

Carlisle Security Services Limited

Report and financial statements for the year ended 31 March 2008

Registered No 2654100

TUESDAY



LK6AI1MQ

LD3

22/07/2008

112

COMPANIES HOUSE

Carlisle Security Services Limited

Report and financial statements for the year ended 31 March 2008

	Pages
Company information	1
Report of the directors	2 - 5
Independent auditors' report	6 - 7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 18

Company information

Registered office

Buckland House
Waterside Drive
Langley Business Park
Slough
Berkshire
SL3 6EZ

Directors

R J Bradford
J W Coates
D I Pennington

Company secretary

D I Pennington

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Report of the directors for the year ended 31 March 2008

The directors present their report and the audited financial statements of the company for the year ended 31 March 2008

Review of the business and performance in the year

The principal activity of the company is the provision of security services in the United Kingdom

The retained profit for the financial year amounted to £323,000 (2007: loss of £4,578,000) which has been transferred to reserves. The directors do not recommend the payment of a dividend

The company's balance sheet as at 31 March 2008 is in a net liability position. The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future, having adequate funds available to it to meet its obligations as they fall due. The company's ultimate parent undertaking, Impellam Group plc, has provided a written letter of support confirming to the directors its intention to provide the company with all such financial support as is required to enable it to fulfil all of its obligations and other commitments falling due for the foreseeable future. It is therefore on this basis that the directors have, accordingly, prepared the financial statements on the going concern basis.

Given current market conditions, the directors expect that the present level of business activity will be sustained for the foreseeable future.

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to employee retention and legislative change. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided in the group's annual report which does not form part of this report. The company is a wholly owned subsidiary of Carlisle Group plc ("CGP") (see note 19 to the financial statements).

Report of the directors for the year ended 31 March 2008 (continued)

The directors of CGP manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of Carlisle Security Services Limited. The development, performance and position of CGP's Support Services division, which includes the company, is discussed in the group's annual report which does not form part of this report.

Directors

The following have served as directors during the year

R J Bradford
J W Coates
D I Pennington

During the year under review no director had any beneficial interest in the share capital of the company.

Under Statutory Instrument No 802 made under the authority of Section 324(3) of the Companies Act 1985, the directors' interests in the share capital of the ultimate parent undertaking need not be disclosed.

Employee involvement

The nature of the company's activities makes the employment of disabled persons particularly difficult. However, it is the company's policy, wherever practicable, to employ, train, develop and promote disabled persons and to find suitable employment within the company for persons who become disabled during their employment.

It is the company's policy to encourage the free exchange of information throughout all levels of management and staff. Regular meetings are held, designed to further this process.

Policy on payments to suppliers

The company's policy with regard to the payment of its suppliers is to

- agree the terms of payment at the start of business with that supplier,
- ensure that the suppliers are made aware of the terms of payment; and
- pay in accordance with its contractual and legal obligations.

The company's average creditor payment period at 31 March 2008 was approximately 29 days.

Report of the directors for the year ended 31 March 2008 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' declaration in relation to relevant audit information

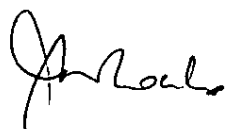
Each of the directors confirm that, to the best of their knowledge and belief, (a) there is no relevant audit information of which the company's auditors are unaware, and (b) they have taken all steps that might reasonably be expected to have taken in order to make themselves aware of relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the directors
for the year ended 31 March 2008 (continued)**

Auditors

PricewaterhouseCoopers LLP continue in office as, in accordance with Section 386 of the Companies Act 1985, the company has made an elective resolution to dispense holding an annual general meeting

By order of the board

A handwritten signature in black ink, appearing to read 'J W Coates', written in a cursive style.

J W Coates
Director

25 June 2008

Independent auditors' report to the members of Carlisle Security Services Limited

6

We have audited the financial statements of Carlisle Security Services Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the report of the directors is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Independent auditors' report to the members of Carlisle Security Services Limited (continued)

7

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the report of the directors is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27 June 2008

**Profit and loss account
for the year ended 31 March 2008**

	Notes	2008 £'000	2007 £'000
Turnover		31,910	21,602
Cost of sales		<u>(28,293)</u>	<u>(18,989)</u>
Gross profit		3,617	2,613
Administrative expenses		(3,220)	(2,741)
Goodwill impairment		-	<u>(4,510)</u>
Operating profit (loss)	2	397	(4,638)
Provision against investment in subsidiary undertaking	8	-	(534)
Waiver of amounts owed to group undertakings		-	553
Interest payable and similar charges		<u>(31)</u>	-
Profit (loss) on ordinary activities before taxation		366	(4,619)
Tax on profit (loss) on ordinary activities	5	<u>(43)</u>	<u>41</u>
Retained profit (loss) for the financial year	14	323	(4,578)
Retained (loss) brought forward		<u>(9,041)</u>	<u>(4,463)</u>
Retained (loss) carried forward		<u>(8,718)</u>	<u>(9,041)</u>

All amounts relate to continuing activities

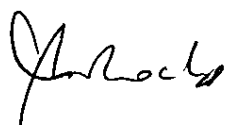
No statement of recognised gains and losses is required as there are no recognised gains or losses other than the results detailed above

There is no difference between the results reported above and the equivalent results calculated on an unmodified historical cost basis

**Balance sheet
as at 31 March 2008**

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	7	<u>218</u>	<u>106</u>
		218	106
Current assets			
Debtors	9	6,629	4,787
Cash at bank and in hand		<u>559</u>	<u>-</u>
		7,188	4,787
Creditors amounts falling due within one year	10	<u>(8,623)</u>	<u>(6,433)</u>
Net current liabilities		(1,435)	(1,646)
Net liabilities		<u>(1,217)</u>	<u>(1,540)</u>
Capital and reserves			
Called up share capital	12	21	21
Other reserves	13	7,480	7,480
Profit and loss account - (deficit)	14	<u>(8,718)</u>	<u>(9,041)</u>
Equity shareholders' (deficit)	15	<u>(1,217)</u>	<u>(1,540)</u>

The financial statements on pages 8 to 18 were approved by the board of directors on 25 June 2008 and were signed on its behalf by:



J W Coates
Director

**Notes to the financial statements
for the year ended 31 March 2008****1 Principal accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the provisions of the Companies Act 1985, except for the requirements of legislation as explained in intangible fixed assets below, and on the basis of continuing financial support from group undertakings

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future, having adequate funds available to it to meet its obligations as they fall due. The company's ultimate parent undertaking, Impellam Group plc, has provided a written letter of support, confirming to the directors its intention to provide the company with all such financial support as is required to enable it to fulfil all of its obligations and other commitments falling due for the foreseeable future. It is therefore on this basis that the directors have, accordingly, prepared the financial statements on the going concern basis.

The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it is included in the consolidated financial statements of Carlisle Group plc

Intangible fixed assets

Goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is stated at cost less amortisation

Goodwill is capitalised and treated as an asset on the balance sheet. Goodwill that is regarded as having a limited estimated useful economic life is amortised through the profit and loss account by equal instalments over such useful economic life. Goodwill that is regarded as having an indefinite life is not amortised. The estimated useful economic life is regarded as indefinite where goodwill is capable of continued measurement and the durability of the acquired business can be demonstrated. In estimating the useful economic life of goodwill arising, account has been taken of the nature of the business acquired, the stability of the industry, the extent of continuing barriers to market entry and the expected future impact of competition. Where goodwill is not amortised an annual impairment review will be performed and any impairment will be charged to the profit and loss account in the period in which it arises. The impairment review involves a comparison of the book value of goodwill with its implied fair market value, by reference to present value techniques, comprising discounted cash flows, based on future revenue and margin projections and plans, with the discount rate based on a risk weighted average cost of capital.

The underlying markets in which the company operates have generally seen consistent growth over many years and the nature of and demand for the services offered by each business is likely to continue for the foreseeable future. The directors consider that the goodwill is an

**Notes to the financial statements
for the year ended 31 March 2008 (continued)****1 Principal accounting policies (continued)**

inseparable part of the total value of the relevant businesses. The directors believe that each business has a proven ability to at least maintain its market position over a long period and will adapt successfully to any foreseeable technological or customer-led changes, such that the goodwill will prove to be durable

Amortising the goodwill over a finite period, as required by the Companies Act, would not give a true and fair view because the durability of the business is such that the directors consider that the value of the business and the goodwill will not reduce over time. Accordingly, the goodwill is not amortised as permitted by FRS 10. Instead an annual impairment test is undertaken and any impairment that is identified will be charged to the profit and loss account. It is not possible to quantify the effect of the departure from the Companies Act, because no finite life for the goodwill can be identified.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided so as to write off the cost less the estimated residual value of each asset on a straight line basis over its estimated useful life, as follows

Leasehold improvements	Over the length of the lease
Fixtures, fittings and equipment	15 per cent to 33 per cent per annum

Fixed asset investments

Fixed asset investments are stated at cost less any provision required for any impairment in value

Operating leases

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

Deferred taxation

Deferred taxation is provided on all timing differences, subject to certain exceptions, where the transaction or events that give rise to an obligation to pay additional tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Deferred tax assets are recognised when it is considered more likely than not that they will be recovered in the future. Deferred tax is measured using rates of tax that have been enacted at the balance sheet date.

**Notes to the financial statements
for the year ended 31 March 2008 (continued)****1 Principal accounting policies (continued)****Turnover**

Turnover comprises the invoiced value of services provided and goods supplied, net of value added tax. The nature of the company's activities is such that revenue is recognised when a written agreement, terms and conditions or an approved customer order is in place and the services have been fully rendered. At that time, pricing is then fixed and determinable. The company's procedures require review of a customer's ability to pay prior to a service provision, at the time of such provision, and at the time of billing, such that collectibility is reasonably assured.

Pension payments

Contributions payable to defined contribution pension schemes and to employees' pension schemes are charged to the profit and loss account in the year to which they relate.

Cash flow statement

In accordance with FRS 1 (Revised) the company has not prepared a statement of cash flows for the current year as it was a wholly owned subsidiary of Carlisle Group plc, who publishes consolidated financial statements which include a consolidated cash flow statement.

2 Operating profit (loss)

	2008	2007
	£'000	£'000
Operating profit (loss) is stated after charging		
Depreciation of tangible fixed assets	67	79
Operating lease rentals		
- land and buildings	220	108
- plant and equipment	198	171
Auditors' remuneration	42	30

3 Staff costs and numbers

Staff costs during the year were

	2008	2007
	£'000	£'000
Wages and salaries	25,580	18,077
Social security costs	2,223	1,538
Other pension costs	42	53
	<u>27,845</u>	<u>19,668</u>

**Notes to the financial statements
for the year ended 31 March 2008 (continued)****3 Staff costs and numbers (continued)**

The average number of employees during the year was

	2008 Number	2007 Number
Operational	1,289	997
Management and administration	70	79
	<u>1,359</u>	<u>1,076</u>

4 Directors' emoluments

No directors received any remuneration from the company during the current or prior period

5 Tax on profit (loss) on ordinary activities

	2008 £'000	2007 £'000
Group relief payable (receivable)	<u>43</u>	<u>(41)</u>
	<u>43</u>	<u>(41)</u>
	2008 £'000	2007 £'000
Profit (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	110	(1,386)
Effects of		
Expenses not deductible for tax purposes	14	15
Capital allowances for the year in excess of depreciation and other timing differences	(81)	(17)
Goodwill impairment not deductible for tax purposes	-	1,353
Provision against investments not deductible for tax purposes	-	160
Waiver of amounts owed to group undertakings not subject to tax	-	(166)
	<u>43</u>	<u>(41)</u>

**Notes to the financial statements
for the year ended 31 March 2008 (continued)**

6 Intangible fixed assets

	Goodwill £'000
Cost	
At 1 April 2007 and 31 March 2008	<u>7,510</u>
Provision for impairment	
At 1 April 2007 and 31 March 2008	<u>7,510</u>
Net book values	
At 31 March 2007 and 31 March 2008	<u>-</u>

7 Tangible fixed assets

	Leasehold improvements £'000	Fixtures and equipment £'000	Total £'000
Cost			
At 1 April 2007	28	844	872
Additions at cost	-	185	185
Disposals	-	(13)	(13)
At 31 March 2008	<u>28</u>	<u>1,016</u>	<u>1,044</u>
Depreciation			
At 1 April 2007	18	748	766
Charge for the year	4	63	67
Disposals	-	(7)	(7)
At 31 March 2008	<u>22</u>	<u>804</u>	<u>826</u>
Net book values			
At 31 March 2008	<u>6</u>	<u>212</u>	<u>218</u>
At 31 March 2007	<u>10</u>	<u>96</u>	<u>106</u>

**Notes to the financial statements
for the year ended 31 March 2008 (continued)****8 Fixed asset investments****Interest in group undertakings****£'000****Cost**

At 1 April 2007 and 31 March 2008

534**Provision for impairment**

At 1 April 2007 and 31 March 2008

534**Net book values**

At 31 March 2007 and 31 March 2008

-

The following were subsidiary undertakings at the end of the year

Bourne Security Limited

Carlisle Distribution Sector Services Limited

All subsidiary undertakings are incorporated and operating in Great Britain and registered in England and Wales
The company holds 100 percent of the issued share capital, in each case comprising ordinary shares of £1 each
All subsidiary undertakings are non-trading

9 Debtors

	2008	2007
	£'000	£'000
Amounts falling due within one year		
Trade debtors	3,209	2,245
Amounts owed by group undertakings	1,481	1,010
Prepayments and accrued income	1,939	1,532
	<u>6,629</u>	<u>4,787</u>

Amounts owed by group undertakings are unsecured, interest free and payable on demand

**Notes to the financial statements
for the year ended 31 March 2008 (continued)**

10 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Bank overdraft (secured)	4,027	1,477
Trade creditors	550	177
Amounts owed to group undertakings	43	1,302
Other creditors including tax and social security	3,181	2,488
Accruals and deferred income	822	989
	<u>8,623</u>	<u>6,433</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

11 Deferred tax asset

	Provided		Unprovided	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Accelerated capital allowances	-	-	66	114
Other timing differences	-	-	14	11
	<u>-</u>	<u>-</u>	<u>80</u>	<u>125</u>

Unprovided deferred tax assets have not been recognised due to uncertainty over their recoverable economic value

12 Called up share capital

	2008 £'000	2007 £'000
Authorised		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
21,100 ordinary shares of £1 each	<u>21</u>	<u>21</u>

**Notes to the financial statements
for the year ended 31 March 2008 (continued)****13 Other reserves****£'000**

At 31 March 2007 and 31 March 2008

7,480

Other reserves are unrealised and not available for distribution

14 Profit and loss account – (deficit)**£'000**

At 1 April 2007

(9,041)

Retained profit for the financial year

323

At 31 March 2008

(8,718)**15 Reconciliation of movements in equity shareholders' (deficit)**

	2008	2007
	£'000	£'000
Profit (loss) for the financial year	323	(4,578)
Capital contribution	-	3,866
Shareholders' (deficit) at beginning of year	(1,540)	(828)
Shareholders' (deficit) at end of year	<u>(1,217)</u>	<u>(1,540)</u>

**Notes to the financial statements
for the year ended 31 March 2008 (continued)****16 Financial commitments**

Annual commitments under non-cancellable operating leases are as follows:

	2008 £'000	2007 £'000
Land and buildings		
- expiring within one year	5	-
- expiring between two and five years	147	112
	<u>152</u>	<u>112</u>
Plant and equipment		
- expiring within one year	34	13
- expiring between two and five years	135	120
- expiring after five years	-	5
	<u>169</u>	<u>138</u>
	<u>321</u>	<u>250</u>

17 Contingencies

An unlimited composite banking guarantee exists between the company and various fellow group undertakings in respect of banking facilities provided to the group in the UK

18 Related party transactions

The company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose transactions with other group companies

19 Ultimate parent undertaking

The company's immediate parent undertaking is Capitol Group plc, a company incorporated in Great Britain and registered in England and Wales

As at 31 March 2008, the smallest group in which the company is consolidated was Carlisle Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Carlisle Group plc can be obtained from its registered office at Buckland House, Waterside Drive, Langley Business Park, Slough, Berkshire, SL3 6EZ

As at 31 March 2008, the company's ultimate parent undertaking was Carlisle Group Limited, a company registered in Belize. Lord Ashcroft, KCMG was interested in and controlled approximately 75 percent of Carlisle Group Limited. In May 2008, Carlisle Group Limited merged with Impellam Group plc, a company registered in England and Wales. Lord Ashcroft is interested in and controls approximately 54 percent of Impellam Group plc