed comprehensive year-on-year revenue growth, and we are pleased that 2023 maintained this progress, albeit at a slower rate than previous years. This was by design as the business wanted to have a period of consolidation, especially when changing several key systems.

We are pleased to report these changes were successful and that the business has now returned to focussing on organic growth over the years to come.

At the outset of 2023, the business undertook a strategic review of the operational cost base and restructured several business areas. Whilst challenging, these changes allowed for the business to address an increased cost base that had arisen during the recent Covid pandemic. It should be remembered that decisions to decisions to increase the cost base were taken in a period of uncertainty and we are pleased to confirm the business has not seen any detrimental impacts from the changes made in early 2023.

As a result of this restructure, roles and associated costs that were historically a central function were redeployed within divisions to become aligned at contract level, and this has changed our Gross Profit performance within the Security division, albeit overall the impact was positive as it reduced overheads. Despite this, gross margins for the group have grown in 2023 following expansion in the cleaning division which operates at a slightly higher gross profit margin.

In addition to offsetting increased costs with savings from the restructure, we have also implemented a company-wide change in our approach to financial culture. Carlisle has become synonymous with being known as a provider who invests in its people and operates with very visible and proactive management teams. As we grow, we continue to recognise the need to ensure people are empowered, motivated, trained and rewarded for driving forward performance in all areas, including both service delivery and financial outcomes.

Overall wages and salaries costs have increased from £103.0m in 2022 to £108.3m in 2023 with headcount increasing from 4,302 to 4,378.

Over the last five years, we have enjoyed market-leading client retention rates and embarked on a programme to align such with a clear focus on showing clear rewards for such efforts. Our support and management teams were all provided enhanced training and guidance to allow them to take full ownership of their contractual performance levels, and we implemented a new pay and remuneration strategy to recognise and reward our employees.

During the period we were pleased that the commitment our clients have made to the Real Living Wage remained strong and ongoing. Across all hours deployed, 97.7% of these were paid at or above the Real Living Wage. It remains our goal to close this small gap over the years to come, albeit we understand to do so we are appreciative of our prestigious high-road client base for their support.

As mentioned, market conditions have tightened again and disappointingly, due to the economic climate, we are seeing clients and competitors enter a cycle of price sensitivity. The UK support and outsourcing sector did go through a turbulent period of price competition pre-Covid and this appears to be returning. To remain competitive and attractive in our chosen sectors we believe our Strategic Plan (2024 - 2027) will demonstrate our ability to offer true value to our clients and employees.

Overall, the business, in this year, is satisfied that it saw a return to pre-Covid profit levels, with a clear desire to continue this trend across the coming years. Operating Profit was increased by 95% to being 1.8% of revenues.

There has been an increase in working capital requirements for the group in 2023 primarily driven by a significant increase in trade debtors due to increasing revenues in the Security and Cleaning divisions. During 2023 the business replaced the overdraft with a new invoice discounting facility to provide a more flexible and cost-effective solution to meet the requirements of current and future growth and the associated growth in working capital requirement. Current creditors have also increased as the business continues to grow, and the business is in a strong position to meet all commitments. There was a reduction in the pension scheme asset due to year-on-year valuation movements driven by market-related factors.

Trading Overview by Division

Security and Events

Revenues this year increased to £98m (2022 - £90m), with our position as one of the UK's leading suppliers being further cemented this year. We are very proud to be a provider of security services to a wide range of sectors.

During the year, we added in new client relationships with Excel London, Princess Alexandra Hospital NHS Trust, Walsall Healthcare NHS Trust, Camden Council, The Southbank Centre, and Chiltern Railways. These additions were complemented by a strong year of client retention.

Our revenues place us just outside the Top 10 security companies by revenue (Source: Infologue Top 100 2023) and we believe we will move into the Top 10 in 2024. Securing some of the UK's most iconic venues and brands we are well aware of the importance placed on being responsible for the provision of such.

In 2023 we were also chosen as the company to be responsible for venue security at the Eurovision Song Contest, The Wimbledon Championships, Royal Ascot, and both the Labour and Conservative Party conferences.

Our partnership with Marlowe Fire and Security, alongside other key suppliers, has allowed us to offer enhanced services and solutions to our clients. We will be seeking to enhance this further over the coming year with a formal Company Offering initiative that will drive forward more detailed security solutions.

The labour market regarding the quantity of Security Officers has eased since the recent labour shortages, albeit sadly there have been a number of concerns raised about the quality of those entering the sector, alongside concerns relating to the robustness of training regimes in the sector. This has led to a clear need for Carlisle to maintain strict protocols on recruitment processes and to be selective when choosing new appointees.

We are fortunate that during the year we were able to continue our support for Crimestoppers as our chosen corporate charity. In addition, we have been keen to play an active part in supporting the two industry regulators, namely the Sports Ground Safety Authority (SGSA) and Security Industry Authority (SIA) in providing feedback and viewpoints on how we continue to improve the sector overall.

At an employee level, we are encouraged by staff turnover levels falling again year on year, and we have been able to see several internal promotions further demonstrate our position of developing the next generation of talent to rise within.

Cleaning and Soft FM

This year has seen significant positive change for this division. The change has arrived in the form of additional services and our ability to take on small, yet complex, FM projects.

Projects have included electrical fit-out works, water hygiene solutions, building refurbishment and drainage services, to name but a few. This enhanced a broader spectrum of services and also saw the division invest in a wider rail-specific projects team that can manage their own operating procedures, in terms of rail access applications and safe systems of work.

This ability to take on project work has led to a number of our clients trusting Carlisle to deliver high-profile activities, which has seen Carlisle create market differentiation when compared to its competitors. We expect this to continue in the years ahead and recognise that this fits with our wider Company Offering initiative to do more for those customers who already t rust us.

Revenues in the division increased by 11.3% which saw the division account for 21% of the group's turnover and 28% of contract operating profits.

Investment has taken place around the introduction of a standalone FM Helpdesk solution that has provided our ability to integrate with our client's own asset management systems (CAFM). This seamless integration has allowed us to take on new jobs and provide instant feedback and quality control.

During the year we also continued to diversify our cleaning offer in terms of providing services to other sectors, and this will be a key focus for 2024 with the appointment of a specialist and experienced Business Development Director.

Retail Merchandising

Due to the continuing uncertainty on the high street and movement in workforces to be closer to home, we have seen the revenues in this small division of Carlisle fall considerably. The division now only accounts for 2.4% of group revenue.

Whilst revenues were depressed the division did see an improving performance across the latter part of the year. This coincided with economic confidence increasing as inflation started to fall significantly in the UK.

Whilst the two main divisions enjoy long-term order books and contractual positions, this division is relatively unsecure in that it is wholly project-driven in terms of client spending. Retailers can often choose to invest more or cease investment quickly based on their own trading performance.

We continue to explore other revenue and service line opportunities for this division as we believe there is still an opportunity to grow further, both with our current client base and potentially a few new retail clients.

Strategic Plan

During the latter part of the year, the Senior Management Team and Board were able to compile its plans for the business over the coming four years (2024 - 2027).

Employing some 4,400 front-line operatives, Carlisle provides a range of people-based support services across the UK and is primarily focused on the areas of security, events, cleaning, facilities management, and retail merchandising.

It is Carlisle's vision to be the preferred expert and the most trusted provider of people services for the customers it serves by delivering innovative, tailored solutions 24 hours a day, seven days a week.

We are very proud to be working with some of the UK's leading brands, venues, and organisations. Trusted to deliver complex and essential services to our clients, we play a key role in their operational structures.

Our end-of-year portfolio of clients included many prestigious clients, as shown, right.

Over recent times we have seen our revenues increase by 263% from £35m (2015) to £127m (2023), with the addition of some 50+ new clients joining during this period. The business is very proud that over the last eight years, we have enjoyed a 97% client retention rate. However, due to the enviable and attractive portfolio of clients we have seen an increase in competitor activity towards Carlisle's impressive portfolio, raising the need for us to remain agile and innovative.

Our strategy will see us focus on margin enhancement and creating shareholder value. To achieve this, we will seek to increase our revenues organically to £160m with a progressive profit contribution.

The business will continue to deliver its increasing shareholder value by focusing on organically growing its client portfolio, developing its service offerings, and ensuring tighter cost controls and operational efficiencies.

It will however remain true to its company purpose in ensuring we prioritise the welfare and recognition of our front line operatives who continue to remain loyal and deliver exceptional services across all areas of our business.

Market Opportunity

The people-based services market, often referred to as the Facilities Management sector, has experienced rapid and sustained growth over the last two decades. Clients have sought to outsource non-core business activities to organisations that can offer synergies, operational best practices, and wider financial savings.

To be successful the capabilities and the benefits on offer, as well as the potential value being added, need to be visible, explicit, and effectively communicated.

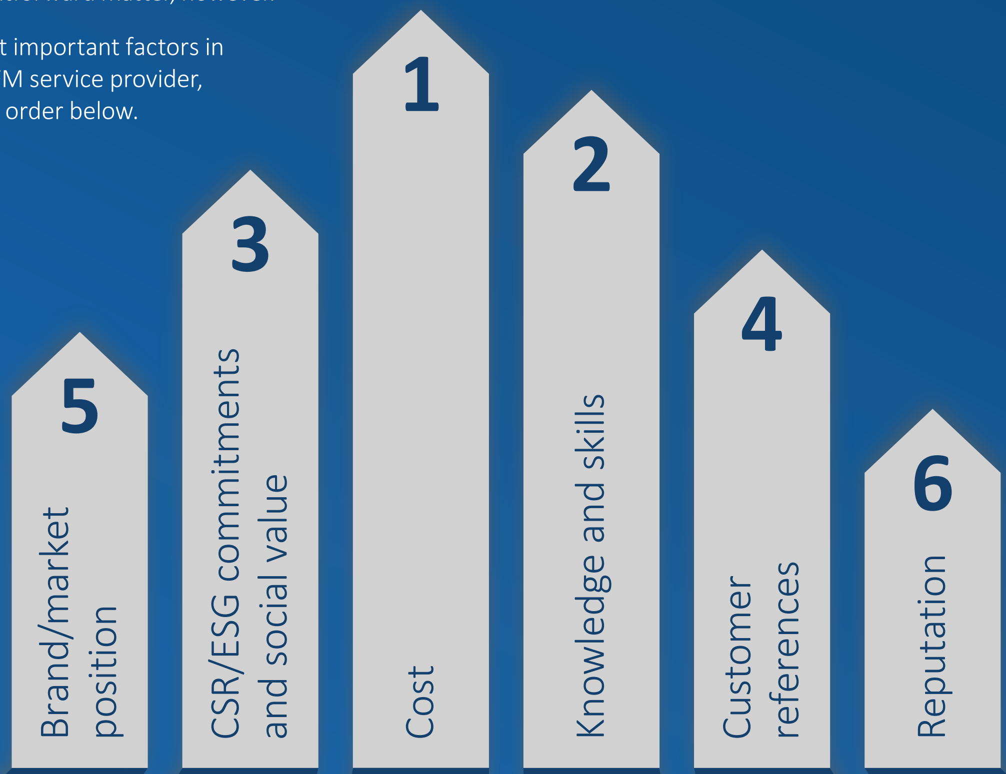
There are questions to be asked about how the sector is connecting clients and their employees and customers; about what is understood about a client's wants and needs; and whether we can currently identify their 'pain points' and can be convincing in our ability to help. The FM Top 50, the UK industry's only published benchmark of the leading multidiscipline service providers, shows a collective turnover of £20.8bn (Nov 23), representing a total employment of approximately 391,700.

The turnover figure is notably up on the previous year's mark of £19.1bn. The employment figure, in contrast, is down on last year's 409,900. The decline in employment may reflect the post-Covid change in work and the workplace, as well as some service providers choosing to 'run lean' for the time being and/or having trouble recruiting the right people.

The range in Top 50 company size, as measured by turnover, is extraordinary – with the largest, at £4bn, at the top and far ahead of second place, at £2bn, down to the smallest in 50th at £20m: a fair reflection of the diversity of the UK FM market.

There is a clear importance being placed on a provider's brand. The 2023 FM Brands Survey found that 80% of respondents said that buying an established, well-recognised brand is important when it comes to FM procurement. This is not a straightforward matter, however.

Asked separately about the most important factors in clients' decisions to appoint an FM service provider, respondents ranked them in the order below.



'Hard' measures of what is on offer to the buyer take precedence over brand considerations in this assessment. This is consistent with past research around contract trends and outsourcing more generally, which has seen hard measures regularly emerge as the key factors in decision-making, with softer measures (including brand) falling lower down the scale.

Looking at contract numbers and values for the past seven years shows variation year to year – but a broad pattern is clear. Tabulated for comparison, they show a consistent decline in the total value of contracts reported post-Brexit and then going into the low period of the pandemic hit the market, followed by a return towards more 'normal' figures post-pandemic.

This pattern generally reflects service provider company turnover, too.

Tracking contract length data confirms that the three-year term remains the 'industry standard'. Interestingly, though, there have been signs in recent years that a change may be underway. Last year, we found three years accounting for over 40% of deals recorded. This year that figure was 33%. At the same time, five-year contracts account for 27% of deals recorded this year, up from just over 23% last year.

Equally interesting is the fact that in this data it is the public sector that accounts for nearly all longer-term contracts, those of five years or more. Carlisle currently has a 51% share of its turnover with public sector organisations.

We believe Carlisle is well positioned in terms of structure and customer offer to continue to organically grow, develop and be successful across this period.

Carlisle Senior Management Team

There is a solid and stable team now leading the business, and all have played their part in designing this four-year business strategy.

From recent discussions, we are pleased to confirm all are committed to a four-year term with the business to allow for the shareholder value to be derived over this period.

Paul Evans
Chief Executive Officer

Abi Lovat
Finance Director

Adrian White
Chief Operating Officer

Alex Collins
Group Sales Director

Andy Flannagan
HSQE Director

Nicole Baker
Marketing & Bid Director

Rebecca Chinn
Head of Legal

Suzanne Hawkins
HR Director

In addition to the Senior Management Team, there are five other key roles of note.

These five roles are responsible and accountable for key areas of our business whether it be as subject matter experts or as leaders of our business operating divisions. For the initial part of 2024, our Chief Operating Officer will be maintaining direct control of the Security and Events - North division.

We have a desire to have a decreasing overhead cost % as the business grows towards its revenue target of £160m by the end of 2027.

Therefore, each year we will be seeking to identify possible cost efficiencies and margin enhancements that can benefit both Carlisle and our clients alike.

Wider Leadership Team

Richard Jenkins
Managing Director, Cleaning and FM

Simon Pratt
Managing Director, Security and Events - South

Steve Cere
Director of Rail Strategy

Nick Aldworth
Director of Counter-terrorism and Risk

Stephen Grainger
Senior Strategic Security Advisor

Strategic Initiatives

To achieve these clear aspirations, we have identified 11 key initiatives that the business will deliver over the coming period. Each of these initiatives will ensure we are well placed to not only react to our changing landscape but also maintain Carlisle's market differentiation and value propositions.

By focusing on these key initiatives, we will ensure the business achieves its goal of £160m in revenues by the end of 2027, alongside a significant increase in stakeholder and company value. We believe we will see our client retention rate maintain us as one of the leading providers in the industry, ensuring that we continue to evolve and enhance our service offerings across this period.

INITIATIVE ONE
Company Offering

Carlisle is trusted by its clients to provide directly delivered services, albeit in recent times we have seen an increased desire for Carlisle to act as a supplier of third-party services, such as Uniforms, Electronic Security equipment, Car Parking Management services, etc.

In response to this, and supporting our Annual Innovation Lab, we will market and cross-sell the full range of our supply chain's offering to our customers.

INITIATIVE TWO
Customer Development Plans

Working across our 70 customers we will compile a development plan that will allow us to give our client visibility of service delivery but also work towards several key outcomes.

These outcomes will be over and above the core requirements of any contract and thus show a clear commitment to enhanced and long-term value.

INITIATIVE THREE
Operational Support

The Operations Support Team will become the central hub for our operations, driving excellence and becoming the key point of information for the business about all operational activity.

It will hold an overarching view across all of our contract base and provide both client and employee operational communications.

INITIATIVE FOUR
Professional Development

Our business is founded on 'Developing Exceptional People' and we are proud to have demonstrated this time and time again.

To allow for us to maintain this leading position we will be enhancing both our company induction and ongoing professional development offer to our people.

INITIATIVE FIVE
Job Architecture

Organisation design is a fundamental part of what makes an organisation successful, it focuses on aligning the shape and structure of an organisation with its strategy.

A well-defined job architecture will provide us with a consistent and systematic approach that serves as the foundation for our long-term growth.

INITIATIVE SIX
Events Strategy

To work on an operational 'Blueprint' for our client base and new client offering. This will focus on key areas such as industry representation, recruitment, training, operational procedures, professional development, and systems.

It will also ensure a consistent approach is taken to the impending Protect Duty legislation.

INITIATIVE SEVEN
ESG and Sustainability

We seek to identify areas of risk and opportunity to ensure that our business decisions and policies address opportunities for creating an ESG future.

We will take our ESG goals seriously and will strive to enhance our efforts in ESG initiatives, continuing to be transparent and honest as we look ahead.

INITIATIVE EIGHT
Systems and Processes

Having business systems that everyone sticks to means that the same task is being done in the same way each time. A consistent process will give consistent results.

Developing our business processes will give us the right quality of output which can provide consistent quality in our product and service.

INITIATIVE NINE
Recruitment

Offering a national recruitment strategy we will invest in new systems, centralised teams and processes that are needed to attract, select and appoint the best possible and available resources for the wide range of client roles we are engaged to provide. This central team will add significant operational efficiencies.

INITIATIVE TEN
IT Innovation

In the modern world, it is vital our IT infrastructure remains up to date and can support the future growth of the organisation.

We will capitalise on and invest in technologies that can generate process efficiencies and help achieve the other strategic priorities of the business.

INITIATIVE ELEVEN
Operational Training

To create a national training offering that can satisfy both our internal client needs, and also to become a provider of training solutions to direct entrants who may wish to join our broad range of vocational and professional training courses.

This will see us invest in training centres across key areas of our operational footprint.

Section 172 Statement

Section 172 of the Companies Act 2006 requires the directors of the 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 environment

e) The desirability of the Company maintaining a reputation for high standards of business conduct

f) The need to act fairly 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 Company. 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	Actions and impact
Implementation of Confidential Invoice Discounting arrangement	Key s.172 stakeholders affected: employees and customers. Following the growth of the Carlisle Group over recent years and in response to increasing interest rates, the decision was taken to restructure the working capital finance arrangements. The new arrangement went live in July 2023 increasing flexibility of the business to scale with market and customer requirements and reducing the impact of increases to interest rates.
Implementation of New Recruitment Platform	Key s.172 stakeholders affected: employees. To attract, select and appoint the best possible staff Carlisle invested in a new recruitment platform due to go live on 1 January 2024. In addition to attracting talent in the market, the new platform will improve the onboarding journey for candidates and increase efficiencies in the onboarding and vetting processes.

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

Customers are at the heart of 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 the Company's strategy to work with a small number of larger customers, as noted earlier in this report.

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

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

Community and Environment

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

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

Shareholders

The Company'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 with no share trades taking place in 2023. The Group is working closely with JPJ to increase engagement on the platform.

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 the 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. The Company appointed a new Head of Procurement in 2023 to increase the levels of supplier engagement activity. 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 has been 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 with modules including modern slavery, whistleblowing, anti-bribery, equality and diversity, and data protection.

Carlisle's Modern Slavery statement is available on our website. Carlisle Group policies and procedures inclusive of the above are made available to employees through our IT platform.

Principal risks and uncertainties

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

We recognise that effective risk management is fundamental to the delivery of the Carlisle 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 the Carlisle Group level are set out below:

Risk	Impact	Mitigation
Strategic Risks		
Customer concentration	Loss of a key customer within a sector or significant reduction in volume of an account could result in reduced revenue or increased gross profit pressure.	The Company has regular meetings with key customers to discuss opportunities and current service performance. Management 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.	Flexibility in delivery of our services and reduced fixed costs in operations, allows the Company to manage fluctuations in volume. Diversity of customer base, widespread geographical coverage and expanding into new sectors provide a 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 Company from increasing costs.
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	The Company is committed to investing in technology solutions that will drive revenue growth or improve operational efficiency. Failure to operate rigorous control and oversight may result in returns on such investment being lower than expected.	The Company has strong alliances with key partners to deliver these projects and is investing in its IT systems.

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

Summary

Over my time at Carlisle, since 2015, I have been proud and impressed by the resilience and determination those working for the business have shown. We have transformed the business from a loss-making entity to what is now a market-leading supplier in its chosen sectors.

The challenges and changes of recent years have allowed us to right-size the business and set it up for an exciting period of further growth and enhancement.

As CEO, I therefore wish to thank our 4,378-strong workforce who made the year as successful as it was. We will continue to support them in achieving their own personal goals in the years ahead.

Alongside this, our development as a business would not be possible without our prestigious, diverse and niche client base who support us daily in working in true partnership. We are clear on working with "high road" clients and I am pleased to say we have a broad range of clients who show exactly the traits and behaviours that facilitate mutually successful outcomes. Thank you.

This report was approved by the board on 31 May 2024 and signed on its behalf.

Paul Evans
Director

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable laws 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 judgments 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
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,681k (2022 - £898k). No dividends were paid or proposed during the year (2022 - £Nil).

Directors

The directors who served during the year were:

- A E Entwhistle
- P A Evans
- P M R Gaze
- P T Osborne
- M J Hallas
- A F Lovat

Energy and Carbon Reporting

Greenhouse gas emissions, energy consumption and energy efficiency action

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 2023.

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.

GHG emissions for the period ending 31 December 2023

		1 Jan - 31 Dec 2023 (CO2e)	1 Jan - 31 Dec 2022 (CO2e)
Scope 1	Natural Gas	11,732	9,514
	Fuel Consumption	79,699	92,925
	Company Cars	52,412	72,321
	Total Scope 1	143,843	174,760
Scope 2	Electricity	27,634	27,095
	Total Scope 2	27,634	27,095
Scope 3	Business Travel	95,008	105,203
	Rail Travel	4,183	16,738
	Total Scope 3	99,191	121,941
Total Scope 1,2,3		**270,668**	**323,796**
Intensity Ratio - tCO2/turnover £m		2.13	2.76

The annual aggregate KWH of energy consumed for the period ending 31 December 2023.

	1 Jan - 31 Dec 2023 (KWH)	1 Jan - 31 Dec 2022 (KWH)
Total Scope 1,2,3	**3,874,915.64**	**4,428,008.73**
KWH Yearly comparison	553,093.09	383,945.38

During the reporting period from 2022 to 2023, our emissions showed a notable decrease, with Scope 1 and 2 reduced by 15% and Scope 3 reduced by 19%. The overall reduction from our 2015 baseline stands at 63%, surpassing our 2030 target of a 50% reduction in CO2 emissions. To further reduce carbon emissions, we persist in implementing energy efficiency methods throughout our business.

Methodology

The disclosure calculation follows a methodology akin to ESOS for consistency. Building energy consumption is prioritised using invoice figures, meter readings, or pro rata estimations.

Transport energy data is sourced from internal employee expense reports and the fuel cards database. Carbon emissions conversion factors are derived from the 'UK Government GHG Conversion Factors for Company Reporting 2023.'

Protecting the Environment

Carlisle Support Services (CSS) is dedicated to achieving Net Zero Emissions by 2040 (Direct) and 2045 (Indirect), recognising the substantial benefits for CSS, our stakeholders, and the broader community.

Our Carbon Reduction Plan outlines strategies for ongoing management and reduction of business-related carbon emissions, including baseline information, clear emission reduction targets, and planned projects to attain net zero by 2040 (Direct) and 2045 (Indirect).

Funding will be accessed, where necessary, to ensure the successful implementation of these projects, complementing achievements through behavioural changes.

Energy Efficiency Measures

Carlisle Support Services acknowledges the business and societal risks associated with climate change and aims to mitigate its impact by minimising energy consumption and carbon emissions. Monthly energy reporting is implemented across our estate for accurate usage tracking and trend analysis.

Our commitment includes transitioning to 100% renewable electricity by 2030. Additionally, as part of our fleet strategy, Carlisle Support Services has reduced the fleet size and increased the proportion of hybrid and electric vehicles.

Future developments

The Company's successful expansion to date has been based on sound organic investment analysis and decisions with selective new clients.

This organic approach has enabled us to deliver impressive revenue growth which has been supported by our very high business retention rates over the last few years.

This growth has outpaced our competitors and the market. The directors expect to continue with this organic growth strategy for the foreseeable future.

Financial instruments

During the year, the Company's principal financial instruments comprised access to an overdraft facility and an Invoice Discounting facility held by the Parent Company. In July 2023, the overdraft facility was replaced by a new Invoice Discounting arrangement. The Company has various other financial instruments such as cash, trade debtors and trade creditors, which arise directly from its operations. The Company does not enter into derivative transactions.

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

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

Credit risk

Credit risk is managed on a Carlisle 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 and liquidity 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. The new Confidential Invoice Discounting arrangement provides the required flexibility to meet all cash flow requirements.

Price risk

The Group manages price risk by agreeing and locking in prices on an annual basis.

Engagement with 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. Detail of Carlisle's engagement with employees is provided in detail in the Strategic report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Qualifying third-party indemnity provisions

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

Statement of corporate governance arrangements

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

Going Concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that Carlisle Support Services Group Limited 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. Having completed this and taking into 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. Further detail is provided in note 2.3 to the accounts.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end. This report was approved by the board on 31 May 2024 and signed on its behalf.

Paul Evans
Director

Independent Auditors' 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 of 31 December 2023 and of the Group's profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors 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 Group 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 group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group, the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements 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.

Auditors' 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 Auditors' 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 Group 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates
- Discussion with management and those charged with governance
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting standard, SIA ACS scheme, health and safety rules, employment laws, and relevant tax laws including IR35, Data Protection Act and all Companies Act requirements.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations as above.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of legal registers (Tribunal Register).

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud;
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation
- Consideration of significant management judgements, particularly with respect to the underlying assumptions in estimating the defined pension benefit liability.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities 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 Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Alex Stansbury (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor,
Southampton - 31 May 2024

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

Financial Statements

Consolidated Income Statement

For the year ended 31 December 2023

	Note	2023 £000	2022 £000
Turnover	4	126,988	117,388
Cost of sales		(115,136)	(108,262)
Gross profit		**11,852**	**9,126**
Administrative expenses		(9,573)	(7,957)
Operating profit	**5**	**2,279**	**1,169**
Interest receivable and similar income	9	30	-
Interest payable and expenses	10	(102)	(69)
Profit before tax		**2,207**	**1,100**
Tax on profit	11	(526)	(202)
Profit for the financial year		**1,681**	**898**
Profit for the year attribute to:			
Owners of the parent		**1,681**	**898**
		1,681	**898**

All amounts relate to the continuing activities of the Group.

The notes on pages 30 to 43 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	2023 £000	2022 £000
Profit for the financial year	1,681	898
Other comprehensive (deficit)/income		
Actuarial (deficit)/gain on defined benefit schemes	(446)	690
Movement on deferred tax relating to pension liability	112	(173)
Other comprehensive (deficit)/income for the year	**(334)**	**517**
Total comprehensive income for the year	**1,347**	**1,415**
Profit for the year attributable to:		
Owners of the parent Company	1,681	898
	1,681	**898**
Total comprehensive income attributable to:		
Owners of the parent Company	1,347	1,415
	1,347	**1,415**

The notes on pages 30 to 43 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Tangible assets	12		1,101		1,033
			1,101		**1,033**
Current assets					
Debtors	14	24,728		17,093	
Cash at bank and in hand	15	270		5,580	
		24,998		**22,673**	
Creditors: amounts falling due within one year	16	(19,437)		(18,541)	
Net current assets			**5,561**		**4,132**
Total assets less current liabilities			**6,662**		**5,165**
Creditors: amounts falling due after more than one year	17		-		(33)
Provisions for liabilities					
Deferred taxation	19	(31)		(208)	
			(31)		(208)
Net assets excluding pension asset			**6,631**		**4,924**
Pension asset			246		606
Net assets			**6,877**		**5,530**
Capital and reserves					
Called up share capital	20		1,671		1,671
Merger reserve	21		(1,037)		(1,037)
Profit and loss account	21		6,243		4,896
Equity attributable to owners of the parent Company			**6,877**		**5,530**
			6,877		**5,530**

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 profit after tax of the Company for the year was £Nil (2022 - £Nil).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 May 2024.

A F Lovat, Director

The notes on pages 30 to 43 form part of these financial statements.

Company Statement of Financial Position

As at 31 December 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Investments	13		1,670		1,670
			1,670		**1,670**
Current assets					
Debtors	14	467		467	
		467		**467**	
Creditors: amounts falling due within one year	16	(407)		(407	
Net current assets			**60**		**60**
Total assets less current liabilities			**1,730**		**1,730**
Net assests excluding pension asset			**1,730**		**1,730**
Net assets			**1,730**		**1,730**
Capital and reserves					
Called up share capital	20		1,671		1,671
Profit and loss account	21		59		59
			1,730		**1,730**

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 profit after tax of the Company for the year was £Nil (2022 - £Nil).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 May 2024.

A F Lovat, Director

The notes on pages 30 to 43 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Called up share capital £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Total equity £000
At 1 January 2023	1,671	(1,037)	4,896	5,530	5,530
Comprehensive income for the year					
Profit for the year	-	-	1,681	1,681	1,681
Actuarial losses on pension scheme	-	-	(334)	(334)	(334)
Other comprehensive income for the year	-	-	(334)	(334)	(334)
Total comprehensive income for the year	**-**	**-**	**1,347**	**1,347**	**1,347**
At 31 December 2023	**1,671**	**(1,037)**	**6,243**	**6,877**	**6,877**

For the year ended 31 December 2022

	Called up share capital £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Total equity £000
At 1 January 2022	1,671	(1,037)	3,481	4,115	4,115
Comprehensive income for the year					
Profit for the year	-	-	898	898	898
Actuarial losses on pension scheme	-	-	517	517	517
Other comprehensive income for the year	-	-	517	517	517
Total comprehensive income for the year	**-**	**-**	**1,415**	**1,415**	**1,415**
At 31 December 2022	**1,671**	**(1,037)**	**4,896**	**5,530**	**5,530**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 31 December 2022	**1,671**	**59**	**1,730**
At 31 December 2023	**1,671**	**59**	**1,730**

The notes on pages 30 to 43 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	2023 £000	2022 £000
Cash flows from operating activities:		
Profit for the financial year	1,681	898
Adjustments for:		
Depreciation of tangible assets	620	585
Interest paid	102	59
Taxation charge	526	202
(Increase)/decrease in debtors	(6,324)	1,466
Increase/(decrease) in creditors	4,236	(1,837)
Difference between net pension expense and cash contribution	(86)	(136)
Corporation tax paid	(223)	38
Net cash generated from operating activities	**532**	**1,265**
Cash flows from investing activities:		
Purchase of tangible fixed assets	(688)	(508)
Sale of tangible fixed assets	-	17
Net cash from investing activities	**(688)**	**(491)**
Cash flows from financing activities:		
Movement on invoice discounting facility	(1,310)	-
Interest paid	(102)	(69)
Capital element of hire purchase	(98)	(98)
Net cash used in financing activities	**(1,510)**	**(167)**
Net (decrease)/increase in cash and cash equivalents:	**(1,666)**	**607**
Cash and cash equivalents at beginning of year	1,936	1,329
Cash and cash equivalents at the end of year	**270**	**1,936**
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	270	5,580
Bank overdrafts	-	(3,644)
	270	**1,936**

The notes on pages 30 to 43 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2023

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 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 judgment 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.

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 15.

The Group meets its day-to-day working capital requirements through cash generated from operations and its current invoice discounting 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 latest available period at signing have remained profitable and in line with current forecasts. The directors have prepared forecasts to the end of 2025 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 stress test for the Group concludes that in this considered unlikely scenario the business will hold required cash reserves 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.

2.4. Revenue

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

2.5. 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.

2.6. Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7. Finance costs

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

2.8. 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 to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

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

Depreciation is provided on the following basis:

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.

2.9. Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10. Financial instruments

The company operated an Invoice Discounting arrangement. The gross amount of the debts are included within assets and a corresponding liability in respect of proceeds received from the facility are shown within liabilities. The interest and charges are recognised as they accrue and are included in the Consolidated Statement of Comprehensive Income with other interest charges.

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

2.11. Holiday pay accrual

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

2.12. 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 contributions 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 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 FRS102 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 as 'Remeasurement of net defined benefit liability'.

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.

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'.

2.13. Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.14. Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15. Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans and the invoice discounting facility, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Judgments 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:

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 22. The principal actuarial assumptions used at the statement of financial position date are included in note 22.

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 and 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 contributions in the future or through refunds from the scheme.

4. Turnover

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

	2023 £000	2022 £000
Rendering of security and event services	97,949	89,773
Rendering of cleaning services	26,041	23,402
Rendering of retail merchandising	2,998	4,213
	126,988	**117,388**
United Kingdom	126,988	117,388
	126,988	**117,388**

5. Operating profit

The operating profit is stated after charging:

	2023 £000	2022 £000
Other operating lease rentals	955	721
Depreciation of tangible fixed assets	620	585
Defined contribution pension scheme	1,619	1,363
Defined benefit pension scheme	7	10

6. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2023 £000	2022 £000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	18	20
Other services - audit of subsidiaries	88	95

7. Employees

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

Group	2023 £000	2022 £000
Wages and salaries	99,175	91,077
Social security costs	7,506	7,002
Cost of defined benefit scheme	-	10
Cost of defined contribution scheme	1,640	1,363
	108,321	**99,452**

Company	2023 £000	2022 £000
Wages and salaries	-	-
Social security costs	-	-
Cost of defined benefit scheme	-	-
Cost of defined contribution scheme	-	-
	-	-

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

	2023	2022
Operations	4,166	4,119
Operating management	152	126
Admin and support	54	53
Sales and marketing	6	4
	4,378	**4,302**

The average monthly number of employees during the year, including directors, calculated on a full time equivalent (FTE) basis was 3,750 (2022 - 3,628).

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £Nil).

8. Directors' remuneration

	2023 £000	2022 £000
Directors' remuneration	330	368
Group contributions to defined contribution pension schemes	22	22
	352	**390**

During the year retirement benefits were accruing to 2 directors (2022-3) in respect of defined contribution pension schemes.

The highest-paid director received remuneration of £232k (2022 - £222k).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest-paid director amounted to £18k (2022 - £16k).

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.

The value of the Group's contributions paid to a defined benefit pension scheme amounted to £Nil (2022 - £Nil).

9. Interest receivable

	2023 £000	2022 £000
Interest receivable	30	-
	30	**-**

10. Interest payable and similar expenses

	2023 £000	2022 £000
Bank interest payable	102	66
Other interest payable	-	3
	102	**69**

11. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	591	111
Adjustments in respect of previous periods	-	56
	591	**167**
Total current tax	**591**	**167**
Deferred tax		
Origination and reversal of timing differences	(69)	97
Changes to tax rates	4	-
Adjustments in respect of prior periods	-	(62)
Total deferred tax	**(65)**	**35**
Taxation on profit on ordinary activities	**526**	**202**

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	2,207	1,100
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	519	209
Effects of:		
Expenses not deductible for tax purposes	13	3
Adjustments to tax charge in respect of prior periods	-	(5)
Fixed asset differences	-	(27)
Change in deferred tax rate	(4)	22
Marginal relief	(2)	-
Total tax charge for the year	**526**	**202**

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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 or valuation						
At 1 January 2023	12	923	720	238	587	2,480
Additions	-	426	91	98	73	688
At 31 December 2023	12	1,349	811	336	660	3,168
Depreciation						
At 1 January 2023	12	436	553	141	305	1,447
Charge for the year on owned assets	-	302	125	75	106	608
Charge for the year on financed assets	-	-	12	-	-	12
At 31 December 2023	12	738	690	216	411	2,067
Net book value						
At 31 December 2023	-	611	121	120	249	1,101
At 31 December 2022	-	*487*	*167*	*97*	*282*	*1,033*

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

	2023 £000	2022 £000
Land and buildings	-	-
Motor vehicles	33	131
	33	**131**

13. Fixed asset investments

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2023	1,670
At 31 December 2023	1,670
Net book value	
At 31 December 2023	1,670
At 31 December 2023	1,670

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name and registered office	Class of shares	Holding
Carlisle Security Services Limited *251 Capability Green, Luton, United Kingdom, LU1 3LU*	Ordinary	100%
Carlisle Retail Services (Luton) Limited *251 Capability Green, Luton, United Kingdom, LU1 3LU*	Ordinary	100%
Carlisle Cleaning Services Limited *251 Capability Green, Luton, United Kingdom, LU1 3LU*	Ordinary	100%
Carlisle Interior Services Limited* *251 Capability Green, Luton, United Kingdom, LU1 3LU*	Ordinary	100%

**Indicates indirect investment of the Company.*

Carlisle Retail Services (Luton) Limited is exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act.

14. Debtors

Group	2023 £000	2022 £000
Trade debtors	19,288	13,307
Amounts owed by group undertakings	-	-
Other debtors	5	99
Prepayments and accrued income	4,125	3,687
Invoice Discounting Facility	1,310	-
	24,728	**17,093**

Company	2023 £000	2022 £000
Trade debtors	-	-
Amounts owed by group undertakings	467	467
Other debtors	-	-
Prepayments and accrued income	-	-
Invoice Discounting Facility	-	-
	467	**467**

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

15. Cash and cash equivalents

Group	2023 £000	2022 £000
Cash at bank and in hand	270	5,580
Less: bank overdrafts	-	(3,644)
	270	**1,936**

16. Creditors: Amounts falling due within one year

Group	2023 £000	2022 £000
Bank overdrafts	-	3,644
Trade creditors	1,283	880
Amounts owed to group companies	-	-
Corporation tax	579	221
Other taxation and social security	6,172	4,919
Other creditors	7,394	6,198
Accruals and deferred income	3,968	2,582
Hire purchase	41	97
	19,437	**18,541**

Company	2023 £000	2022 £000
Bank overdrafts	-	-
Trade creditors	-	-
Amounts owed to group companies	405	405
Corporation tax	-	-
Other taxation and social security	-	-
Other creditors	-	-
Accruals and deferred income	2	2
Hire purchase	-	-
	407	**407**

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

Group	2023 £000	2022 £000
Hire purchase	-	33
	-	**33**

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

Group	2023 £000	2022 £000
Within one year	41	98
Between 1-5 years	-	33
	41	**131**

19. Deferred taxation

	Group 2023 £000	Company 2023 £000
At beginning of year	(208)	-
Credited to profit or loss	65	-
Credited to other comprehensive income	112	-
At end of year	**(31)**	**-**

The provision for deferred taxation is made up as follows:

	Group 2023 £000	Group 2022 £000
Fixed asset timing differences	(160)	(109)
Short-term timing differences	190	52
Defined benefit pension scheme	(61)	(151)
	(31)	**(208)**

Fixed asset timing differences are expected to reverse in line with each corresponding fixed asset class and the class's 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 is expected to reverse over the weighted average duration of the scheme, which as of 31 December 2023 was 14 years (2022 - 15 years).

20. Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
49,400,015 (2022 - 49,400,015) Ordinary Shares of £0.0338 each	1,671	1,671

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.

21. 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.

22. Contingent liabilities

There is a fixed and floating charge over the assets of the Company in respect of amounts borrowed under the Invoice Discounting arrangement, which at the year-end was in an asset position of £1,310k (2022 - liability of £3,644k). The fixed and floating charge over the assets in 2022 related to an overdraft facility which was replaced by the Invoice Discounting arrangement in 2023.

23. 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 £1,619k (2022 - £1,363k). Contributions totalling £503k (2022 - £360k) 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. The scheme is closed to new members.

A limited number of employees are members of the Carlisle Support 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 £69k (2022 - £148k). The expected contributions to the plan for the next reporting period are £17k. The weighted average duration of the defined benefit obligation at the end of the reporting period is 14 years (2022 - 15 years).

Reconciliation of present value of plan liabilities:

	2023 £000	2022 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	2,005	2,992
Current service cost	7	10
Interest cost	92	53
Actuarial gains/(losses)	8	(1,107)
Contributions	6	6
Benefits paid	(133)	(122)
Experience losses on the scheme liabilities	164	173
At end of year	**2,149**	**2,005**

Composition of plan liabilities:

	2023 £000	2022 £000
Present value of scheme liabilities arising wholly or partly funded schemes	2,149	2,005
Total plan liabilities	**2,149**	**2,005**

Reconciliation of present value of plan assets:

	2023 £000	2022 £000
At the beginning of the year	2,611	2,772
Interest income	123	50
Actuarial gains	(275)	(243)
Contributions	69	148
Benefits paid	(133)	(122)
Contribution by scheme participants	-	6
At end of year	**2,395**	**2,611**

Composition of plan assets:

	2023 £000	2022 £000
Long-Term Income Pooled Funds	848	993
Index Linked Pooled Funds	1,063	1,073
Growth Pooled Fund	338	376
Private Equity Pooled Fund	128	149
Infrastructure Pooled Fund	2	2
Cash & Current Assets and Liabilities	16	18
Total plan assets	**2,395**	**2,611**

23. Pension commitments (continued)

	2023 £000	2022 £000
Fair value of plan assets	2,395	2,611
Present value of plan liabilities	(2,149)	(2,005)
Net pension scheme asset	**246**	**606**

The amounts recognised in profit or loss are as follows:

	2023 £000	2022 £000
Current service cost	7	10
Net interest (income)/cost	(30)	3
Total	**(23)**	**13**

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of comprehensive income was £672k (2022 - £226k).

The Group expects to contribute £17k to its Defined benefit pension scheme in 2024.

	2023 £000	2022 £000
Analysis of actuarial loss recognised in Other Comprehensive Income		
Actuarial (losses) gains arising from changes in financial assumptions	(170)	934
Actuarial losses arising from experience adjustments	(276)	(244)
	(446)	**690**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2023 %	2022 %
Discount rate	4.55	4.75
Future salary increases	2.5	2.6
Future pension increases	2.5	2.6
Inflation assumption	3	3.1
Mortality rates		
Current UK pensioners at retirement age - male	84.40 years	84.60 years
Future UK pensioners at retirement age - male	87.10 years	87.30 years

Sensitivity

	Approx. increase in liabilities £000
Decrease discount rate by 1%	262
Increase inflation by 1%	236
Increase life expectancy by 1 year	84

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.

24. Commitments under operating leases

At 31 December 2023, the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

Group	2023 £000	2022 £000
Not later than 1 year	924	1,126
Later than 1 year and not later than 5 years	422	877
Later than 5 years	-	256
	1,346	**2,259**

Company	2023 £000	2022 £000
Not later than 1 year	181	183
Later than 1 year and not later than 5 years	539	592
Later than 5 years	-	256
	720	**1,031**

The amount of non-cancellable operating lease payments recognised as an expense during the year was £955k (2022 - £720k).

25. 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 £38k (2022 - £56k) to Impellam Group plc relating to the provision of security and cleaning services. At 31 December 2023 amounts totalling £17k (2022 - £4k) were outstanding and included in trade debtors.

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

During the year, the Company made sales of £Nil (2022 - £530k) to Medacs, a wholly owned subsidiary of Impellam Group plc relating to the provision of security services. At 31 December 2023, amounts totalling £Nil (2022 - £2k) were outstanding and included in trade debtors.

Other related party transactions

During the year the Group made purchases of £Nil (2022 - £133k) from Blue Arrow Limited, a wholly-owned subsidiary of Impellam Group plc. At 31 December 2023 amounts totalling £Nil (2022 - £7k) were outstanding and included in trade creditors and other creditors.

During the year, the Company made purchases of £5k (2022 - £Nil) from Crimestoppers for the supply of a whistleblowing service. As at 31 December 2023, amounts totalling £Nil (2022 - £Nil) were outstanding and included in trade creditors. A charitable donation of £15k (2022 - £Nil) has been made during the year.

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 £733k (2022 - £934k).

26. Analysis of net debt

	At 1 Jan 2023 *£000*	Cash flows *£000*	At 31 Dec 2023 *£000*
Cash at bank and in hand	5,580	(5,310)	270
Bank overdrafts	(3,644)	3,644	-
Hire purchase	(131)	98	(33)
Invoice Discounting Facility	-	1,310	1,310
	1,805	**(258)**	**1,547**

27. Controlling party

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

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