

# Carlisle Staffing Services Limited

Directors' Report and Financial Statements

for the 52 week period ended 27 December 2013



**Carlisle Staffing Services Limited**  
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**Carlisle Staffing Services Limited**  
**Company Information**

<b>Directors</b>	A J Burchall R J Watson
<b>Company secretary</b>	R J Watson
<b>Registered office</b>	800 The Boulevard Capability Green Luton Bedfordshire LU1 3BA
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 10 Bricket Road St Albans Hertfordshire AL1 3JX

**Carlisle Staffing Services Limited**  
**Strategic Report for the 52 week period ended 27 December 2013**

**Principal activity**

The principal activity of the company is that of an investment holding company

**Business review**

The directors are satisfied with the performance of the company and expect no change in the foreseeable future

**Principal risks and uncertainties**

The principal risks and uncertainties of the Group, which include those of the company, are discussed in the Finance Report in the Group's annual report which does not form part of this report. The Group's business and financial risks are managed at a Group level, rather than at an individual company level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company.

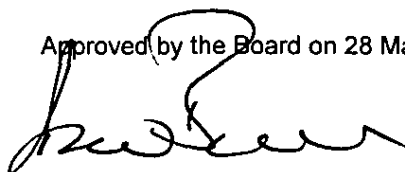
**Insurance**

Impellam Group plc ("the Group"), of which the company is a member, maintains a comprehensive insurance programme with a number of reputable third party underwriters. These insurance policies are reviewed annually to ensure that there is adequate cover for insurable risks and that the terms of those policies are optimised.

**Technology systems**

The business continues to develop and enhance controls, the associated disaster recovery systems, including physically separate disaster recovery sites, and other areas to improve its ability to cope with the loss or disruption of a technology system as a result of any such event. In addition, data protection is a key priority and specific contractual provisions exist to ensure safety and security of confidential data.

Approved by the Board on 28 March 2014 and signed on its behalf by



A J Burchall  
Director

## **Carlisle Staffing Services Limited**

### **Directors' Report for the 52 week period ended 27 December 2013**

The directors present their report and the audited financial statements of the company for the 52 week period ended 27 December 2013

#### **Directors of the company**

The directors of the company who were in office during the period and up to the date of signing the financial statements were

A J Burchall

R J Watson

#### **Results and dividends**

The audited financial statements for the fifty-two weeks ended 27 December 2013 are set out on pages 7 to 14. The Company profits for the period was £232,000 (2012 £12,140,000), which is transferred to reserves. The directors do not recommend payment of a dividend for the year (2012 £nil)

#### **Donations**

There were no political donations made by the company in either 2013 or 2012

#### **Statement of directors responsibilities**

The directors are responsible for preparing the Strategic Report, 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 period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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

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' liabilities**

During the year and to the date of these financial statements, the Group had in force an indemnity provision in favour of one or more Directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

**Carlisle Staffing Services Limited**

**Directors' Report for the 52 week period ended 27 December 2013**

**..... continued**

**Reappointment of auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and so are deemed to be reappointed under section 487(2) of the Companies Act 2006

Approved by the Board on 28 March 2014 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'A J Burchall', written over a horizontal line.

A J Burchall  
Director

## **Independent Auditors' Report to the members of Carlisle Staffing Services Limited**

### **Opinion on financial statements**

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 27 December 2013 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

### **What we have audited**

The financial statements, which are prepared by Carlisle Staffing Services Limited comprise

- the balance sheet as at 27 December 2013,
- the profit and loss account for the period then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates In making such estimates, they have made assumptions and considered future events

### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs ("UK and Ireland")) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Strategic report and Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

### **Other matters on which we are required to report by exception**

#### *Adequacy of accounting records and information and explanations received*

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

#### *Directors' remuneration*

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made We have no exceptions to report arising from this responsibility

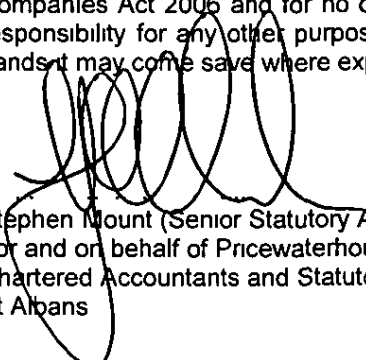
**Independent Auditors' Report to the members of  
Carlisle Staffing Services Limited**

**..... continued**

**Responsibilities for the financial statements and the audit**

*Our responsibilities and those of the directors*

As explained more fully in the Statement of directors responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.



Stephen Mount (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans

28 March 2014



**Carlisle Staffing Services Limited**  
**Profit and Loss Account for the 52 week period ended 27 December 2013**

	Note	2013 £ 000	2012 £ 000
Administrative expenses		(200)	(447)
Operating loss	2	(200)	(447)
Income from shares in group undertakings		-	12,000
Interest receivable and similar income	6	200	196
Result/profit on ordinary activities before taxation		-	11,749
Tax on result/profit on ordinary activities	7	232	391
Profit for the financial period	12	232	12,140

Turnover and operating profit for the current and prior periods derive wholly from continuing operations

The company has no recognised gains or losses for the current and prior periods other than the results above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary business activities before taxation and the retained profit for the period stated above and their historical cost equivalents for the current and prior periods

**Carlisle Staffing Services Limited**  
**Registration number: 02849488**  
**Balance Sheet as at 27 December 2013**

	Note	2013 £ 000	2012 £ 000
<b>Fixed assets</b>			
Investments	8	<u>21,854</u>	<u>21,854</u>
<b>Current assets</b>			
Debtors	9	350	12,391
Creditors Amounts falling due within one year	10	<u>(31,664)</u>	<u>(43,937)</u>
Net current liabilities		<u>(31,314)</u>	<u>(31,546)</u>
Total assets less current liabilities		<u>(9,460)</u>	<u>(9,692)</u>
Net liabilities		<u>(9,460)</u>	<u>(9,692)</u>
<b>Capital and reserves</b>			
Called up share capital	11	6,000	6,000
Share premium account	12	2,000	2,000
Profit and loss account	12	<u>(17,460)</u>	<u>(17,692)</u>
Total shareholders' deficit	13	<u>(9,460)</u>	<u>(9,692)</u>

The financial statements on pages 7 to 14 were approved by the Board on 28 March 2014 and signed on its behalf by



A J Burchall  
Director

**Carlisle Staffing Services Limited**  
**Notes to the Financial Statements for the 52 week period**  
**ended 27 December 2013**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 2006. The principal accounting policies have been applied consistently during the period and are set out below.

**Exemption from preparing a cash flow statement**

The company has taken advantage of the exemption under FRS 1 (Revised 1996) 'Cash flow Statements' not to publish a cash flow as its ultimate parent, Impellam Group plc, a company incorporated in the United Kingdom, has prepared consolidated financial statements which are publicly available.

**Exemption from preparing group financial statements**

The company has taken exemption from preparing group financial statements as it is included in consolidated financial statements for Impellam Group plc which are drawn up as full consolidated audited financial statements which are filed at Companies House as per section 400 of the Companies Act 2006.

**Significant accounting judgements**

In applying the company's accounting policies the following judgements have been made that may have a significant effect on the amounts recognised in the financial statements:

*Recoverability of debtors*

The company determines whether debtors are impaired if events or changes in circumstances indicate that the carrying value may not be recoverable at least on an annual basis.

**Going concern**

These financial statements have been prepared on a going concern basis.

As at 27 December 2013 the company had net liabilities amounting to £9,460,000. The company is dependent, in the absence of other funding, on the continued support of the ultimate parent company, Impellam Group plc. The ultimate parent company has confirmed that it will continue to support the company for the foreseeable future and at least a period of twelve months from the date the financial statements are signed. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

**Fixed asset investments**

Fixed asset investments are stated at cost less a provision for impairment. The carrying values of investments are reviewed for impairment at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the assets are allocated. Estimating the value in use requires the company to make an estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

**Foreign currency**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

**Carlisle Staffing Services Limited**  
**Notes to the Financial Statements for the 52 week period**  
**ended 27 December 2013**

..... **continued**

**Taxation**

Current tax is recognised at the amounts estimated to be payable or recoverable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax assets and liabilities are recognised, subject to certain exceptions, in respect of all material timing differences between the recognition of gains and losses in the financial statements and for tax purposes. Those timing differences recognised may include accelerated capital allowances, unrelieved tax losses and short term timing differences. Timing differences not recognised include those relating to the revaluation of fixed assets in the absence of a commitment to sell the revalued assets and the gain on sale of assets rolled over into replacement assets in the absence of a commitment to sell the replacement assets.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Capital instruments**

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

**2 Operating loss**

Operating loss is stated after charging

	2013 £ 000	2012 £ 000
Foreign currency losses	-	116

**3 Auditors' remuneration**

Auditors' remuneration for the current and prior periods has been borne by a fellow group company.

**4 Particulars of employees**

Other than the directors, the company had no employees throughout the period (2012: none)

**5 Directors' remuneration**

The emoluments of the directors are paid by the ultimate parent company, or by another group company. The directors' services to this company are of a non-executive nature and are deemed to be attributable to services to the remunerating company. Accordingly, the directors received no remuneration for services to the company in the period (2012: £nil).

**Carlisle Staffing Services Limited**  
**Notes to the Financial Statements for the 52 week period**  
**ended 27 December 2013**

..... *continued*

**6 Other interest receivable and similar income**

	2013 £ 000	2012 £ 000
Other interest receivable	<u>200</u>	<u>196</u>

**7 Tax on profit/loss on ordinary activities**

	2013 £ 000	2012 £ 000
<b>Current tax</b>		
Adjustments in respect of previous years	41	-
Payment for group relief surrendered	<u>(273)</u>	<u>(391)</u>
UK Corporation tax	<u>(232)</u>	<u>(391)</u>

**Factors affecting current tax charge for the period**

Tax on the result on ordinary activities for the period is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.3% (2012 - 24.5%)

The differences are reconciled below

	2013 £ 000	2012 £ 000
Profit on ordinary activities before taxation	<u>-</u>	<u>11,749</u>
Corporation tax at standard rate	-	2,879
Transfer pricing adjustment (see below)	(390)	(410)
Other permanently disallowable items	-	(2,860)
Adjustments in respect of previous years	41	-
Effect of group relief adjustments not at the standard rate of tax	<u>117</u>	<u>-</u>
Total current tax	<u>(232)</u>	<u>(391)</u>

UK legislation requires, in broad terms, that most transactions between connected parties be at an arm's length price for tax purposes (commonly known as 'transfer pricing'). As a result, this company must make an adjustment for deemed net interest on intercompany balances that has not been recognised in the financial statements

Under Finance Act 2013, the standard rate of tax has been reduced to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015

**Carlisle Staffing Services Limited**  
**Notes to the Financial Statements for the 52 week period**  
**ended 27 December 2013**

..... *continued*

**8 Fixed asset investments**

	2013 £ 000	2012 £ 000
Shares in group undertakings and participating interests	<u>21,854</u>	<u>21,854</u>
<b>Shares in group undertakings and participating interests</b>		
		<b>Subsidiary undertaking £ 000</b>
<b>Cost</b>		
At 29 December 2012		<u>30,514</u>
At 27 December 2013		<u>30,514</u>
<b>Provision for impairment</b>		
At 29 December 2012		<u>(8,660)</u>
At 27 December 2013		<u>(8,660)</u>
<b>Net book value</b>		
At 27 December 2013		<u>21,854</u>
At 28 December 2012		<u>21,854</u>

**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

<b>Undertaking</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
<b>Subsidiary undertakings</b>			
Carlisle Staffing Plc	Ordinary	100%	Employment services
Carlisle Staffing Services Ireland Limited	Ordinary	100%	Holding company
Celsian Group Limited	Ordinary	100%	Employment services

The directors believe that the carrying value of the investments is supported by their underlying trade and net assets

During the period the company dissolved Tate Appointments Limited, a dormant company in which Carlisle Staffing Services Limited held an investment

**Carlisle Staffing Services Limited**  
**Notes to the Financial Statements for the 52 week period**  
**ended 27 December 2013**

..... *continued*

**9 Debtors**

	2013 £ 000	2012 £ 000
Amounts owed by group undertakings	<u>350</u>	<u>12,391</u>

Amounts owed by group undertakings are unsecured and repayable on demand. There is a loan of €2,395,000 - £2,000,000 (2012 € 2,395,000 - £1,960,000) which attracts interest at 10% and which has been fully provided for. All other amounts are interest free.

**10 Creditors Amounts falling due within one year**

	2013 £ 000	2012 £ 000
Amounts owed to group undertakings	<u>31,664</u>	<u>43,937</u>

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

**11 Called up share capital**

**Allotted, called up and fully paid shares**

	2013		2012	
	Number Thousands	£ 000	Number Thousands	£ 000
Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

**12 Profit and loss account**

	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 29 December 2012	2,000	(17,692)	(15,692)
Profit for the financial period	<u>-</u>	<u>232</u>	<u>232</u>
At 27 December 2013	<u>2,000</u>	<u>(17,460)</u>	<u>(15,460)</u>

**Carlisle Staffing Services Limited**  
**Notes to the Financial Statements for the 52 week period**  
**ended 27 December 2013**

..... *continued*

**13 Reconciliation of movements in shareholders' funds**

	2013 £ 000	2012 £ 000
Profit for the financial period	232	12,140
Net addition to shareholders' funds	232	12,140
Shareholders' deficit at start of period	(9,692)	(21,832)
Shareholders' deficit at end of period	(9,460)	(9,692)

**14 Contingent liabilities**

The company has given cross guarantees as part of the invoice discounting facility of the Group of which the company is a member, a net aggregate amount of £20,054,000 was drawn down by other group companies as at 27 December 2013 (2012 £20,955,000)

**15 Related party transactions**

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the Group

**16 Control**

The company's immediate parent undertaking is Carlisle Staffing Services Holdings Limited, a company incorporated in England and Wales

The directors regard Impellam Group plc, a company incorporated in England and Wales, as the ultimate parent undertaking. This is also the parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared. Copies of the group financial statements of Impellam Group plc will be delivered to, and be available from, the Registrar of Companies, Companies Registration Office, Crown Way, Maundy, Cardiff, CF14 3UZ

At 27 December 2013, the Lombard Trust was interested in and controlled 58.6% of Impellam Group plc