

Carlisle Staffing Services Limited

Report and financial statements for the year ended 31 March 2008

Registered No 2849488

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Carlisle Staffing Services Limited

Report and financial statements for the year ended 31 March 2008

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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 that of an investment holding company

The retained loss for the financial year amounted to £1,412,000 (2007 loss of £20,705,000) which has been transferred from reserves. The directors do not recommend the payment of a dividend. Further details are set out in the profit and loss account on page 7.

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, Impellan 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.

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risk and uncertainties of Carlisle Group plc, which include those of the company, are discussed in the group's annual report which does not form part of this report.

Given the nature of the business, the company's directors are of the opinion that analyses using key performance indicators are not necessary for an understanding of the development, performance or position of the business.

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.

**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

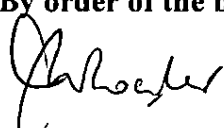
Each of the directors confirm that, to the best of their knowledge and belief, (a) there is no relevant audit information of which the company's auditors are unaware, and (b) they have taken all steps that might reasonably be expected to have taken in order to make themselves aware of relevant audit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

J W Coates
Director

25 June 2008

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

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We have audited the financial statements of Carlisle Staffing 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 Staffing Services Limited (continued)

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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 loss 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
Interest receivable and similar income	2	402	256
Interest payable and similar charges	3	(2,373)	(2,264)
Provision against investment in subsidiary undertaking	6	-	(19,300)
Loss on ordinary activities before taxation	4	(1,971)	(21,308)
Tax on loss on ordinary activities	5	559	603
Retained loss for the financial year	10	(1,412)	(20,705)

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			
Investments	6	<u>21,854</u>	<u>21,854</u>
Current assets			
Debtors	7	5,361	12,121
Cash at bank and in hand		<u>-</u>	<u>1</u>
		5,361	12,122
Creditors: amounts falling due within one year	8	<u>(44,903)</u>	<u>(50,252)</u>
Net current liabilities		<u>(39,542)</u>	<u>(38,130)</u>
Net (liabilities)		<u>(17,688)</u>	<u>(16,276)</u>
Capital and reserves			
Called up share capital	9	6,000	6,000
Share premium account	10	2,000	2,000
Profit and loss account – (deficit)	10	<u>(25,688)</u>	<u>(24,276)</u>
Equity shareholders' (deficit)	11	<u>(17,688)</u>	<u>(16,276)</u>

The financial statements on pages 7 to 14 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, 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.

Fixed assets investments

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

Foreign currencies

Exchange differences arising on foreign currency transactions and balances are dealt with through the profit and loss account

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

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 is a wholly owned subsidiary of Carlisle Group plc, who publishes consolidated financial statements which include a consolidated cash flow statement

**Notes to the financial statements
for the year ended 31 March 2008 (continued)****2. Interest receivable and similar income**

	2008	2007
	£'000	£'000
Intercompany interest receivable	<u>402</u>	<u>256</u>

3. Interest payable and similar charges

	2008	2007
	£'000	£'000
Intercompany interest payable	<u>2,373</u>	<u>2,264</u>

4. Loss on ordinary activities before taxation

The directors received no remuneration from the company during the year (2007 nil) The auditors' remuneration for the current year and prior year was borne by Carlisle Staffing plc.

5. Tax on loss on ordinary activities

	2008	2007
	£'000	£'000
Group relief receivable	<u>559</u>	<u>603</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	591	6,393
Expenses not deductible for tax purposes	(32)	-
Provision against investments not deductible for tax purposes	-	(5,790)
Current tax credit for the year	<u>559</u>	<u>603</u>

**Notes to the financial statements
for the year ended 31 March 2008 (continued)**
6. Fixed asset investments

	Interest in group undertakings £'000
Cost	
At 1 April 2007 and 31 March 2008	<u>41,154</u>
Provision for impairment	
At 1 April 2007 and 31 March 2008	<u>19,300</u>
Net book values	
At 31 March 2007 and 31 March 2008	<u>21,854</u>

The list of principal subsidiaries undertakings at 31 March 2008 is as follows

Name of subsidiary	Country of incorporation or registration	Principal activity
Carlisle Staffing plc	England and Wales	Employment services
Carlisle Staffing Services Ireland Limited	Republic of Ireland	Holding company
Carlisle Managed Solutions Limited	England and Wales	Non-trading
Celsian Group Limited	England and Wales	Non-trading
Tate Services (BVI) Limited	British Virgins Island	Non-trading
Indigo Selection Limited	England and Wales	Non-trading
Recruit Limited	England and Wales	Non-trading
Tate Appointments Limited	England and Wales	Non-trading
Unicare Services Limited	England and Wales	Non-trading

Unless otherwise stated (a) all companies are incorporated and operating in Great Britain and registered in England and Wales, and (b) the proportion of the nominal value of shares and the voting rights held by the company comprises 100 percent

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

7. Debtors

	2008	2007
	£'000	£'000
Amounts falling due within one year		
Amounts owed by group undertakings	<u>5,361</u>	<u>12,121</u>

Amounts owed by group undertakings are unsecured and payable on demand, £4,363,000 bears interest at 10% per annum, the remainder is interest free

8. Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Amounts owed to group undertakings	<u>44,903</u>	<u>50,252</u>

Amounts owed to group undertakings are unsecured and repayable on demand, approximately £24 million bears interest at between 8% and 10% per annum and the remainder is interest free

9. Called up share capital

	2008	2007
	£'000	£'000
Authorised		
Equity 6,000,000 ordinary shares of £1 each	6,000	6,000
Non-equity 666,667 7½% cumulative redeemable convertible preference shares of £1 each	<u>667</u>	<u>667</u>
	<u>6,667</u>	<u>6,667</u>
Allotted, called up and fully paid		
Equity 6,000,000 ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

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

10. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 April 2007	2,000	(24,276)
Retained loss for the financial year	-	(1,412)
At 31 March 2008	<u>2,000</u>	<u>(25,688)</u>

11. Reconciliation of movements in equity shareholders' (deficit) funds

	2008 £'000	2007 £'000
Loss for the financial year	(1,412)	(20,705)
Shareholders' (deficit) funds at beginning of year	(16,276)	4,429
Shareholders' (deficit) at end of year	<u>(17,688)</u>	<u>(16,276)</u>

12. Related party transactions

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

13. 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

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

14. Ultimate parent undertaking

The company's immediate parent undertaking is Carlisle Staffing Services Holdings Limited, 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.