

ANNUAL REPORT 2020

Annual Report and
Financial Statements
for the year ending
31 December 2020

Directors

A E Entwistle
P A Evans
P M R Gaze
P T Osborne
M B Shirt (resigned 12 October 2021)
G R Phillips (appointed 27 May 2021)
M J Hallas (appointed 17 January 2022)

Company Secretary

M B Shirt (resigned 12 October 2021)
G R Phillips (appointed 12 October 2021)

Registered Number

07880629

Registered Office

First Floor
251 The Boulevard
Capability Green
Luton
LU1 3LU

Independent Auditor

BDO LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

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GROUP STRATEGIC REPORT

INTRODUCTION

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2020.

REVIEW OF BUSINESS

For the second year running this year's Strategic Report is being written at a time of continuing uncertainty and unprecedented challenges due to the global Coronavirus pandemic.

Covid 19 and Brexit Impact

The longevity and eventual outcome of the current Covid-19 pandemic is still unknown. It is clear that the UK has taken significant strides towards coming to terms with the crisis and is adapting to and learning to live alongside the virus.

In mid-2021 the UK government began to sanction the removal of all lockdown measures, allowed a full return to work strategy to be commenced, and for public and sporting events to fully resume. It is likely however that the virus will be around for some time yet and therefore all our businesses continue to work closely with the health authorities and their clients to ensure operations and working conditions are as safe as they can be.

As part of Carlisle Group's ("the Group" or "Carlisle") internal operations, we were one of a few organisations in the UK to take part in the government's Covid-19 Workplace Testing Programme. The programme ensured that those working in our offices were tested on a regular basis. Alongside the office testing we also ensured that all front line employees working on client locations were able to have

Lateral Flow Testing kits sent to their home addresses even prior to them becoming openly available through the government.

Whilst Covid-19 had a major impact on our operations and financial performance, the true impact of Brexit has now also been felt across the entire labour market in the UK. For Carlisle this has seen a significant element of the available labour resources choosing to leave our sector and pursue other career pathways and job opportunities. Our management teams and clients have responded well to such shortages and worked hard to create compelling "Employee Value Propositions" designed to attract new entrants into our organization and to ensure continued retention of the current workforce.

Despite the challenges we have faced, Carlisle's business remains viable and sustainable and has seen its revenues grow by 13% in 2020 to £73.7million. It is without doubt that Carlisle's agility and ability to cope with these ever changing challenges is down to the dedication and passion shown by its front line employees and the management, support and teams across the entire business.

We are happy to report that our operations have adjusted well and the initial Covid-19 driven increases in costs and reduced operating profits have been reversed as 2021 has progressed. Our current annualized revenues have continued to grow and now stand at approximately £110million as the Group enters FY2022. We have also seen strong recovery in our broader financial metrics.



Paul

Paul Evans
Chief Executive Officer

This statement was approved by the board on 08 March 2022 and signed on its behalf.

2020 FINANCIAL PERFORMANCE

	2020	2019	Change
Turnover (£000)	73,663	65,072	13.2%
Gross profit (including other income) (£000)	7,272	6,056	20.1%
Administrative expenses (excluding exceptionals) (£000)	6,400	4,748	34.8%
Operating profit (excluding exceptionals) (£000)	872	1,308	(33.3%)
Gross profit margin (%)	6.3%	9.3%	(32.3%)
Operating profit margin (%)	1.1%	2.0%	(45.0%)

Reported revenues for the Group increased by 13% to £73.7 million in FY2020 (£2019 £65.1million) despite the pandemic having a significant downward impact in Q2.

Following significant wins in the latter part of FY2019 the Group invested in its divisional support structures in order to better manage this increased revenue. However, as the country entered lockdown in March 2020, demand dropped by approximately 40% for the following three months. The business took a clear decision to support our clients and employees and not take shortsighted, knee jerk cost cutting actions.

Revenues recovered well over the remainder of FY2020 due to the addition of new clients and the

delivery of new service lines. Some of these additional services were in direct response to fighting the pandemic.

However, the contribution of this additional revenue is not material to the ongoing business performance and made up no more than 5% of our revenues for fiscal 2020.

The mix of new business and the addition of new service lines led to an improved gross margin in FY2020, improving by 0.6% to 9.9%. However, the increased divisional costs and the decision to support clients and our employees led to the overall operating profit reducing from 2.0% to 1.1% for the year.

That investment in the divisional structures at the start of FY2020 has supported the business well through FY2021 where the Group's annualized revenue has increased from £70m at the start of 2020 to £110m as it enters FY2022.

Despite the challenges presented in FY2020 the business continued to trade debt free and without any increased overdraft facility being required. Our average Debtor Days was still commendably below 40 days. This performance continues to be significantly better than the sector average, produces strong cash flow and demonstrates the strength in our customer centric approach. In 2020, our client base comprised 60 clients with an average client revenue of £1.25m.



Since 2015, reported annual revenues have more than doubled to £73.7m in FY2020. We have achieved excellent year on year revenue growth, varying between 10% and 15%. It was comforting to see new, well known clients choose to join us in 2020 and we continue to retain an enviable and prestigious client portfolio – these include the following:

- Keolis Amey Metrolink (Security, Customer Care and Events)
- Tesco (Security)
- Associated British Ports (Cleaning)
- Manchester Central Convention Centre (Events)
- Arriva Rail London (Cleaning)
- Northern Rail TSO (Security and Customer Care).

Whilst the Carlisle business has performed to an acceptable level, we have simultaneously been able to increase the earnings of our employees by 11.2% over the last two years. We currently ensure that 94.5% of all hours worked are paid at the enhanced Living Wage Foundation rates of pay, or greater. This has been a long standing objective of Carlisle and will continue to feature heavily in our objectives over the coming years.

Our ambition to allow all Carlisle employees to receive at least the Living Wage Foundation rates of pay is supported by my non executive role as Co Chair of the foundation's Recognised Service Provider Leadership Group. The foundation's

research has clearly demonstrated the scale of low pay during the pandemic, with 4.8 million jobs (17.1% of all employees' jobs) still paying less than the real Living Wage (LW).

Those from racialised groups were more likely to be low paid – with 19.4% of these workers earning below the LW compared to 16.3% of white workers.

The ongoing commitment of our clients to the Living Wage concept has assisted Carlisle by allowing us to fund such pay rates under the contract. This has been duly noted and appreciated by the entire Carlisle workforce and visibly supports Carlisle's wider social value driven goals and objectives.

TRADING OVERVIEW BY SECTOR

Security and Events

Revenues accounted for 70.7% (2019: 74.8%) of Group revenues in FY2020. The division achieved a 11% year on year increase in revenues from £48.7million in FY2019 to £52.1million in FY2020. Carlisle moved up two places in the UK Manned Security industry, achieving a position of 18th (2019: 20th) in the Top 30 security companies based on revenue (source www.infologue.com).

During FY2020 the division was impacted heavily by the cancellation of events across the country and saw revenues from this market fall by 67%. However, the impact of new wins for security services secured in the 2nd half of 2019 and throughout FY2020 more than offset the shortfall from events, leading to the overall increase of 11% year on year.

Cleaning and Facilities Management

Revenues were 23.3% of Group revenues in FY2020 (2019: 18.0%). The division achieved a 47% year on year increase in revenues from £11.7million in FY2019 to £17.2 million in FY2020. This is the 2nd year running this division has achieved a double digit % year on year increase in revenues.

The division was the main benefactor from the Covid-19 crisis as many of its transport related clients sought to implement heightened cleaning regimes. There was also a move into more sophisticated service lines within the rail sector that led to additional revenue opportunities. All key contracts (amounting to approximately £10million annual revenues) were extended for additional years during FY2020.

Retail Merchandising

Revenues amounted to 6.0% of Group revenues in FY2020 (2019: 7.2%). The division experienced a 6.3% year on year decline in revenues from £4.7million in FY2019 down to £4.4million in FY2020. The year on year decline remains to be a challenge in business activity.

During the crisis many retail projects were suspended as the priority for the food retail sector shifted to keeping stores replenished and open other non-food clients were forced to close their doors for extended periods of time. Brexit and the UK Labour Market shortages have also made it much more attractive for those employees who work across the UK to now achieve better employment in their local areas.

STRATEGIC JOURNEY

We continually review and assess our strategic forward plans which include, amongst other things, our financial and performance objectives, our image in the market from all perspectives and the well being of our staff and clients.

We remain wholly focussed on the Carlisle purpose as defined by 'Our WHY' statement below.

We will do all we can to ensure we hold ourselves to this purpose and that our actions and investments support our desires and abilities to deliver it.

We recognise it is the critically important 4,000 front line employees that contribute so much to our strategic journey. Without them providing exceptional levels of service to our clients and in turn their customers we simply would not have a viable product.

'Our WHY' Statement

“

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

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

”

The Carlisle business operates primarily by providing security and other support service personnel to various business sectors including retail, transport, healthcare, education, public events and manufacturing. We employ approximately 4,000 front line operatives who provide a range of support services across the UK, principally in the areas of cleaning, manned security, event management and retail merchandising.

Carlisle Group is recognised as a pro active and leading forward thinker in these sectors. We are active members of many industry organizations that are dedicated to improving service, skill, safety standards and compliance in our sector. Our strategy for growth is clearly defined: we will continue to build a leading role in our existing sectors through a combination of organic and, in due course, acquisition led growth in pursuing our ambition to maintain and improve our elevated status in our sectors.

It is Carlisle's vision is 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, 7 days a week.

Our client point of contact is typically a facilities or property management professional, or the individual who is responsible for the safety and compliance at the premises they occupy. We ensure that we closely understand client needs and our trained professional staff are equipped with the skills to maintain a high level of understanding of client requirements and standard of service. The industry we are in is highly competitive with relatively low barriers to entry. Consequently, business is most often won, and retained, based on the quality, reliability, consistency and efficacy of the contractual services provided.

Many of our services, particularly security protection, are essential and therefore non discretionary in the client's business. The sectors we operate in have good growth prospects and typically services are non cyclical. Once a contract is in place, the business arrangement becomes a recurring revenue source for Carlisle provided that our standards are maintained at the highest level. Carlisle's retention rate for business has exceeded 95% for many years, a true reflection of our quality of service. This has contributed to our consistent, double digit percentage organic revenue growth.

As a national company we have the capabilities to provide our services across the entire country to clients with a wide operational network. We make attaining high standards of security and related services achievable for our clients through working closely with them and providing uniform service standards across the country.



Strategic Investment in IT

Increasing industry standards and client requirements and the need for sophisticated financial and management reporting systems to support the expanding business has recently resulted in the decision by Carlisle to upgrade its IT infrastructure. As a result, the front end business operations reporting, and the financial reporting systems necessary to comply with current internal and public reporting requirements will be significantly enhanced. In 2022, we will be installing a completely new IT infrastructure to facilitate this improvement which will not only improve profitability and all internal reporting and efficiency, but will also improve our ability to service our client base.

IT improvements will allow employees to work remotely more efficiently, including from a home base, a factor that has been of paramount importance during the Covid-19 Pandemic.

During this Pandemic, our existing IT services did enable robust IT service provision, strong cyber security and data security and minimal lost working time.

The new IT infrastructure will be cost effective and scalable, will provide a solid platform for our organic and acquisition driven growth and will improve the financial performance of the Group.

Business Growth Prospects

Carlisle'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.

In due course it is possible that Carlisle will pursue an acquisition led growth strategy to complement our excellent organic growth record. The sectors we operate in are very fragmented on the supplier side with a small number of large, national providers and a significant number of smaller, mainly regional businesses.

Our acquisition strategy could be to focus on bolt on acquisitions which we would integrate and then rationalize the cost base of the merged acquired business. Alternatively, the acquisition could be a larger player whose business is either in Carlisle's sector or a business that complements Carlisle's current business activities. This in turn would provide the opportunity to cross sell services between the operations.

Either route would likely increase overall efficiency, achieve cost savings, provide broader capabilities and achieve a larger market share.

OUR VALUES



Customer at the Heart

With only 75 customers we are clear about the clients who we want to do business with. We assess each of our clients against a set of 'high road' characteristics and engage clients in open and transparent pricing and contractual models.

Once engaged we believe that our relationships should be partnerships where there is equal ownership of risk and reward. We have worked hard to ensure we exit any relationships that are of a nature where clients are primarily only focused on outsourcing risk.

Caring Passionately for All

The UK support services industry has, sadly, for a long time undervalued those directly involved across the front line. In response to this, Carlisle took a stand to make sure that it does all it can to change this. For our employees, who work tirelessly, we are committed to ensuring that they are all 'paid a fair day's pay for a fair day's work'.

Beyond this we are clear in our motives to work with our clients to ensure our employees feel respected and always supported by our clients. Moreover, we have invested heavily in our reward and recognition schemes and were the first company in our sector to bring in instant income streaming technology allowing our employees access to their earnings before pay day in order to deal with unexpected financial hardships mid month.



Sector-Based Experts

Under our Group strapline of 'Developing Exceptional People' we make an open promise to the entire Carlisle team, and this flows through to our clients. Our commitment is to offer all the training and support they need to achieve their goals and ambitions whilst at Carlisle. This value makes an open pledge to any employee in that they can request investment to be made into their training and development.

Supporting our clients, we also provide all necessary vocational training in our client offerings. To do this we deploy sufficient learning and development assistance to keep our people giving of their best each and every day they come to work.

Promise-Based Culture

It is vital that we are disciplined and honest in everything we do. By making 'promises' to each other we set the tone for how we want our culture to be received. Those who have studied the ethics of 'Promises' will understand that a true promise comes from the heart and not the head. It is one person's drive and willingness to go above and beyond, and to not let down anyone in receipt of a Carlisle promise.

We have created clear routes of communication that allow our 'promises' to be visible to those involved and for two way transfer of feedback around the delivery of these promises.



Despite the challenges we have faced, Carlisle's business remains viable and sustainable and has seen its revenues grow by 13% in 2020 to £73.7million.

It is without doubt that Carlisle's agility and ability to cope with these ever changing challenges is down to the dedication and passion shown by its front line employees and the management, support and teams across the entire business.



Section 172 Statement

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

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

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

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

The key Board decisions in the year are set out within the table to the right:

KEY BOARD DECISIONS		
Significant Event/ Decision	Key S.172 Stakeholders affected	Actions and Impact
Placing employees on Furlough	<ul style="list-style-type: none"> Employees Customers Shareholders 	<p>Following the Coronavirus outbreak and subsequent pandemic, the business chose to furlough approximately 900 front line and support staff for variable periods of time, making use of the Government's Coronavirus Job Retention Scheme.</p> <p>The Board took the decision to ensure the future sustainability of the business, protect the shareholders long term interests and reduce the operating costs of the business at a time when revenues dropped, whilst ensuring immediate financial support for our employees.</p>
Closure of loss making business unit (Retail Sales Support)	<ul style="list-style-type: none"> Employees Customers Shareholders 	<p>In early 2020 a decision was taken to close down the Company's operations and interests in its Field Marketing solution that it provided to a number of high street retailers.</p> <p>Whilst the overall Retail business was profitable and sustainable, this particular business unit was operating at a considerable loss and was not expected to return to profitable trading. The Board took the decision to exit these services.</p> <p>The employees within the business unit were redeployed where possible and we supported our customers in sourcing alternative providers.</p>
Creation of a new operating structure	<ul style="list-style-type: none"> Employees Customers Shareholders 	<p>Following a number of new long term contract wins the Board took the decision to investment in a new divisional structure.</p> <p>The divisions were headed up by Divisional MD's and supported by business partnering roles from HR, HSQE, Finance, Business Development and Training. The investment was an increase in operating costs but provided closer management contact with our customers and growth opportunities, with more specialist roles, for the employees.</p>

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 recognized 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 Group.

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

We value and respect our staff, particularly those working on the front line of our services. To Carlisle and its clients, the employees working the shifts on the front line are just as important as the managers who centrally organize and control the business operations.

Carlisle has committed that it will continue to be a recognised Living Wage Foundation service provider and is committed to increasing pay rates and working with our clients to achieve this. The Board strongly supports the continuation of employee reward and recognition schemes.

Carlisle hosts monthly "Town Hall" meetings for all management and support staff. These meetings are used to provide an update on business performance and business strategy to promote employee engagement. Employee questions and participation are strongly encouraged. A Carlisle social media platform for all employees is active and regular business updates provide

information to the employees. This allows them to raise questions on an ongoing basis which are responded to by the Board and Senior Management.

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

Business Relationships

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

Carlisle management makes significant effort to develop and maintain strong customer relationships. With less than 80 individual contracts this aspect is a manageable objective and is monitored carefully on a regular basis. The Board receives regular updates from the Chief Executive Officer on customer matters.

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

Carlisle hosts its annual Innovation Lab event each year and the Board is committed to maintaining these annual events (where permissible in Covid 19 times). Customers, suppliers and management attend.

The 2019 decision to outsource IT services enabled active sharing of information related to Carlisle's performance against KPIs with customers. 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 Group acknowledges the significance of maintaining and improving the quality of our community and of the environment in which we live and work.

Since 2016 The Group has supported the Living Wage Foundation movement and set itself ambitious targets to ensure that it progressively moves more and more of its employees on to wage rates that are in line or ahead of the 'Real Living Wage'. This enhanced level of pay rates is set each year by the foundation in order to ensure that those receiving such are not in wage poverty. In 2020 Carlisle managed to ensure that it ended the year with 74.1% of hours being worked paid at the Real Living Wage. Further supporting this commitment is that Paul Evans, Carlisle CEO, also took up an unpaid and voluntary board position as Co Chair to the Living Wage Foundation's recognised service provider leadership group.

As one of the UK's leading Security companies Carlisle prides itself on making environments safe and allowing people to feel safe wherever they are. As such Carlisle continues to support Crimestoppers as our Corporate Charity for the year of 2020. This alliance with the charity means that we have been able to offer charitable donations to the organisation whilst also being able to support their work by engaging our clients across the UK.

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

Shareholders

Upon demerger in 2019, we made arrangements with London based J P Jenkins (“JPJ”) for the Company’s shares to be eligible to trade via the 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 relatively low.

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

Shareholders should be aware that liquidity of Carlisle Shares trading via JPJ is less than if such shares were listed on a recognized stock exchange. It does therefore take a considerably longer time for proposed share transactions to be executed. Carlisle Shares are eligible for settlement in CREST. Carlisle’s ISIN is GB00BJK9WS17 and its LEI (Legal Entity Identifier) is 213800DMLPTRSMW91272.

Since the demerger communication with shareholders has been limited to the annual accounts. However, during 2021 Carlisle is committed to providing a half year interim update, a preliminary full year update and to provide further updates on important matters as they arise.

The Group will also be adopting the QCA Corporate Governance code. This will increase our communications with shareholders and open up dialogue to provide greater insight on performance and governance.

Supplier Relationships

Carlisle is committed to encouraging strong and loyal supplier relationships. The Board is keen to increase the levels of supplier engagement activity in 2021 and has recently appointed a new Head of Procurement and Commercial Finance. Creating a Supplier Relationship Management programme to ensure that suppliers are regularly engaged with, are fully compliant with all applicable standards and processes and are financially sustainable will be central to this role.

Ethical Business Practice

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

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

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

Principal Risks and Uncertainties

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

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

Risks

The Group has a number of key risks which could have a material impact on its long term performance.

We consider strategic, operational and financial risks and identify actions to mitigate those risks on a regular basis. We recognise that effective risk management is fundamental in helping the Group to deliver its strategy.

STRATEGIC RISKS

Risk	Impact	Mitigation
Covid-19	Reduction in business volumes over a prolonged period. Risk of failing to track, respond to and plan for existing and future impacts of the CV 19 pandemic including the effects on employees, customers and supply chain. Increases in the number of staff isolating and being unable to work.	Senior management team and directors hold regular situation reviews and communicate with customers, employees and suppliers regularly. Use of Government support schemes and regular forecasts and monitoring of financial performance and cash. Engagement with additional suppliers able to provide short term labour.

STRATEGIC RISKS (continued)

Risk	Impact	Mitigation
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 Group has regular meetings with key customers to discuss opportunities and current service performance. Management discuss and review market conditions and sales and account management pipelines on an ongoing basis. Ongoing investment in business development and marketing functions.
Economic conditions	A downturn in general economic conditions, particularly in the UK, could result in declining business volumes, difficulties in producing accurate forecasts and/or failure to meet the Group’s objectives. 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 competitive advantage. Contracts that include for annual price reviews based on economic indicators (RPI) and provide for legislative changes to be passed on to customers protect the company from increasing costs.
Brexit	Increased employment regulations for EU workers leading to labour shortage and inability to deliver services.	Tracking of number of EU workers to evaluate potential risk. Ensure workforce is well paid; the company is a Living Wage Foundation service provider and the proportion of workers paid LWF pay rates increases annually. Continually challenging customers to pay higher wages rates which leads to higher staff retention.

OPERATIONAL RISKS

Health, Safety and Environment	Risk of harm to employees, client staff and their customers leading to fines, financial claims, and reputational damage increased.	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 Group 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 Group has strong alliances with key partners to deliver these projects and is investing in its IT systems following the demerger from the Impellam Group.

OPERATIONAL RISKS (continued)		
Risk	Impact	Mitigation
Cyber and information security	The risk of external cyber-attacks continues to increase. A successful attack could result in loss of sensitive data, business disruption and/or damage to the Group's reputation.	IT managed services are provided by our strategic partner who is well qualified to deliver such services including Cyber and Information security; our partner holds the ISO 27001 standard for managing information securely. All senior, management and support function staff are required to undertake annual online Cyber Security training.
Business continuity	A major disruptive event, such as a fire, severe weather etc., affecting one of the Group's operating locations, could lead to loss of business and/or adverse impacts on staff and assets.	Robust cloud based IT systems and portable IT equipment are in place for all management and support staff working in office locations, enabling those staff to work from any location with an internet connection, including from home.
Service delivery	The risk of failure of an individual employee or group to perform their duties leading to a serious incident at a Carlisle or client site and consequential claims.	Supervision, training, and monitoring regime in place for all staff. Site assignment instructions provided on site and electronically and reviewed regularly.

FINANCIAL, REGULATORY, COMPLIANCE RISKS

Contractual complexity	In certain sectors, the Group'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 Group's service offering, the sophistication of our selling activities and the management of tendering processes.	The Group has a standardised contract review process in place involving operational, commercial, and legal oversight. The Group 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 Group's credit facilities and operational cash issues.	The Group's finance function closely monitors and reviews its cash position and forecasts. The Group has a Delegation of Authority policy in place which governs payment terms for suppliers and clients. The Group is debt free and has an overdraft facility 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 Group 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.

CONCLUSION

A key Carlisle business culture objective over the last few years has been to develop and improve the interaction and communication between every level of employee, from senior management across the organisation to the critical front line workers. In doing so, I believe we have successfully set in place a complete and effective "family" of employees operating at the highest level of quality of service.

I take this opportunity to sincerely thank all our employees, clients, board members and shareholders for all their support in 2020.

We have now completely repositioned Carlisle as a market leading support services business, which was some challenge only a few years back. Working with some of the UK's leading brands we have seen our revenues continue to grow as new clients join us on our unique and ethical journey.

It is now a clear requirement and objective for us to ensure that we recover the loss of momentum that both the Covid-19 pandemic and Brexit challenges placed on our returns across 2020. We are confident however that the hard work across 2020 has already shown a positive trend across 2021 and will be reflected in next year's annual report.

As CEO I will ensure that we follow these six objectives, as shown.

-  Be visibly passionate towards our employees
-  Be open minded and not constrained by our job titles and allow all to take ownership and be entrepreneurial
-  Focus our services on understanding and delivering our clients' explicit objectives
-  Relentlessly improve our processes and systems at all levels
-  Do what we say we will and assess our performance to such
-  Be excellent communicators and ensure we front up all the challenges facing us in partnership

“ I take this opportunity to sincerely thank all our employees, clients, board members and shareholders for all their support in 2020. ”

Paul Evans | Chief Executive Officer

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and Dividends

The profit for the year, after taxation, amounted to £743k (2019: £1,146k).

No dividends were paid or proposed during the year (2019: £Nil).

Directors

The directors who served during the year were:

- A E Entwistle
- P A Evans
- P M R Gaze
- P T Osborne
- M B Shirt (resigned 12 October 2021)
- G R Phillips (appointed 27 May 2021)
- M J Hallas (appointed 17 January 2022).

Energy and Carbon Reporting

The Group and Company consumed less than 40,000 kWh of energy in the year.

Qualifying Third Party Indemnity Provision

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

Financial Instruments Objectives and Policies

During the year, the Group's principal financial instruments comprised access to funding from an overdraft, cash and short term deposits. The main purpose of these financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The Group does not enter into derivative transactions.

Price Risk, Credit Risk, Liquidity Risk and Cash Flow Risk

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

Credit Risk

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

Statement of Corporate Governance arrangements

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

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged.

It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Going Concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the Carlisle Group is able to meet all its liabilities as they fall due.

However, it is acknowledged that the global and UK outbreak of the Covid-19 pandemic has had a profound impact on the global and UK economy and businesses, and therefore the directors have produced a detailed going concern stress test for the Group, further details of which are given within note 2.3 to the financial statements.

Having completed this and taking 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.



Guy

Guy Phillips
Chief Financial Officer

Disclosure of Information in the Strategic Report

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

Disclosure of Information to Auditor

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

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

Post Balance Sheet Events

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

Auditor

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

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 law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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.

This statement was approved by the board on 08 March 2022 and signed on its behalf.

INDEPENDENT AUDITOR'S REPORT

to the Members of Carlisle Support Services Group Limited

Opinion on the Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Carlisle Support Services Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions Relating to Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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 annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the

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

We have nothing to report in this regard.

Other Companies Act 2006 Reporting

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

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

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

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

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

Responsibilities of Directors

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. Procedures performed by the audit team included:

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

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

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

Use of Our Report

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

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

Stephen Le Bas (Senior Statutory Auditor)

For and on behalf of BDO LLP,
Statutory Auditor, Southampton

10 March 2022

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	73,663	65,072
Cost of sales		(69,028)	(59,016)
Gross profit		4,635	6,056
Administrative expenses		(6,400)	(4,748)
Exceptional administrative gains	6	-	3
Other operating income	5	2,637	-
Operating profit	7	872	1,311
Interest payable and expenses	11	(4)	(21)
Profit before taxation		868	1,290
Tax on profit	12	(125)	(144)
Profit for the financial year		743	1,146
Actuarial losses on defined benefit pension scheme		(291)	(239)
Movement of deferred tax relating to pension surplus		55	45
Other comprehensive income for the year		(236)	(194)
Total comprehensive income for the year		507	952

The notes on pages 25 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	13		537		141
Current assets					
Debtors: amounts falling due within one year	15	12,012		10,951	
Cash at bank and in hand	16	7,675		3,115	
			19,687		14,066
Creditors: amounts falling due within one year	17	(16,794)		(11,577)	
Net current assets			2,893		2,489
Total assets less current liabilities			3,430		2,630
Provisions for liabilities					
Pension liability	21		(429)		(136)
Net assets			3,001		2,494
Capital and reserves					
Called up share capital	19		1,671		1,671
Merger reserve	20		(1,037)		(1,037)
Profit and loss account	20		2,367		1,860
Total equity			3,001		2,494

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 08 March 2022.

G R Phillips
Director

The notes on pages 25 to 41 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Investments	14		1,670		1,670
Current assets					
Debtors: amounts falling due within one year	15		482	867	
Creditors: amounts falling due within one year	17		(408)	(776)	
Net current assets			74	91	
Net assets			1,744	1,761	
Capital and reserves					
Called up share capital	19		1,671	1,671	
Profit and loss account	20		73	90	
Total equity			1,744	1,761	

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Company for the year was £17k (2019: loss of £104k).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 08 March 2022.

G R Phillips
Director

The notes on pages 25 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2020

	Called up share capital £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2019	1,671	(1,037)	908	1,542
Comprehensive income for the year				
Profit for the year	-	-	1,146	1,146
Actuarial losses on pension scheme			(194)	(194)
Total comprehensive income for the year			952	952
At 1 January 2020	1,671	(1,037)	1,860	2,494
Comprehensive income for the year				
Profit for the year			743	743
Actuarial losses on pension scheme			(236)	(236)
Total comprehensive income for the year			507	507
At 31 December 2020	1,671	(1,037)	2,367	3,001

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	1,671	194	1,865
Comprehensive income for the year			
Loss for the year	-	(104)	(104)
Total comprehensive income for the year		(104)	(104)
At 1 January 2020	1,671	90	1,761
Comprehensive income for the year			
Loss for the year	-	(17)	(17)
Total comprehensive income for the year		(17)	(17)
At 31 December 2020	1,671	73	1,744

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2020

	2019 £000	2018 £000
Cash flows from operating activities		
Profit for the financial year	743	1,146
Adjustments for:		
Depreciation of tangible assets	321	184
Loss on disposal of tangible assets	(2)	-
Interest paid	4	21
Taxation charge	125	144
(Increase) in debtors	(1,083)	(1,415)
Increase in creditors	5,169	1,436
Difference between net pension expense and cash contribution	-	(365)
Corporation tax received/(paid)	-	(8)
Net cash generated from operating activities	5,277	1,143
Cash flows from investing activities		
Purchase of tangible fixed assets	(717)	(97)
Sale of tangible fixed assets	2	12
Net cash from investing activities	(715)	(85)
Cash flows from financing activities		
Interest paid	(2)	(21)
Net cash used in financing activities	(2)	(21)
Net increase in cash and cash equivalents	4,560	1,037
Cash and cash equivalents at beginning of year	3,115	2,078
Cash and cash equivalents at the end of year	7,675	3,115
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,675	3,115

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. GENERAL INFORMATION

Carlisle Support Services Group Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 07880629). The registered office address is First Floor, 251 The Boulevard, Capability Green, Luton, LU1 3LU. The Company's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

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

Parent Company Exemptions

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

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Company and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- 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 4-15.

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

Whilst the Group saw some disruption from Covid-19 during the financial year, the impact has been manageable and the Group has continued to win new customers and grow its revenues, demonstrating resilience. To mitigate against the additional risks and uncertainties that have arisen the Group has selectively used the government furlough scheme throughout the year. In the event of further disruption to the business in the future as a result of Covid 19 the directors are confident that additional cost reduction and cash preservation measures could be utilised in conjunction with the Group's existing overdraft facility to reduce costs and preserve cash.

The directors have considered the Group's forecast cash flows as well as the Group's liquidity requirements and borrowing facilities. The Group's trading results in the period to February 2022 have remained profitable and in line with current forecasts. The directors have

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

prepared forecasts to 31 March 2023 which show a good level of profitability and cash generation. These forecasts have been based upon a significant level of agreed contracts and a significant level of tenders that are currently taking place.

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

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

2.4 Foreign currency translation Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

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

2.5 Revenue Recognition

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

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

Rendering of services

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

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

Performance obligations

The main performance obligations in contracts consist of either:

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

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

2.6 Operating leases: the Group as lessee

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

2.7 Government grants

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

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

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.9 Finance costs

Finance costs are charged to the 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.

2.10 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Short-term leasehold property	over the term of the lease
Plant and machinery	25% straight-line per annum
Motor vehicles	33% straight-line per annum
Fixtures and fittings	15% - 33% straight-line per annum
Office equipment	20% - 33% straight-line per annum

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

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

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Financial instruments (continued)

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

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

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

2.13 Holiday pay accrual

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

2.14 Provisions for liabilities

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

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

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

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

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

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

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

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 statement of financial position date, except that:

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

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

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have made no significant judgements. Key sources of estimation uncertainty are:

Tangible assets

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

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

Defined benefit pension scheme

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

4. TURNOVER

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

	2020 £000	2019 £000
Rendering of security and event services	52,766	47,729
Rendering of cleaning services	16,542	12,677
Rendering of retail merchandising	4,355	4,666
	73,663	65,072

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	73,663	64,197
Europe	-	875
	73,663	65,072

5. OTHER OPERATING INCOME

	2020 £000	2019 £000
Coronavirus Job Retention Scheme grant	2,637	-
	2,637	-

6. EXCEPTIONAL ITEMS

	2019 £000	2018 £000
Exceptional administrative gains	-	659
Exceptional administrative expenses	-	(656)
	-	3

Exceptional administrative gains are in relation to a one off settlement and write off of amounts owed to Impellam Group plc at the date of demerger of Carlisle Support Services Group Limited.

Exceptional administrative expenditure is in relation to one off costs incurred as a result of the de merger of Carlisle Support Services Group Limited from Impellam Group plc.

7. OPERATING PROFIT

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	321	184
Exchange differences	(14)	14
Other operating lease rentals	1,031	399
IT licence fees and support costs	590	189
Professional and Legal fees	423	188
Defined contribution pension scheme	977	787

8. AUDITOR'S REMUNERATION

	2020 £000	2019 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	111	79

9. EMPLOYEES

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

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Wages and salaries	59,579	48,249	-	-
Social security costs	4,675	3,421	-	-
Cost of defined benefit scheme	8	13	-	-
Cost of defined contribution scheme	977	787	-	-
	65,239	52,470	-	-

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

	2020 No.	2019 No.
Operations	4,321	3,715
Operations management	66	51
Sales / Marketing	6	8
Admin / Support	38	41
	4,431	3,815

The Company has no employees other than the directors, who did not receive any remuneration (2019: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

10. DIRECTORS' REMUNERATION

	2020 £000	2019 £000
Directors' emoluments	429	366
Company contributions to defined contribution pension schemes	18	17
	447	383

- During the year retirement benefits were accruing to 2 directors (2019:2) in respect of defined contribution pension schemes.
- The highest paid director received remuneration of £283k (2019: £233k).
- The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13k (2019: £13k).
- The value of the Group's contributions paid to a defined benefit pension scheme amounted to £Nil (2019: £Nil).
- The emoluments of the directors in office during the year were paid by Carlisle Security Services Limited with their remuneration as disclosed in the financial statement of that company.

11. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Bank interest payable	-	19
Other interest payable	2	-
Net interest payable on defined benefit pension scheme	2	2
	4	21

12. TAXATION

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	67	53
Adjustments in respect of previous periods	(19)	14
Total current tax	48	67
Deferred tax		
Origination and reversal of timing differences	100	70
Adjustments in respect of previous periods	-	7
Changes to tax rate	(23)	-
Total deferred tax	77	77
Taxation on profit on ordinary activities	125	144

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	868	1,290
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	165	245
Effects of:		
Expenses not deductible for tax purposes	2	8
Write off of amounts owed to Impellam Group plc companies	-	(121)
Fixed asset differences	-	(2)
Transfer pricing adjustments	-	1
Adjustments to tax charge in respect of prior periods	(19)	21
Deferred tax not recognised	-	(8)
Group relief surrender	(23)	-
Total tax charge for the year	125	144

Factors that may affect future tax charges

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the statement of financial position date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

13. TANGIBLE FIXED ASSETS

Group

	Short term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Office equipment £000	Total £000
Cost						
At 1 January 2020	127	57	-	300	946	1,430
Additions	-	164	354	131	68	717
Disposals	(115)	(32)	-	(216)	(155)	(518)
At 31 December 2020	12	189	354	215	859	1,629
Depreciation						
At 1 January 2020	125	47	-	213	904	1,289
Charge for the year	2	111	118	51	39	321
Disposals	(115)	(32)	-	(216)	(155)	(518)
At 31 December 2020	12	126	118	48	788	1,092
Net book value						
At 31 December 2020	-	63	236	167	71	537
At 31 December 2019	2	10	-	87	42	141

14. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	1,670
At 31 December 2020	1,670

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

* indicates indirect investment of the company

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

15. DEBTORS

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	8,765	8,411	-	-
Amounts owed by group undertakings	-	-	482	867
Other debtors	70	327	-	-
Prepayments and accrued income	3,001	2,015	-	-
Deferred taxation (note 18)	176	198	-	-
	12,012	10,951	482	867

16. CASH AND CASH EQUIVALENTS

	Group 2020 £000	Group 2019 £000
Cash at bank and in hand	7,675	3,115
	7,675	3,115

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	819	790	-	-
Amounts owed by group undertakings	-	-	406	757
Corporation tax	115	67	-	-
Other taxation and social security	8,534	2,639	-	-
Other creditors	4,480	4,963	-	-
Accruals and deferred income	2,846	3,118	2	19
	16,794	11,577	408	776

The increase in other taxation and social security arose through the utilisation of the Governments VAT deferral scheme following the Coronavirus outbreak. The amount deferred as at 31 December 2020 was £5.1m.

18. DEFERRED TAXATION

Group

	2020 £000	2019 £000
At beginning of year	198	230
Charged to profit or loss	(77)	(77)
Charged to other comprehensive income	55	45
At end of year	176	198

The deferred tax asset is made up as follows:

	Group 2020 £000	Group 2019 £000
Fixed asset timing differences	62	154
Short term timing differences	32	21
Defined benefit pension scheme	82	23
	176	198

19. SHARE CAPITAL

	2020 £000	2019 £000
Allotted, called up and fully paid		
49,400,015 Ordinary shares of £0.0338 each	1,671	1,671

20. RESERVES

Merger Reserve

This reserve relates to the difference between the nominal and fair value of shares acquired on initial recognition of the business combination.

Profit and Loss Account

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

21. PENSION COMMITMENTS

Defined contribution pension scheme

The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £969k (2019: £787k). Contributions totalling £433k (2019: £373k) were payable to the fund at the reporting date and are included in creditors.

Defined benefit pension scheme

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

Contributions paid to the pension scheme during the year totalled £9k (2019: £380k). The expected contributions to the plan for the next reporting period are £21k. The weighted average duration of the defined benefit obligation at the end of the reporting period is 17 years (2019: 18 years).

Reconciliation of present value of plan liabilities:

	2020 £000	2019 £000
At the beginning of the year	2,804	2,537
Current service cost	8	13
Interest cost	54	70
Actuarial gains/losses	344	282
Contributions	6	6
Benefits paid	(208)	(102)
Experience gains arising on scheme liabilities	122	(2)
At the end of the year	3,130	2,804

Analysed as:

	2020 £000	2019 £000
Present value of scheme liabilities arising from wholly or partly funded schemes	3,130	2,804
Total plan liabilities	3,130	2,804

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

21. PENSION COMMITMENTS (CONTINUED)

Reconciliation of present value of plan assets:

	2020 £000	2019 £000
At the beginning of the year	2,668	2,275
Interest income	51	68
Actuarial gains arising from changes in financial assumptions	175	41
Employer contributions	9	380
Benefits paid	(208)	(102)
Contributions by scheme participants	6	6
At the end of the year	2,701	2,668

Composition of plan assets:

	2020 £000	2019 £000
UK Government bond pooled funds	637	752
Cash	6	6
Investment funds	2,058	1,910
Total plan assets	2,701	2,668

	2020 £000	2019 £000
Fair value of plan assets	2,701	2,668
Present value of plan liabilities	(3,130)	(2,804)
Net pension scheme liability	(429)	(136)

The amounts recognised in profit or loss are as follows:

	2020 £000	2019 £000
Current service cost	8	13
Net interest cost	2	2
Total	10	15

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

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

The cumulative amount of actuarial gains and losses recognised in Statement of Comprehensive Income since 1 January 2022 is (£1,115k) (2019 (£779k)).

The Group expects to contribute £21k to its Defined Benefit Pension Scheme in 2021.

	2020 £000	2019 £000
Analysis of actuarial loss recognised in Other Comprehensive Income		
Actuarial losses arising from changes in financial assumptions	(466)	(280)
Actual return less interest return on pension assets	175	41
	(291)	(239)

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

	2020	2019
Discount rate	1.20%	3.00%
Future salary increases	2.20%	2.20%
Future pension increases	2.20%	2.20%
Retail price inflation	2.9%	3.0%
Mortality rates		
Current UK pensioners at retirement age - male	84.60 years	84.60 years
Future UK pensioners at retirement age - male	87.30 years	87.30 years

Sensitivity:

	Change to liabilities £000
Increase discount rate by 0.5%	(220)
Decrease inflation by 0.5%	(220)
Increase life expectancy by 1 year	94

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2020

22. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Group and the Company had future minimum lease payments under non cancellable operating leases as follows:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Not later than 1 year	514	401	185	239
Later than 1 year and not later than 5 years	1,180	639	701	561
Later than 5 years	512	640	512	640
	2,206	1,680	1,398	1,440

23. RELATED PARTY TRANSACTIONS

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

Transactions with Impellam

During the year the Group made sales of £62,284 (2019: £140,471) to Impellam Group plc relating to the provision of security and cleaning services. At 31 December 2020 amounts totalling £6,717 (2019: £16,314) were outstanding and included in trade debtors.

During the year the Group made purchases of £307,365 (2019: £734,263) from Impellam Group plc. At 31 December 2020 amounts totalling £3,065 (£141,192) were outstanding and included in trade creditors and accruals.

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

Other related party transactions

During the year the Group made purchases of £507,640 (2019: £836,638) from Blue Arrow Limited, a wholly owned subsidiary of Impellam Group plc. At 31 December 2020 amounts totalling £91,810 (2019: £216,109) were outstanding and included in trade creditors and other creditors.

During the year the Group made purchases of £Nil (2019: £105,707) from Lorien Resourcing Limited, a wholly owned subsidiary of Impellam Group plc. At 31 December 2020 amounts totalling £Nil (2019: £Nil) were outstanding and included in trade creditors and other creditors. The entity is a related party by virtue of common shareholding.

During the year the group made purchases of £44,271 (2019: £9,667) from Tate Limited, a wholly owned subsidiary of Impellam Group plc. At 31 December 2020 amounts totalling £Nil (2018: £Nil) were outstanding and included in trade creditors. The entity is a related party by virtue of a common share holding.

Key management remuneration

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

The total compensation paid to key management personnel for services provided to the Group was £867,621 (2019: £924,440).

24. ANALYSIS OF NET DEBT

	At 1 Jan 2020 £000	Cash flows	At 31 Dec 2020 £000
Cash at bank and in hand	3,115	4,560	7,675
	3,115	4,560	7,675

25. CONTROLLING PARTY

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

Carlisle Support Services Group Limited

First Floor, 251 Capability Green
Luton, Bedfordshire, LU1 3LU
United Kingdom

+44 (0)1582 317 752

info@carlisesupportservices.com

carlisesupportservices.com