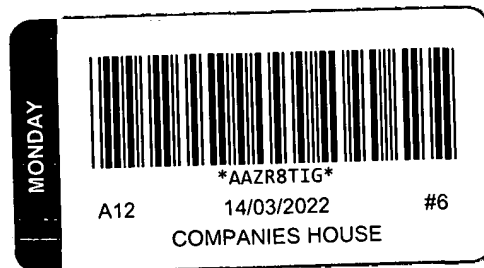


Registered number: 02388687

**CARLISLE CLEANING SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



---

**CARLISLE CLEANING SERVICES LIMITED**

---

**COMPANY INFORMATION**

---

**Directors**

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

**Company secretary**

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

**Registered number**

02388687

**Registered office**

First Floor 251 The Boulevard  
Capability Green  
Luton  
LU1 3LU

**Independent auditor**

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

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	<b>1 - 9</b>
<b>Directors' Report</b>	<b>10 - 12</b>
<b>Directors' Responsibilities Statement</b>	<b>13</b>
<b>Independent Auditor's Report</b>	<b>14 - 17</b>
<b>Statement of Comprehensive Income</b>	<b>18</b>
<b>Statement of Financial Position</b>	<b>19</b>
<b>Statement of Changes in Equity</b>	<b>20</b>
<b>Notes to the Financial Statements</b>	<b>21 - 38</b>

---

## CARLISLE CLEANING SERVICES LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 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 Cleaning Services Ltd's 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 initially it is only now that the true impact of Brexit is also being felt across the entire labour market in the UK. For Carlisle Cleaning Services Ltd 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 organisation and to ensure continued retention of the current workforce.

Supporting our customers and our staff the company took advantage of the government's Coronavirus Job Retention Scheme (CJRS) in the early weeks of the Pandemic. However, the scheme was only utilised by a small number of clients as for many others the pandemic had placed additional requirements on their cleaning regimes. The company worked hard to provide safe ways of working to ensure the safety and well-being of our staff, our clients and their customers.

Despite the challenges the company faced the business grew strongly in the year, securing new wins and maintaining its 95%+ retention rate. Further growth in 2021 sees the company enter 2022 with run rate revenues of almost £21m. It is without doubt that Carlisle's agility to cope with these ever-changing challenges is down to the dedication and passion shown by its front-line employees, the management, support functions and teams across the entire business.

---

## CARLISLE CLEANING SERVICES LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 2020 Financial Performance

£'000	2020	2019	Change
Turnover	17,202	12,677	35.7%
Gross Profit (incl Other Income)	2,615	1,670	53.5%
Administrative expenses	2,264	1,557	45.4%
Operating Profit	351	113	210.6%
Gross Profit Margin	14.9%	13.1%	13.7%
Operating Profit Margin	2.0%	0.9%	122.2%

Reported revenues for the Company Increased by 35.7% to £17.2m in FY2020 (2019 - £12.7million). This was achieved through the winning two new contracts, adding additional service lines on another contract and it was further boosted by the additional leaning requirements driven by the COVID pandemic. However, the additional Covid revenues accounted for no more than 5% of the revenue in the year, that suggests the additional revenue will be sustained once the effects of the pandemic have begun to subside.

#### **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.

Our four values provide support pillars to the Carlisle purpose. These values will always be visible, and we will ensure that they are clearly identifiable to anyone who interacts with Carlisle.

- **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.
- **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.
- **Promised 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.

---

## CARLISLE CLEANING SERVICES LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### Strategic Journey (continued)

- **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.

#### Section 172 Statement

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

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

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

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

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

#### Significant event / decision – Placing employees on Furlough

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

#### Actions & Impact

- Following the Coronavirus outbreak and subsequent pandemic, the business chose to furlough approximately 20 front-line and support staff for variable periods of time, making use of the Government's Coronavirus Job Retention Scheme. 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.

---

## CARLISLE CLEANING SERVICES LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### Employees

Carlisle is committed to being a responsible employer and strives to create a working environment where its employees are actively engaged and part of its success. Regular communication with employees facilitates their views being recognised when monitoring the performance of the business. The Board receives regular updates on employee related matters and has a clear focus on the well being of all the levels of staff who are so critical to the successful performance of services to clients, and by extension, the operational and financial success of the 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 Company understands the value of maintaining and developing relationships with its customers and suppliers, as it is these strong relationships which underpin its current and future growth.

Carlisle management makes significant effort to develop and maintain strong customer relationships. 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.

#### Community and environment

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

Since 2016 the Company 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 are 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.

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.

---

## CARLISLE CLEANING SERVICES LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### Shareholders

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

#### 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 Company'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 Company'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 Company level are set out below:

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Risks**

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Strategic risks</b>		
<b>COVID-19</b>	Reduction in business volumes over a prolonged period.	Senior management team and directors hold regular situation reviews and communicate with customers, employees and suppliers regularly.
	Risk of failing to track, respond and plan for existing and future impacts of the CV-19 pandemic including the effects on employees, customers and supply chain.	Use of government support schemes and regular forecasts and monitoring of financial performance and cash.
	Increases in the number of staff isolating and being unable to work.	Engagement with additional suppliers able to provide short term labour.
<b>Customer concentration</b>	Loss of a key customer within a brand or significant reduction in volume of an account could result in reduced revenue or increased gross profit pressure.	The Company has regular meetings with key customers to discuss opportunities and current service performance. Management discuss and review market conditions and sales and account management pipelines on an ongoing basis. Ongoing investment in business development and marketing functions.
<b>Economic conditions</b>	A downturn in general economic conditions, particularly in the UK, could result in declining business volumes, difficulties in producing accurate forecasts and/or failure to meet the Company's objectives.	Flexibility in delivery of our services and reduced fixed costs in operations allows the Company to manage fluctuations in volume.
	Tough economic conditions, particularly wage increases, price inflation and increases in National Insurance could also create pressure on margins where these cannot be fully passed on to clients.	Diversity of customer base, widespread geographical coverage and expanding into new sectors provide competitive advantage.  Contracts that include for annual price reviews based on economic indicators (RPI) and provide for legislative changes to be passed on to customers protect the company from increasing costs.

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Risks (continued)**

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Strategic risks (continued)</b>		
<b>Brexit</b>	Increased employment regulations for EU workers leading to labour shortage and inability to deliver services.	<p>Tracking of number of EU workers to evaluate potential risk.</p> <p>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.</p> <p>Continually challenging customers to pay higher wage rates which leads to higher staff retention.</p>
<b>Operational risks</b>		
<b>Health, Safety and Environment</b>	Risk of harm to employees, client staff and their customers leading to fines, financial claims and reputational damage.	<p>Comprehensive health, safety, quality and environment (HSQE) management system in place, accredited to ISO 45001 standards. External audits performed periodically.</p> <p>Monthly HSQE review meetings at divisional and group level, attended by senior management and directors.</p> <p>Regular training and updates for operational staff.</p>
<b>Technology systems</b>	The Company is committed to investing in technology solutions that will drive revenue growth or improve operational efficiency. Failure to operate rigorous control and oversight may result in returns on such investment being lower than expected.	The Company has strong alliances with key partners to deliver these projects and is investing in its IT systems following the demerger from the Impellam Group.
<b>Cyber and information security</b>	The risk of external cyber attacks continues to increase. A successful attack could result in loss of sensitive data, business disruption and/or damage to the Company's reputation.	<p>IT managed services are provided by our strategic partner who is well qualified to deliver such services including Cyber and Information security; our partner holds the ISO 27001 standard for managing information securely.</p> <p>All senior, management and support function staff are required to undertake annual online Cyber Security training.</p>

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Operational risks (continued)</b>		
<b>Business continuity</b>	A major disruptive event, such as a fire, severe weather etc., affecting one of the Company's operating locations, could lead to loss of business and/or adverse impacts on staff and assets.	Robust cloud based IT systems and portable IT equipment are in place for all management and support staff working in office locations, enabling those staff to work from any location with an internet connection, including from home.
<b>Service Delivery</b>	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.
<b>Financial, regulatory and compliance risks</b>		
<b>Risk</b>		
<b>Contractual complexity</b>	In certain sectors, the Company's clients are becoming increasingly sophisticated in their procurement and buying activity. Competitive tendering activity and commercial contracts are becoming increasingly complex, with longer lead times in decision making. This necessitates constant development of the Company's service offering, the sophistication of our selling activities and the management of tendering processes.	<p>The Company has a standardised contract review process in place involving operational, commercial and legal oversight.</p> <p>The Company also continues to invest in specialist resources to support these activities and delivery of clients' service expectations.</p>
<b>Cash and liquidity management</b>	Poor cash and liquidity management may result in a drain on the Company's credit facilities and operational cash issues.	<p>The Company's finance function closely monitors and reviews its cash position and forecasts.</p> <p>The Company has a Delegation of Authority policy in place which governs payment terms for suppliers and clients.</p> <p>The Company is debt free and has an overdraft facility in place which is suitable for meeting its liabilities.</p>

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Risks (continued)**

**Financial, regulatory and  
compliance risks  
Risk (continued)**

**Financial control**

A failure of financial control could lead to a material loss to the business.

The Company has a Delegation of Authority policy in place which governs approval of decisions and transactions.

Appropriate segregation of duties is maintained in all finance processes. All payment runs are reviewed by senior directors.

Regular updates relating to financial fraud prevention are communicated to finance staff.

**Conclusion**

Above all else, I must take the opportunity and reiterate my sincere thanks to all the employees, our customers, the Board of Directors and the shareholders for their support in 2020.

As CEO I will ensure that we:

- 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

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

**P A Evans**  
Chief Executive Officer



Date: 8/3/2022

---

## CARLISLE CLEANING SERVICES LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

---

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

#### Principal activity

The principal activity of the Company is the provision of contract cleaning services in the UK and Ireland.

#### Results and dividends

The profit for the year, after taxation, amounted to £282k (2019 - £28k).

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

#### Directors

The directors who served during the year were:

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

#### Future developments

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

#### Financial Instruments

##### Objectives and policies

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

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

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

---

## **CARLISLE CLEANING SERVICES LIMITED**

---

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

---

#### **Disabled employees**

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

#### **Going concern**

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the Carlisle Cleaning Services Limited 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 Company, 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 Company, the directors are confident of being able to trade for a period of at least 12 months from the date of approval of the financial statements.

#### **Disclosure of information in the Strategic Report**

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

#### **Qualifying third party indemnity provisions**

The Company has put in place qualifying third party indemnity provisions for the directors.

#### **Disclosure of information to auditor**

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

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

#### **Post balance sheet events**

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

#### **Auditor**

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

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

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



**G R Phillips**  
Director

Date: 08/03/2022

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

---

---

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE CLEANING SERVICES LIMITED**

---

### **Opinion on the financial statements**

In our opinion:

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

We have audited the financial statements of Carlisle Cleaning Services Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

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

### **Independence**

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

### **Conclusions relating to going concern**

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

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

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

---

## **CARLISLE CLEANING SERVICES LIMITED**

---

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

---

#### **Other Information**

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

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

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

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

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

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

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

#### **Responsibilities of Directors**

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

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

---

## CARLISLE CLEANING SERVICES LIMITED

---

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

---

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

#### Procedures performed by the audit team included:

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

---

**CARLISLE CLEANING SERVICES LIMITED**

---

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

---

**Use of our report**

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

DocuSigned by:

  
3A8E17E8EA7B437...

10 March 2022

Stephen Le Bas (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor

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

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

	Note	2020 £000	2019 £000
Turnover	4	17,202	12,677
Cost of sales		(14,639)	(11,007)
<b>Gross profit</b>		<b>2,563</b>	<b>1,670</b>
Administrative expenses		(2,264)	(1,557)
Other operating income	5	52	-
<b>Operating profit</b>	6	<b>351</b>	<b>113</b>
Interest payable and expenses	10	(6)	(8)
<b>Profit before tax</b>		<b>345</b>	<b>105</b>
Tax on profit	11	(63)	(77)
<b>Profit for the financial year</b>		<b>282</b>	<b>28</b>
<b>Other comprehensive income for the year</b>			
Actuarial losses on defined benefit pension scheme	18	(291)	(239)
Movement of deferred tax relating to pension surplus	15	55	45
<b>Remeasurements of post employment benefit obligations (net)</b>		<b>(236)</b>	<b>(194)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>46</b>	<b>(166)</b>

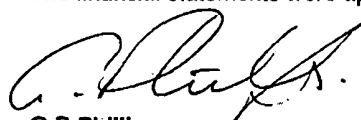
The notes on pages 21 to 38 form part of these financial statements.

**CARLISLE CLEANING SERVICES LIMITED**  
**REGISTERED NUMBER:02388687**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	12	325	13
		<u>325</u>	<u>13</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	3,905	4,345
Cash at bank and in hand		5,429	1,065
		<u>9,334</u>	<u>5,410</u>
Creditors: amounts falling due within one year	14	(7,765)	(3,868)
<b>Net current assets</b>		<u>1,569</u>	<u>1,542</u>
<b>Net assets excluding pension liability</b>		<u>1,894</u>	<u>1,555</u>
Pension liability	18	(429)	(136)
<b>Net assets</b>		<u>1,465</u>	<u>1,419</u>
<b>Capital and reserves</b>			
Called up share capital	16	550	550
Profit and loss account	17	915	869
<b>Total equity</b>		<u>1,465</u>	<u>1,419</u>

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



**G R Phillips**  
Director

Date: 08/03/2022

The notes on pages 21 to 38 form part of these financial statements.

---

**CARLISLE CLEANING SERVICES LIMITED**

---

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 January 2019</b>	<b>550</b>	<b>1,035</b>	<b>1,585</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	28	28
Actuarial losses on pension scheme	-	(194)	(194)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(166)</b>	<b>(166)</b>
<b>At 1 January 2020</b>	<b>550</b>	<b>869</b>	<b>1,419</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	282	282
Actuarial losses on pension scheme	-	(236)	(236)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>46</b>	<b>46</b>
<b>At 31 December 2020</b>	<b>550</b>	<b>915</b>	<b>1,465</b>

---

## CARLISLE CLEANING SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1. General information

Carlisle Cleaning Services Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 02388687). The registered office address is First Floor 251 The Boulevard, Capability Green, Luton, LU1 3LU.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Carlisle Support Services Group Limited as at 31 December 2020 and these financial statements may be obtained from Companies House.

---

## CARLISLE CLEANING SERVICES LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 2. Accounting policies (continued)

##### 2.3 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance, financial position, its cash flows, liquidity position, and principal risks and uncertainties affecting the business are set out in the Strategic report on pages 1 to 9.

The Group meets its day-to-day working capital requirements through cash generated from operations and its current overdraft facility. The directors have considered the Company's forecast cash flows and net debt, as well as the Company's liquidity requirements and borrowing facilities, including downside scenarios reflecting the full financial impact of a sustained material event reducing revenues by 25% over the next twelve months.

Whilst the Company saw some disruption from COVID-19 during the financial year, the impact has been manageable and the Company has continued to win new customers and grow its revenues, demonstrating resilience. To mitigate the additional risks and uncertainties that have arisen the Company 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 existing overdraft facility held by the Parent Company to ensure that the Company is able to continue trading.

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

##### 2.4 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

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

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

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

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)**

**2.5 Turnover**

The Company earns turnover from the provision of services relating to cleaning.

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

**Rendering of services**

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

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

**Performance obligations**

The main performance obligations in contracts consist of either the provision of a certain number of hours of cleaning or the cleaning of a certain location, depending on the contract. For all contracts the stage of completion and delivery of performance obligations are measured at the balance sheet date by the number of days cleaning provided.

**Principal versus agent**

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

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

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

**2.6 Operating leases: the Company as lessee**

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

**2.7 Government grants**

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

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)**

**2.8 Tangible fixed assets**

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

Depreciation is charged 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:

Plant and machinery	- 25% straight-line per annum
Motor vehicles	- 33% straight-line per annum
Office equipment	- 20% to 33% straight-line per annum

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

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

**2.9 Financial instruments**

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

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

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

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

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

---

CARLISLE CLEANING SERVICES LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

---

2. Accounting policies (continued)

2.10 Pensions

**Defined contribution pension plan**

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

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

**Defined benefit pension plan**

The Company 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 Company'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'.

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)**

**2.11 Current and deferred taxation**

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

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

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

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

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

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

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

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

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

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

Key sources of estimation uncertainty are:

***Tangible fixed assets***

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets 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.

***Defined benefit pension scheme***

The Company 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 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 18. The principal actuarial assumptions used at the statement of financial position date are included in note 18.

**4. Turnover**

The whole of the turnover is attributable to the provision of cleaning services from continuing operations.

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	17,202	11,802
Rest of Europe	-	875
	<u>17,202</u>	<u>12,677</u>

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**5. Other operating income**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Coronavirus Job Retention Scheme grant	<b>52</b>	<b>-</b>
	<b>52</b>	<b>-</b>

**6. Operating profit**

The operating profit is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>236</b>	<b>109</b>
Foreign exchange	<b>(14)</b>	<b>14</b>
Defined contribution pension cost	<b>180</b>	<b>141</b>
Defined benefit pension cost	<b>8</b>	<b>13</b>
Operating lease payments	<b>314</b>	<b>364</b>

**7. Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>30</b>	<b>13</b>

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

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**8. Employees**

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	11,756	9,137
Social security costs	981	628
Cost of defined benefit scheme	8	13
Cost of defined contribution scheme	172	141
	<u>12,917</u>	<u>9,919</u>

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

	2020 No.	2019 No.
Operations	597	452
Operations Management	16	11
Administration and support	1	3
Sales and marketing	1	-
	<u>616</u>	<u>466</u>

The average monthly number of employees during the year, including the directors, calculated on a full time equivalent (FTE) basis, was 535 (2019 - 301).

**9. Directors' remuneration**

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

**10. Interest payable and similar expenses**

	2020 £000	2019 £000
Bank interest payable	-	6
Other interest payable	6	2
	<u>6</u>	<u>8</u>

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**11. Taxation**

	2020 £000	2019 £000
Current tax on profits for the year	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	78	70
Deferred tax charge in respect of prior periods	-	7
Change to the tax rates	(15)	-
<b>Total deferred tax</b>	<b>63</b>	<b>77</b>
<b>Taxation on profit on ordinary activities</b>	<b>63</b>	<b>77</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019: *higher 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	345	105
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	66	20
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1	4
Adjustments to tax charge in respect of prior periods	-	7
Remeasurement of deferred tax for changes in tax rates	(15)	-
Group relief	11	46
<b>Total tax charge for the year</b>	<b>63</b>	<b>77</b>

**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%.

**CARLISLE CLEANING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. Tangible fixed assets**

	<b>Fixtures &amp; Fittings £000</b>	<b>Motor vehicles £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>				
At 1 January 2020	57	-	18	75
Additions	164	354	30	548
Disposals	(32)	-	(16)	(48)
At 31 December 2020	189	354	32	575
<b>Depreciation</b>				
At 1 January 2020	47	-	15	62
Charge for the year	111	118	7	236
Disposals	(32)	-	(16)	(48)
At 31 December 2020	126	118	6	250
<b>Net book value</b>				
At 31 December 2020	63	236	26	325
At 31 December 2019	10	-	3	13

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**13. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>1,149</b>	<b>1,421</b>
Amounts owed by group undertakings	<b>1,261</b>	<b>2,138</b>
Other debtors	<b>5</b>	<b>38</b>
Prepayments and accrued income	<b>1,371</b>	<b>621</b>
Deferred taxation (Note 15)	<b>119</b>	<b>127</b>
	<b>3,905</b>	<b>4,345</b>

**14. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>358</b>	<b>63</b>
Amounts owed to group undertakings	<b>5,358</b>	<b>362</b>
Other taxation and social security	<b>691</b>	<b>1,464</b>
Other creditors	<b>934</b>	<b>625</b>
Accruals and deferred income	<b>424</b>	<b>1,354</b>
	<b>7,765</b>	<b>3,868</b>

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**15. Deferred taxation**

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
At beginning of year	<b>127</b>	<b>159</b>
Charged to profit or loss	<b>(63)</b>	<b>(77)</b>
Credited to other comprehensive income	<b>55</b>	<b>45</b>
<b>At end of year</b>	<b>119</b>	<b>127</b>

The deferred tax asset is made up as follows:

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
Fixed asset timing differences	<b>33</b>	<b>103</b>
Short term timing differences	<b>5</b>	<b>(2)</b>
Amounts attributable to pension scheme	<b>81</b>	<b>26</b>
	<b>119</b>	<b>127</b>

**16. Share capital**

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1.00 each	-	-
550,100 Non-participating redeemable preference shares of £1.00 each	<b>550</b>	<b>550</b>
	<b>550</b>	<b>550</b>

**17. Reserves**

**Profit and loss account**

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

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**18. Pension commitments**

**Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £172k (2019 - £141k). Contributions totalling £92k (2019 - £99k) were payable to the fund at the reporting date.

**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 payable to the pension scheme at the end of the year are £Nil (2019 - £Nil). The expected contributions to the plan for the next reporting period are £20k. 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
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	2,804	2,537
Current service cost	8	13
Interest cost	54	70
Actuarial losses arising from changes in financial assumptions	344	282
Contributions by scheme participants	6	6
Benefits paid	(208)	(102)
Experience losses/(gains) arising on the scheme liabilities	122	(2)
<b>At the end of the year</b>	<b>3,130</b>	<b>2,804</b>

Analysed as:

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

**CARLISLE CLEANING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**18. 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
<b>At the end of the year</b>	<b>2,701</b>	<b>2,668</b>

Composition of plan assets:

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

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

The amounts recognised in profit or loss are as follows:

	2020 £000	2019 £000
Current service cost	8	13
Net interest	3	2
<b>Total</b>	<b>11</b>	<b>15</b>

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**18. Pension commitments (continued)**

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

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

The cumulative amount of actuarial losses recognised in the Statement of Comprehensive Income since 1 January 2002 is £1,115k (2019 - £842k).

The Company expects to contribute £20k to its Defined Benefit Pension Scheme in 2021.

	2020 £000	2019 £000
<b>Analysis of actuarial losses recognised in Other Comprehensive Income</b>		
Actuarial losses arising from changes in financial assumptions	(466)	(280)
Actuarial gains arising from experience adjustments	175	41
	<u>(291)</u>	<u>(239)</u>

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

	2020 %	2019 %
Discount rate	1.20	2.00
Retail price inflation	2.90	3.00
Future salary increases	2.20	2.20
Future pension increases	2.20	2.20
Mortality rates		
Current UK pensioners at retirement age - male	84.60 years	84.60 years
Future UK pensioners at retirement age - male	<u>87.30 years</u>	<u>87.30 years</u>

---

CARLISLE CLEANING SERVICES LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

---

**18. Pension commitments (continued)**

Sensitivity:

	Change to liabilities £000
Increase discount rate by 0.5%	(200)
Decrease Inflation by 0.5%	(220)
Increase life expectancy by 1 year	94

**19. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	134	83
Later than 1 year and not later than 5 years	149	66
	<u>283</u>	<u>149</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £314k (2019 - £364k).

---

**CARLISLE CLEANING SERVICES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**20. Related party transactions**

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

During the year, the Company made sales of £62,284 (2019 - £106,951) to a related party relating to the provision of cleaning services. At 31 December 2020 amounts totalling £6,717 (2019 - £13,287) were outstanding and included in trade debtors. The entity is a related party by virtue of common shareholding.

During the year, the Company made purchases of £4,275 (2019 - £26,606) from a related party relating to cross charges under a transactional services agreement put in place following the demerger of the group from Impellam Group plc in March 2019. At 31 December 2020 amounts totalling £Nil (2019 - £8,723) were outstanding and included in trade creditors. The entity is a related party by virtue of common shareholding.

During the year, the Company made purchases of £11,900 (2019 - £28,154) from a related party relating to the supply of labour. At 31 December 2020 amounts totalling £Nil (2019 - £Nil) were outstanding and included in trade creditors.

**Key management personnel**

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 is disclosed in the financial statements of the parent company, Carlisle Support Services Group Limited.

In addition to the above, 2 of the directors who served during the year (2019 – 2) were remunerated through Carlisle Security Services Limited with their remuneration disclosed in these financial statements.

**21. Controlling party**

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

The largest and smallest group of undertakings for which group accounts for the year ended 31 December 2020 have been drawn up, is that headed by Carlisle Support Services Group Limited. Copies of the group accounts are available from Companies House.

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

**22. Contingent liabilities**

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

At 31 December 2020, the company has no contingent liability (2019 - £Nil).