

Carlisle Retail Services (Luton) Plc

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 02980378

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Carlisle Retail Services (Luton) Plc

Company Information

Directors	P A Evans M B Shitt
Company secretary	M B Shitt
Registered number	02980378
Registered office	First Floor 251 The Boulevard Capability Green Luton Bedfordshire LU1 3LU
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Carlisle Retail Services (Luton) Plc

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Carlisle Retail Services (Luton) Plc

CEO's Statement For the Year Ended 31 December 2019

"Carlisle Retail Services have performed well under an ever-changing landscape within the traditional 'bricks and mortar' high-street. We remain committed to delivering skilled and flexible workforces to help our clients with their merchandising needs."

This year's CEO's statement for Carlisle Retail Services is being written at the time of worldwide uncertainty due to the Coronavirus.

Covid-19 and Beyond

UK retailing has been deeply affected by Covid-19 – but the effects are far from uniform and, to an extent, they are causing an acceleration of structural changes across the sector. Re-opening of some businesses has helped to reverse some of the damage from the several lockdowns, but the long-term direction of the sector remains unclear.

Lockdown of retailing on 26 March 2020 was dependent on whether or not the retail operator or outlet was deemed essential or non-essential. Essential retailing was considered to be food retailing, pharmacies, and petrol stations, together with any non-store retailing – mainly internet operations. Essential retailing was allowed to continue to operate, albeit with restrictions such as social distancing, while non-essential retailing was forced to close.

The emergence of retail from the initial lockdown varied depending on the geographic jurisdiction within the UK. From 13 July 2020, all retail stores across the UK have been able to operate, subject to specific Covid-19 - related operating practices – for example, the mandatory use of face coverings, social distancing and restrictions on numbers and interactions.

The impact of this on Carlisle Retail Services was initially an immediate demand switch into providing general store support for a short period of time to support our key clients in this sector. Whilst this short-term demand was welcome, all major store merchandising projects were either cancelled or suspended.

We are fortunate that our main clients in this business division are focussed on the Big 4 food retailers, which allowed for projects to recommence later in the year. We believe that this sector will continue to see severe challenges over the coming years and therefore our strategy will be to ensure we continue to align with key retail clients and sectors, those mainly focussed on Food and DIY.

2019 Financial Performance

	2019 £000's	2018 £000's	Change %
Turnover	4,666	6,733	(30.7)
Gross profit	506	755	(32.9)
Administrative expenses	(178)	(693)	(74.3)
Operating profit	328	62	429.0
Gross profit (%)	10.8	11.2	(0.4)
Operating profit return on sales (%)	7.0	0.9	6.1

Carlisle Retail Services reported revenue of £4.7m for 2019 which is a decrease of 30.7% on 2018. However, gross profit fell by 27.16% whilst operating profit improved year-on-year by 429%. This strong operating performance, despite declining revenues and gross profit, is the result of improved operational processes and a reduced fixed costs base which allowed operations to manage fluctuations in volume much more efficiently.

The principal customers of Carlisle Retail Services are UK retailers in the supermarket and DIY sectors. Carlisle Retail Services is well positioned to support its customers now, and in the future, and to grow further. Management continues to target growth with existing clients and new business wins into 2020 and 2021.

Carlisle Retail Services (Luton) Plc

CEO's Statement For the Year Ended 31 December 2019

Demerger from Impellam Group

In early 2019 Carlisle Retail Services, alongside all other businesses within the Carlisle Support Services Group, was demerged from its then parent company, Impellam Group.

The rationale for the demerger was to allow Carlisle Support Services Group to have better and separate ownership of its own business direction, funding streams for growth and strategic development.

The demerger had no operational impact on Carlisle Retail Services provision of its services or on its customers. During 2019 we also removed all operational and administrative dependencies on Impellam Group, except for certain finance systems that were completed in 2020. The directors are pleased to confirm that the demerger was successful.

Strategic Journey

In line with our wider Carlisle Support Services Group strategy, we see the Retail division as being a key strategic part of our service offering. Our current expertise is for seasonal retail merchandising services, store refurbishments and retail change management programmes. Over the course of 2020 and 2021, we are pleased to have the benefit of several clients who, based on our excellent relationships and service delivery, have approached us to consider assisting them with more complimentary skilled labour solutions. We are actively pursuing these opportunities.

Carlisle Support Services Group has operated in this sector for many years and are well known and highly regarded for their quality and reliability of service. We intend to use our advancements in technology and data to make the customer experience more insightful. When coupled with our national footprint of flexible and skilled colleagues we are able to deliver solutions that help our clients in meeting their own demand peaks, and ultimately make them more profitable.

At the heart of all we do is skills and commitment of our people, and we will be continuing to work hard on ensuring that they are provided with enjoyable, safe, and rewarding work opportunities. We have invested in the training of our Management and Supervisory teams to ensure that they are capable and confident of managing a wide geographical spread workforce.

Trading Overview

2019 saw the full year impact of the decision by Wesfarmers to exit the UK and sell Bunnings (Homebase). As one of our key clients in this sector, we had enjoyed significant revenues in the prior year, and these have decreased significantly in 2019 and 2020. As a further consequence of Wesfarmers' decision, we also saw our Sales Support division suffer multiple contract terminations as the new owner, Hilco, attempted to reposition its supply base to those that Wesfarmers had installed.

With revenues down in 2019, the gross profits level declined proportionately compared with 2018 levels. During 2019 we decided to move the division under a different Operations Director. We believe this new focus and customer centric approach has produced immediate benefit.

Conclusion

Our dedicated Carlisle Retail Services team is a very loyal and committed workforce, who have the longest employment tenure across all of our staff groups. Their experience and professionalism are impeccable, making a


I would like to thank all those colleagues for the hard work they have put in over the course of 2019 and especially into 2020 during the current crisis. Working across different retail brands and UK regions they have delivered exceptionally high and consistent levels of services to our clients.

I am confident that with continued investment into our service offerings, our staff education and training that we will see Carlisle Retail Services grow significantly in the coming years.

Carlisle Retail Services (Luton) Plc

CEO's Statement For the Year Ended 31 December 2019

This report was approved by the board on *12th February 2021* and signed on its behalf.



P A Evans
Director

Carlisle Retail Services (Luton) Plc

Strategic Report For the Year Ended 31 December 2019

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2019.

Business review

A fair review of the business is provided in the CEO's statement as set out on pages 1 - 3.

Principal risks and uncertainties

The company has a number of key risks which could have a material impact on its long-term performance. We consider strategic, operational and financial risks and identify actions to mitigate those risks on a regular basis. We recognise that effective risk management is fundamental in helping the company to deliver its strategy.

Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the Carlisle Group and company is able to meet all its liabilities as they fall due. However, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on the global and UK economy and businesses, and therefore the directors have produced a detailed going concern stress test for the group further details of which are given within note 2 to the financial statements. Having completed this and taking into consideration the financing position of the group the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements.

Strategic risks

Risk	Impact	Mitigation
COVID-19	Reduction in business volumes over a prolonged period. Risk of failing to track, respond to and plan for existing and future impacts of the CV-19 pandemic including the effects on employees, customers and supply chain.	Senior management team and directors regular situation reviews and communications with customers, employees and suppliers. Use of Government support schemes and regular forecasts and monitoring of financial performance and cash.
Customer concentration	Loss of a key customer within a sector or significant reduction in volume of an account could result in reduced revenue or increased gross profit pressure.	The company has regular meetings with key customers to discuss opportunities and current service performance. Management discuss and review market conditions and sales and account management pipelines on an ongoing basis.
Economic conditions	A downturn in general economic conditions, particularly in the UK, could result in declining business volumes, difficulties in producing accurate forecasts and/or failure to meet company's objectives. Improving economic conditions, particularly wage increases, could also create pressure on margins where these cannot be fully passed on to clients.	Flexibility in delivery of our services and reduced fixed costs in operations, allows the company to manage fluctuations in volume. Diversity of customer base, widespread geographical coverage and expanding into new sectors provide competitive advantage.

Carlisle Retail Services (Luton) Plc

Strategic Report (continued) For the Year Ended 31 December 2019

Strategic risks (continued)

Risk	Impact	Mitigation
Brexit	Increased employment regulations for EU workers leading to labour shortage and inability to deliver services.	Tracking of number of EU workers to evaluate potential risk. Ensure workforce is well paid; the company is a Living Wage Foundation service provider and the proportion of workers paid LWF pay rates increases annually. Continually challenging customers to pay higher wage rates which leads to higher staff retention.

Operational risks

Risk	Impact	Mitigation
Health, Safety and Environment	Risk of harm to employees, client staff and their customers leading to fines, financial claims and reputational damage.	Comprehensive health, safety, quality and environment (HSQE) management system in place, accredited to ISO 45001 standards. Monthly HSQE review meetings at divisional and group level, attended by senior management and directors. Regular training and updates for operational staff.

Technology systems

The Carlisle Group is committed to investing in technology solutions that will drive revenue growth or improve operational efficiency. Failure to operate rigorous control and oversight may result in returns on such investment being lower than expected.

The Carlisle Group has strong alliances with key partners to deliver these projects and is investing in its IT systems following the demerger from the Impellam Group.

Cyber and information security

The risk of external cyber-attacks continues to increase. A successful attack could result in loss of sensitive data, business disruption and/or damage to the group's reputation.

IT managed services are provided by our strategic partner who is well qualified to deliver such services including Cyber and Information security; our partner holds the ISO 27001 standard for managing information securely. All senior, management and support function staff are required to undertake annual online Cyber Security training.

Business continuity

A major disruptive event, such as a fire, severe weather etc., affecting one of the group's operating locations, could lead to loss of business and/or adverse impacts on staff and assets.

Robust cloud-based IT systems and portable IT equipment are in place for all management and support staff working in office locations, enabling those staff to work from any location with an internet connection, including from home.

Carlisle Retail Services (Luton) Plc

Strategic Report (continued)
For the Year Ended 31 December 2019

Financial, regulatory and compliance risks

Risk	Impact	Mitigation
Contractual complexity	In certain sectors, the group's clients are becoming increasingly sophisticated in their procurement and buying activity. Competitive tendering activity and commercial contracts are becoming increasingly complex, with longer lead times in decision-making. This necessitates constant development of the company's service offering, the sophistication of our selling activities and the management of tendering processes.	<p>The company has a standardised contract review process in place involving operational, commercial and legal oversight.</p> <p>The company also continues to invest in specialist resource to support these activities and delivery of clients' service expectations.</p>
Cash and liquidity management	Poor cash and liquidity management may result in a strain on the group's credit facilities and operational cash issues.	<p>The company's finance function closely monitor and review its cash position and forecasts.</p> <p>The company has a Delegation of Authority policy in place which governs payment terms for suppliers and clients.</p> <p>The company is debt free and has an overdraft facility in place which is suitable for meeting its liabilities.</p>
Financial control	A failure of financial control could lead to a material loss to the business.	<p>The company has a Delegation of Authority policy in place which governs approval of decisions and transactions.</p> <p>Appropriate segregation of duties is maintained in all finance processes. All payment runs are reviewed by senior directors.</p> <p>Regular updates to financial fraud prevention are communicated to finance staff.</p>

Carlisle Retail Services (Luton) Plc

Strategic Report (continued) For the Year Ended 31 December 2019

Section 172 (1) statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of employees and other stakeholders and other matters in their decision making.

The directors recognise the importance of maintaining strong relationships with all stakeholder groups to ensure their interests are considered when making decisions, and that this is necessary for achieving the long-term success of the company.

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

Carlisle Support Services Group Limited and the company's boards of directors

The company is a 100% owned subsidiary of Carlisle Support Services Group Limited. Following the demerger of Carlisle Support Services Group Limited from Impellam Group Plc in March 2019, Carlisle Support Services Group Limited appointed a board of directors comprised of experienced executive and non-executive company directors and senior management with many years combined experience working in the group or similar businesses.

The board holds regular meetings to consider the long-term strategies of the company, and their effect on stakeholders.

The company has appointed its own directors who also form part of the Carlisle Support Services Group Limited board.

An example of a decision made in 2019 where the board had regard to long-term implications is below.

Example: Board decision to outsource IT services and provide Cloud-based IT platform to employees

Shareholders:

The decision to outsource IT services to a large IT services provider is cost effective and scalable, providing good value and future-proofing the business. This decision has also supported business continuity well, in particular during the CV-19 pandemic in 2020.

Customers:

The decision to outsource IT services has enabled active sharing of information related to Carlisle's performance against KPIs with customers.

Employees:

Outsourcing IT services has also enabled robust IT service provision and strong cyber security and data security, and minimal lost working time.

The decision to outsource allows employees to work remotely, including from home which has served this business well, from a business continuity point of view, during the CV-19 pandemic in 2020.

Further information on the strategies can be found in the CEO's statement and in Carlisle Support Services Group Limited Annual Reports.

Shareholders:

The company is a 100% subsidiary of Carlisle Support Services Group Limited and interests of shareholders are dealt with at group level. The Carlisle Support Services Group Limited board took the decision to ensure shares in Carlisle Support Services Group Limited can be traded:

The directors have ensured that shares are Creat enabled and listed on the JP Jenkins share trading platform to allow shares to be bought and sold and maintain a market-value.

Carlisle Retail Services (Luton) Plc

Strategic Report (continued) For the Year Ended 31 December 2019

Section 172 (1) statement (continued)

Employees and workers;

The company and Carlisle Support Services Group Limited boards receive regular updates on employee related matters.

The directors have committed that the company and the Carlisle Group will continue to be a recognised Living Wage Foundation service provider, and are committed to increasing pay rates and working with our customers to achieve this, as noted in the CEO's statement. The directors support the continuation of employee reward and recognition schemes.

The directors host monthly Town-Hall meetings to all management and support staff which are used to provide an update on business performance and business strategy to promote employee engagement, and employee questions are encouraged. A social media platform for all employees is active and regular business updates provide information to the employees and allow them to raise questions which are responded to by senior management.

The board took the decision to implement an independent whistleblowing helpline and service and information on this service is regularly shared with employees and provided to all new employees as they join the company. The board decided to move to improved offices in Luton, near to the previous office, following demerger from Impellam Group, to ensure continuity of employment for office staff, and a good working environment.

Customer and supplier relationships

The directors are committed to encouraging strong customer and supplier relationship. The board receives regular updates from the CEO on customer and supplier matters.

The company and group hosts its annual Innovation Lab event each year and the board is committed to maintaining these annual events (where permissible in CV-19 times). Customers, suppliers and management attend.

Customers

Customers are at the heart of the company's and Carlisle's Group businesses and the board is committed to continuing monthly "temperature check" reviews with key clients and monitoring the results.

The board supports the Carlisle Group's strategy to work with a small number of larger customers, as noted in the CEO's statement.

Suppliers

The board supports the increased levels of supplier engagement activity in 2020 to ensure suppliers are regularly engaged with, fully compliant and financially sustainable.

Ethical business practice:

The company has a responsibility to show the highest levels of ethical practices.

To support this mandatory training is provided to all management and support staff through an online learning platform and modules include modern slavery, whistleblowing, anti-bribery, equality and diversity, and data protection. Carlisle's Modern Slavery statement is available on the company's website. Company policies and procedures inclusive of the above are made available to employees through the company's IT platform.

Carlisle Retail Services (Luton) Plc

Strategic Report (continued)
For the Year Ended 31 December 2019

This report was approved by the board on *12th February 2021* and signed on its behalf.



P A Evans
Director

Carlisle Retail Services (Luton) Plc

Directors' Report For the Year Ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company is the provision of retail merchandising support services in the United Kingdom.

Results and dividends

The profit for the year, after taxation, amounted to £323k (2018 - £46k).

The directors do not recommend the payment of a dividend (2018 - £Nil).

Directors

The directors who served during the year were:

P A Evans (appointed 7 March 2019)
M B Shirt (appointed 7 March 2019)
R J Watson (resigned 7 March 2019)
J Robertson (resigned 7 March 2019)

Qualifying third party indemnity provisions

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

Political donations

The company has made no political donations during the current or prior periods.

Financial Instruments

Objectives and policies

The company's principal financial instruments is cash and short-term deposits. The main purpose of the financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

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

The main risk arising from the company's financial instruments is interest rate risk. The board reviews and agrees policies for managing the risk as summarised below:

Interest rate risk

The company's exposure to interest rate risk is minimal as borrowings are held at a group level. The company does not currently hedge this risk.

Carlisle Retail Services (Luton) Plc

Directors' Report (continued) For the Year Ended 31 December 2019

Employee involvement

The company recognises that it is essential to maintain a highly skilled workforce. To this year 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.

Disabled employees

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

Post statement of financial position events

Since the balance sheet date the severe global disruption caused by COVID-19 has continued. This is a non-adjusting post balance sheet event. The directors have considered the impact of COVID-19 on the going concern of the company in the going concern section of note 2.4 to these financial statements.

Disclosure of information to auditor

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

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

Auditor

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2008.

This report was approved by the board on *12th February 2021* and signed on its behalf.



P A Evans
Director

Carlisle Retail Services (Luton) Plc

Directors' Responsibilities Statement For the Year Ended 31 December 2019

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Carlisle Retail Services (Luton) Plc

Independent Auditor's Report to the Members of Carlisle Retail Services (Luton) Plc

Opinion

We have audited the financial statements of Carlisle Retail Services (Luton) Plc ("the company") for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Carlisle Retail Services (Luton) Plc

Independent Auditor's Report to the Members of Carlisle Retail Services (Luton) Plc (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

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

- adequate accounting records have not been kept, 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Carlisle Retail Services (Luton) Plc

Independent Auditor's Report to the Members of Carlisle Retail Services (Luton) Plc (continued)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

BDO LLP

Christopher Driver (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

15th February 2021

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

Carlisle Retail Services (Luton) Plc

Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Turnover	4	4,666	6,733
Cost of sales		(4,160)	(5,978)
Gross profit		506	755
Administrative expenses		(178)	(693)
Operating profit	5	328	62
Interest payable and similar charges	9	(1)	(1)
Profit before tax		327	61
Tax on profit	10	(4)	(15)
Profit for the financial year		323	46
Other comprehensive income		-	-
Total comprehensive income for the year		323	46

The notes on pages 19 to 34 form part of these financial statements.

Carlisle Retail Services (Luton) Plc
Registered number: 02980378

Statement of Financial Position
As at 31 December 2019

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	11		5		13
Investments	12		-		-
			<u>5</u>		<u>13</u>
Current assets					
Debtors: amounts falling due within one year	13	873		1,060	
Cash at bank and in hand		926		657	
		<u>1,799</u>		<u>1,717</u>	
Creditors: amounts falling due within one year	14	(2,455)		(2,704)	
Net current liabilities			<u>(656)</u>		<u>(987)</u>
Net liabilities			<u>(651)</u>		<u>(974)</u>
Capital and reserves					
Called up share capital	16		50		50
Profit and loss account	17		(701)		(1,024)
Total equity			<u>(651)</u>		<u>(974)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
12th February 2021.


M B Shirt
Director

The notes on pages 19 to 34 form part of these financial statements.

Carlisle Retail Services (Luton) Plc

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	50	(1,024)	(974)
Comprehensive income for the year			
Profit for the year	-	323	323
Total comprehensive income for the year	-	323	323
At 31 December 2019	50	(701)	(651)

Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	50	(1,070)	(1,020)
Comprehensive income for the year			
Profit for the year	-	46	46
Total comprehensive income for the year	-	46	46
At 31 December 2018	50	(1,024)	(974)

The notes on pages 19 to 34 form part of these financial statements.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Carlisle Retail Services (Luton) plc is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Carlisle Support Services Group Limited as at 31 December 2019 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the company is expected to be able to meet all its liabilities as they fall due. However, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on the global and UK economy and businesses.

At year end the company had net current liabilities totalling £656k and net liabilities totalling £651k. Within the net liabilities are amounts owing to group undertakings totalling £1,467k. The parent company has confirmed that it will support the company to meet its liabilities as they fall due for at least 12 months from the date of the signing of the accounts.

To date the Carlisle Group (in which Carlisle Retail Services (Luton) Plc is part of) has seen some significant disruption as a result of COVID-19, notably:

- Reduced activity for retail in-store projects due to social distancing measures
- Increased impact on operating costs and time associated due to the reactive management of the impact of COVID-19.

However in the 12 month period to 31 December 2020 the group has reported a strong level of profits.

The group has also taken advantage of the VAT deferral scheme.

The group continues to hold a significant level of cash reserves and, following the de-merger from Impellam Group plc on 8 March 2019, established a rolling overdraft facility with Barclays Bank of £2m which is not due for renewal in the forecast period. Further to this the group remains in a strong net current asset and net asset position.

The directors have prepared forecasts to 31 March 2022 which show continued profitability and cash generation. These forecasts have been based upon a significant level of agreed contracts and a significant level of new customer wins and tenders that are currently taking place.

The directors have also produced a detailed going concern stress test for Carlisle Support Services Group Limited which assumes there is a fall in cash inflows of 15% from current forecasts throughout the forecast period to 31 March 2022, with no reductions in operating expenditure. The conclusion of the stress test for Carlisle Support Services Group Limited is that the business will not exceed its current banking facilities in this considered unlikely scenario for at least 12 months from the date of signing these financial statements.

Based on the continued strong trading results reported post year end, the financing arrangements in place and the significant level of new customer wins and on-going tenders the directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements and have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis and that there is no material uncertainty in this regard.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.5 Revenue recognition

The company earns revenue from the provision of staffing services relating to retail merchandising and retail store development projects.

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

Rendering of services

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

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

Performance obligations

The main performance obligations in contracts consist of the provision of labour supply to fulfil retail merchandising and store development support services. For all contracts delivery of performance obligations are measured at the statement of financial position date by fulfilment of hours and shifts performed.

Principal versus agent

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

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

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

2.6 Tangible fixed assets

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

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short leasehold land and buildings	- over the term of the lease
Fixtures and fittings	- 15 - 33% per annum
Office equipment	- 25% per annum

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

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

2.7 Operating leases: the company as lessee

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

2.8 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.12 Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Pensions

Defined contribution pension plan

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

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

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.14 Current and deferred taxation

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

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

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

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

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

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty are:

- Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Rendering of services	4,666	6,733

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	8	8
Operating lease expense	139	106
Defined contribution pension cost	30	24

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

6. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements.	8	19

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

7. Employees

	2019 £000	2018 £000
Wages and salaries	1,531	1,979
Social security costs	113	139
Cost of defined contribution scheme	30	24
	<u>1,674</u>	<u>2,142</u>

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

	2019 No.	2018 No.
Operations	106	104
Operations management	2	5
Administration and support	3	3
	<u>111</u>	<u>112</u>

The average monthly number of employees during the year, including the directors, calculated on a full time equivalent (FTE) basis was 75 (2018 - 62).

8. Directors' remuneration

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

In 2018 the emoluments of the directors in office during the year were paid by the ultimate parent company at that time, Impellam Group plc. The emoluments attributable to services in relation to this company were £7,000.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

9. Interest payable and similar charges

	2019 £000	2018 £000
Other finance costs	1	1

10. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	1	(5)
Total current tax	1	(5)
Deferred tax		
Origination and reversal of timing differences	3	2
Unrecognised temporary difference of prior periods	-	18
Total deferred tax	3	20
Taxation on profit on ordinary activities	4	15

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	327	61
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	62	12
Effects of:		
Adjustments in current tax from prior periods	-	18
Adjustment from group relief tax reconciliation	-	1
Adjustment from transfer pricing	-	(16)
Deferred tax not recognised	(8)	-
Group relief surrendered	(50)	-
Total tax charge for the year	4	15

Factors that may affect future tax charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for UK GAAP purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

11. Tangible fixed assets

	Short-term leasehold property £000	Fixtures and fittings £000	Office equipment £000	Total £000
Cost or valuation				
At 1 January 2019	138	18	136	292
Disposals	(126)	(11)	(131)	(268)
At 31 December 2019	12	7	5	24
Depreciation				
At 1 January 2019	132	14	133	279
Charge for the year	4	2	2	8
Disposals	(126)	(11)	(131)	(268)
At 31 December 2019	10	5	4	19
Net book value				
At 31 December 2019	2	2	1	5
At 31 December 2018	6	4	3	13

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

12. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	650
At 31 December 2019	650
Impairment	
At 1 January 2019	650
At 31 December 2019	650
Net book value	
At 31 December 2019	-
At 31 December 2018	-

Subsidiary undertakings

The following was a subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Carlisle Interior Services Limited	England & Wales	Dormant	Ordinary	100%

The registered office of the above subsidiary is First Floor, 251 The Boulevard, Capability Green, Luton, Bedfordshire, LU1 3LU.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

13. Debtors: amounts falling due within one year

	2019 £000	2018 £000
Trade debtors	703	999
Amounts owed by group undertakings	13	15
Amounts owed by related parties	-	15
Other debtors	-	1
Prepayments and accrued income	140	10
Deferred taxation (note 15)	17	20
	<u>873</u>	<u>1,060</u>

14. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	66	92
Amounts owed to group undertakings	1,467	1,859
Amounts owed to related parties	-	60
Corporation tax	1	-
Other taxation and social security	303	255
Other creditors	581	387
Accruals and deferred income	37	51
	<u>2,455</u>	<u>2,704</u>

15. Deferred taxation

	2019 £000
At beginning of year	20
Utilised in year	(3)
At end of year	<u>17</u>

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

15. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019 £000	2018 £000
Accelerated tax depreciation	17	19
Provisions	-	1
	<u>17</u>	<u>20</u>

16. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

17. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £29,861 (2018 - £24,000). Contributions totalling £12,978 (2018 - £10,000) were payable to the fund at the reporting date and are included in creditors.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

19. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £000	2018 £000
Not later than 1 year	10	18
Later than 1 year and not later than 5 years	-	4
	<u>10</u>	<u>22</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £139,000 (2018 - £106,000).

20. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Demerger of Carlisle Support Services Group Limited

In March 2019 Carlisle Support Services Group Limited, a wholly owned subsidiary of Impellam Group, and its subsidiaries was demerged from Impellam Group, a Company registered in England and Wales. On 20 February 2019, the Impellam Group Board declared a dividend in specie in respect of the demerger amounting to £1.7m which was paid on 8 March 2019 to all Impellam Group shareholders on the register at 1 March 2019.

On the date of demerger Impellam Group made a payment of £350,000 to the defined benefit pension scheme held in Carlisle Cleaning Services Limited. Amounts owed to Impellam Group by the Carlisle Group totalling £658,760 were waived and these are recognised as an exceptional item in the Carlisle Group statement of comprehensive income.

This decision was taken with a view as to how best to drive profit and growth in Carlisle Group's core Global Managed Solutions and Specialist Staffing businesses. Carlisle Group was non core to Impellam Group. The Carlisle Group Board believed the Demerger would enable its management team and employees to increase investment in new business and to improve focus on the development of its own client portfolio and services. The demerger resulted in qualifying Impellam Group shareholders being issued with an equivalent number of shares in Carlisle.

Other related party transactions

During the year the company made purchases of £23,977 (2018 - £34,803) from a related party relating to cross charges under a transitional services agreement put in place following the demerger of the group from Impellam Group plc in March 2019. At 31 December 2019 amounts totalling £9,000 (2018 - £Nil) were outstanding and included in trade creditors. The entity is a related party by virtue of common shareholding.

During the year the company made purchases of £574,415 (2018 - £663,509) from a related party relating to the supply of labour. At 31 December 2019 amounts totalling £209,231 (2018 - £33,900) were outstanding and included in other creditors. The entity is a related party by virtue of common shareholding.

Carlisle Retail Services (Luton) Plc

Notes to the Financial Statements For the Year Ended 31 December 2019

20. Related party transactions (continued)

Key management personnel

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group.

The total compensation paid to key management personnel for services provided to the group is disclosed in the financial statements of the parent company, Carlisle Support Services Group Limited.

In addition to the above, 2 of the directors who served during the year (2018 - Nil) were remunerated through Carlisle Security Services Limited with their remuneration disclosed in these financial statements.

21. Post statement of financial position events

Since the balance sheet date the global disruption caused by COVID-19 has become ever more evident. This is a non-adjusting post balance sheet event. The directors have considered the impact of COVID-19 on the going concern of the company in the going concern section of note 2.4 to these accounts.

22. Parent and ultimate controlling party

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

Consolidated accounts for Carlisle Support Services Group Limited incorporating the results of the company are available from the registered office as disclosed in the company information page of these financial statements.

In the view of the directors, the group and company are under the ultimate control of Lord Ashcroft KCMG, PC by virtue of his majority shareholding in the parent company.

23. Contingent liabilities

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

At 30 December 2019, the company had no contingent liability (2018 - £2,974,125).