

Carlisle Staffing Plc

Directors' Reports and Financial Statements

for the 53 week period ended 2 January 2015

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Carlisle Staffing Plc
Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Independent Auditors' Report	6 to 7
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10 to 19

Carlisle Staffing Plc
Company Information

Directors	R J Watson J Robertson
Company secretary	R J Watson
Registered office	800 The Boulevard Capability Green Luton Bedfordshire LU1 3BA
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Independent Auditors	PricewaterhouseCoopers LLP 10 Bricket Road St Albans Hertfordshire AL1 3JX

Carlisle Staffing Plc

Strategic Report for the 53 week period ended 2 January 2015

The directors present their strategic report for the 53 week period ended 2 January 2015.

Business review

Key performance indicators and fair review of the business

	53 weeks 2 January 2015 £ 000	52 weeks 27 December 2013 £ 000	Change %
Turnover	278,505	193,404	44.0
Gross Profit	23,861	18,820	26.8
Administrative expenses	21,653	17,147	26.3
Earnings before interest and tax	2,208	1,673	32.0
Gross profit percentage (%)	8.6	9.7	
Conversion rate (%) (EBIT to Gross profit)	9.3	8.9	
Permanent fees % GP	30.8	34.8	

The company continued to see strong underlying growth throughout 2014 especially in its Managed Supply activities where divisional turnover was up 49.7% and gross profit increased 37.9%. This strong performance was achieved principally through growth within the existing customer base across both private and public sector clients. The specialist Clerical, administration and accountancy recruitment activities saw significant investment in headcount in recovering markets and grew gross profit by 15.8%. The company underwent a strategic initiative to rebrand its managed services brand during the year and the directors are pleased to announce that this programme was completed successfully.

The outlook for both divisions remains strong and the directors are confident of continued success throughout 2015.

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.

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.

Regulatory environment

The provision of staffing and support services requires an increasing number of checks for compliance both with legislation and client contractual arrangements; these can vary widely by sector and geography. Such compliance requirements are constantly changing with new legislation being introduced and new or revised contracts being negotiated.

The company takes its responsibilities seriously, is committed to meeting all of its regulatory responsibilities and regularly reviews its policies, processes and systems to reflect best practice. All employees are informed and trained on any new requirements as they become necessary, all new employees receive training on all relevant operating standards and there is a team of compliance officers who regularly conduct spot checks to ensure standards are being maintained.

Carlisle Staffing Plc
Strategic Report for the 53 week period ended 2 January 2015

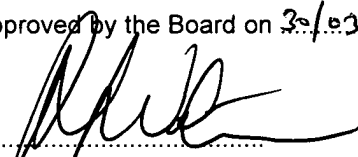
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Technology systems

The company is reliant on a number of technology systems in providing its services to clients and in sourcing and communicating with candidates and staff. These systems are located both in-house and in various data centres. These systems are vulnerable to matters beyond the Group's control, such as natural disasters and power or telecommunications failures. Also, the systems could be vulnerable to improper or negligent operation by employees or from unauthorised access.

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 30/03/15 and signed on its behalf by:



R J Watson
Company secretary and director

Carlisle Staffing Plc

Directors' Report for the 53 week period ended 2 January 2015

The directors present their report and the audited financial statements of the company for the 53 week period ended 2 January 2015.

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 (resigned 31 July 2014)

R J Watson

J Robertson (appointed 30 June 2014)

Results and dividends

The audited financial statements for the fifty-three weeks ended 2 January 2015 are set out on pages 8 to 19. The Company profit for the financial period was £1,578,000 (27 December 2013: £1,119,000), which has been transferred to reserves. The directors do not recommend payment of a dividend for the financial period (27 December 2013: £nil).

Donations

There were no political donations made by the company in either the financial period period ended 2 January 2015 or 27 December 2013.

Employee involvement

The company recognises that it is essential to maintain a highly skilled workforce. To this end the policy of training and development is incorporated in the company plan. It is the policy to promote from within the organisation wherever the possibility exists.

Health and safety measures are given particular attention by the directors and a written policy exists and is known throughout the company.

The company recognises the need for employees to be informed of the company's activities and performance. A corporate intranet for all employees provides a wide range of information and provides an increasingly important communication tool for policies and procedures as well as the sharing of information, document storage and specific news. Meetings are held between management and employees to allow sharing of information and consultation. Employees participate directly in the performance of the business through the Company's bonus arrangements.

Employment of disabled persons

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.

Directors' liabilities

During the period 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 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 Plc

Directors' Report for the 53 week period ended 2 January 2015

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Reappointment of independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

Approved by the Board on 30/03/15 and signed on its behalf by:


.....
R J Watson
Company secretary and director

Independent Auditors' Report to the members of Carlisle Staffing Plc

Opinion on financial statements

In our opinion, Carlisle Staffing Plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 2 January 2015 and of its profit for the 53 week 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.

What we have audited

Carlisle Staffing Plc's financial statements comprise:

- the balance sheet as at 2 January 2015;
- 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 the preparation of the financial statements 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.

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 in the Directors' report), 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 International Standards on Auditing (UK and Ireland) ("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.

**Independent Auditors' Report to the members of
Carlisle Staffing Plc**

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What an audit of financial statements involves

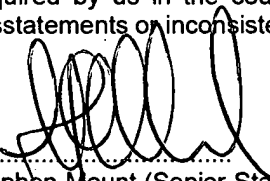
We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the 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.



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

Date: 30/03/15.....

Carlisle Staffing Plc
Profit and Loss Account for the 53 week period ended 2 January 2015

		53 weeks 2 January 2015 £ 000	52 weeks 27 December 2013 £ 000
Turnover	2	278,505	193,404
Cost of sales		<u>(254,644)</u>	<u>(174,584)</u>
Gross profit		23,861	18,820
Administrative expenses		<u>(21,653)</u>	<u>(17,147)</u>
Operating profit	3	2,208	1,673
Interest payable and similar charges	6	<u>(203)</u>	<u>(107)</u>
Profit on ordinary activities before taxation		2,005	1,566
Tax on profit on ordinary activities	7	<u>(427)</u>	<u>(447)</u>
Profit for the financial period	14	<u><u>1,578</u></u>	<u><u>1,119</u></u>

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 Plc
Registration number: 02873036
Balance Sheet as at 2 January 2015

	Note	2 January 2015 £ 000	27 December 2013 £ 000
Fixed assets			
Intangible assets	8	10,688	-
Tangible assets	9	340	396
		<u>11,028</u>	<u>396</u>
Current assets			
Debtors	10	60,858	41,230
Cash at bank and in hand		1,180	1
		<u>62,038</u>	<u>41,231</u>
Creditors: Amounts falling due within one year	11	<u>(61,283)</u>	<u>(31,423)</u>
Net current assets		<u>755</u>	<u>9,808</u>
Total assets less current liabilities		<u>11,783</u>	<u>10,204</u>
Provisions for liabilities	12	<u>(374)</u>	<u>(373)</u>
Net assets		<u><u>11,409</u></u>	<u><u>9,831</u></u>
Capital and reserves			
Called up share capital	13	2,000	2,000
Profit and loss account	14	<u>9,409</u>	<u>7,831</u>
Total shareholders' funds	15	<u><u>11,409</u></u>	<u><u>9,831</u></u>

The financial statements on pages 8 to 19 were approved by the Board on 3/03/15.... and signed on its behalf by:

.....
R J Watson
Company secretary and director

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

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:

Impairment of intangible fixed assets

The company determines whether intangible fixed assets are impaired if events or changes in circumstances indicate that the carrying value may not be recoverable at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the intangible fixed assets is related. 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.

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.

Vacant property

When a property substantially ceases to be used for the purposes of the business, provision is made to the extent that the recoverable amount of the interest in the property is expected to be insufficient to cover the future obligations relating to the lease.

Turnover

Turnover, which is stated exclusive of value added tax, comprises amounts receivable for employment services, net of rebates and discounts provided. 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. Revenue is recognised and accrued by reference to hours worked in accordance with approved and submitted weekly timesheets and agreed charge rates. 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 collectability is reasonably assured.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Licenses	5 years straight line

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... continued

Tangible assets and depreciation

Tangible fixed assets are stated at cost or valuation, less depreciation and any provision for impairment. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold land and buildings	Over the length of the lease
Fixtures and fittings	15% to 25% straight line basis

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.

Foreign currency

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged in the profit and loss account on a straight line basis over the lease term.

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. Financial assets and financial liabilities are recorded at fair value on the transaction date, on the company's balance sheet when the company has become a party to the contractual provisions of the instrument and derecognised when this is no longer the case.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

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.

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... *continued*

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

2 Turnover

An analysis of turnover by geographical location is given below:

	53 weeks 2 January 2015 £ 000	52 weeks 27 December 2013 £ 000
Sales - UK	275,754	189,983
Sales - Europe	2,349	3,152
Sales - Rest of world	402	269
	<u>278,505</u>	<u>193,404</u>

3 Operating profit

Operating profit is stated after charging:

	53 weeks 2 January 2015 £ 000	52 weeks 27 December 2013 £ 000
Operating leases - plant and machinery	147	127
Operating leases - other assets	695	853
Foreign currency losses/(gains)	567	(29)
Depreciation of owned assets	185	198
Amortisation	1,412	-
Auditors' remuneration	<u>42</u>	<u>41</u>

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... *continued*

4 Particulars of employees

The monthly average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	53 weeks 2 January 2015 Number	52 weeks 27 December 2013 Number
Administration and support	2	2
Sales	241	217
Other departments	68	40
	<u>311</u>	<u>259</u>

The aggregate payroll costs were as follows:

	53 weeks 2 January 2015 £ 000	52 weeks 27 December 2013 £ 000
Wages and salaries	12,426	10,852
Social security costs	1,319	1,194
Other pension costs	221	132
	<u>13,966</u>	<u>12,178</u>

In addition to the above, the company employs some of the staff who are supplied to clients and whose costs are part of the company's cost of sales. The average number of full-time equivalents of these for 2 January 2015 was 1,301 (27 December 2013: 1,255) and the aggregate staffing costs for these were £30,991,000 (27 December 2013: £28,495,000).

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 (27 December 2013: £nil).

6 Interest payable and similar charges

	53 weeks 2 January 2015 £ 000	52 weeks 27 December 2013 £ 000
Interest on bank borrowings	<u>203</u>	<u>107</u>

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... *continued*

7 Tax on profit on ordinary activities

	53 weeks 2 January 2015 £ 000	52 weeks 27 December 2013 £ 000
Current tax		
Corporation tax charge	1	-
Adjustments in respect of previous years	-	71
Payment for group relief received	432	273
UK Corporation tax	<u>433</u>	<u>344</u>
Deferred tax		
Origination and reversal of timing differences	91	67
Deferred tax adjustment relating to previous years	(97)	36
Total deferred tax (note 10)	<u>(6)</u>	<u>103</u>
Total tax on profit on ordinary activities	<u><u>427</u></u>	<u><u>447</u></u>

Factors affecting current tax charge for the period

The effective current tax rate on the profit on ordinary activities before tax is higher than (27 December 2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (27 December 2013 - 23.3%) and can be reconciled to the standard rate as follows:

	53 weeks 2 January 2015 %	52 weeks 27 December 2013 %
Standard rate of tax	21.5	23.3
Transfer pricing adjustments (see below)	2.7	5.2
Debt cap adjustments (see below)	-	(6.5)
Other permanently disallowable/taxable items	0.9	1.3
Adjustment in respect of previous years	-	4.5
Depreciation and similar charges in excess of capital allowances	(3.5)	(5.9)
Effective current tax rate	<u><u>21.6</u></u>	<u><u>21.9</u></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.

UK legislation also places restrictions on the amount of interest payable by a group of companies which can be deducted for tax purposes (commonly known as the 'debt cap rules'), but also allows a restricted exemption for interest receivable subject to various conditions.

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

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... *continued*

8 Intangible fixed assets

	Licenses £ 000
Cost	
Additions	12,100
At 2 January 2015	12,100
Accumulated Amortisation	
Charge for the period	1,412
At 2 January 2015	1,412
Net book value	
At 2 January 2015	10,688
At 27 December 2013	-

Intangible licenses relate to the purchase of the right to use a trading name from a fellow Group company.

9 Tangible assets

	Freehold land and buildings £ 000	Fixtures and fittings £ 000	Total £ 000
Cost or valuation			
At 28 December 2013	1,152	523	1,675
Additions	7	122	129
At 2 January 2015	1,159	645	1,804
Accumulated Depreciation			
At 28 December 2013	900	379	1,279
Charge for the period	111	74	185
At 2 January 2015	1,011	453	1,464
Net book value			
At 2 January 2015	148	192	340
At 27 December 2013	252	144	396

There is no material difference between the market value and net book value of the fixed assets.

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... *continued*

10 Debtors

	2 January 2015 £ 000	27 December 2013 £ 000
Trade debtors	25,479	23,563
Amounts owed by group undertakings	25,815	10,646
Other debtors	404	431
Deferred tax	442	436
Prepayments and accrued income	8,718	6,154
	<u>60,858</u>	<u>41,230</u>

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

Certain trade debtors are subject to revolving credit facilities under which the company receives a substantial proportion of the value of the trade debtors shortly after they have been invoiced (see note 11).

Deferred tax

The movement in the deferred tax asset in the period is as follows:

	£ 000
At 28 December 2013	436
Deferred tax credited to the profit and loss account (note 7)	<u>6</u>
At 2 January 2015	<u>442</u>

Analysis of deferred tax

	2 January 2015 £ 000	27 December 2013 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	351	419
Other timing differences	<u>91</u>	<u>17</u>
	<u>442</u>	<u>436</u>

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... *continued*

11 Creditors: Amounts falling due within one year

	2 January 2015 £ 000	27 December 2013 £ 000
Bank loans and overdrafts	-	2,263
Trade creditors	25,851	20,543
Other loans	4,777	133
Amounts owed to group undertakings	23,060	3,090
Other taxation and social security	4,006	2,322
Other creditors	184	569
Accruals and deferred income	3,405	2,503
	<u>61,283</u>	<u>31,423</u>

a) Bank overdrafts are secured by cross guarantees across all major UK trading subsidiaries of the company's ultimate parent undertaking; Impellam Group plc. These facilities incur no interest as they are part of a group offset arrangement against positive balances in other group companies.

b) The other loans relate to revolving credit facilities (invoice discounting) over the trade debtors described in note 10. Any revolving credit liability is secured by a fixed charge over certain assets of the company and by composite guarantees and debentures from fellow group undertakings. These facilities incur interest at 1.35% over UK base rate and are repayable on demand.

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

12 Provisions for liabilities

	Property provision £ 000
At 28 December 2013	<u>373</u>
Charged to the profit and loss account	54
Utilised during the period	<u>(53)</u>
	<u>1</u>
At 2 January 2015	<u>374</u>

13 Called up share capital

Allotted, called up and fully paid shares

	2 January 2015		27 December 2013	
	Number Thousands	£ 000	Number Thousands	£ 000
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... *continued*

14 Profit and loss account

	£ 000
At 28 December 2013	7,831
Profit for the financial period	<u>1,578</u>
At 2 January 2015	<u><u>9,409</u></u>

15 Reconciliation of movements in total shareholders' funds

	2 January 2015 £ 000	27 December 2013 £ 000
Profit for the financial period	<u>1,578</u>	<u>1,119</u>
Net addition to shareholders' funds	1,578	1,119
Total shareholders' funds at start of period	<u>9,831</u>	<u>8,712</u>
Total shareholders' funds at end of period	<u><u>11,409</u></u>	<u><u>9,831</u></u>

16 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £316,000 (27 December 2013: £132,000).

Contributions totalling £20,000 (27 December 2013: £60,000) were payable to the scheme at the end of the period and are included in creditors.

17 Contingent liabilities

The company has given cross guarantees as follows:

- a) As part of the Group's invoice discounting facility of the Group of which the company is a member; the net aggregate amount outstanding against this facility at 2 January 2015 was £49,233,000 (27 December 2013: £26,920,000).
- b) In respect of the Group's Term loan due 2019; the net aggregate amount outstanding at 2 January 2015 was £14,250,000 (27 December 2013: £nil).

Carlisle Staffing Plc
Notes to the Financial Statements for the 53 week period
ended 2 January 2015

..... *continued*

18 Commitments

Operating lease commitments

The company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2 January 2015 £ 000	27 December 2013 £ 000
Land and buildings		
Within one year	93	98
Within two and five years	419	279
Over five years	1,204	281
	<u>1,716</u>	<u>658</u>
Other		
Within one year	30	22
Within two and five years	21	92
	<u>51</u>	<u>114</u>

19 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.

20 Control

The company's immediate parent undertaking is Carlisle Staffing Services 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, Maindy, Cardiff, CF14 3UZ.

At 2 January 2015, the Lombard Trust was interested in and controlled 52.7% of Impellam Group plc.