



Carlisle Holdings Limited
Annual Report 2003
A leader in business services

Corporate Profile Carlisle Holdings Limited is a transatlantic leader in supplying outsourced facilities services and staffing services to a broad range of commercial, industrial and municipal clients. The Company also has a financial services business and a majority interest in a telecommunications business. Carlisle has over 37,000 full and part-time employees and more than 15,000 clients in the United States, the United Kingdom, and the Republic of Ireland.

Facilities Services US Carlisle provides facilities services in the United States through its OneSource business. OneSource is a leader in outsourced facilities services, providing cleaning, landscaping and value-added building maintenance and support services to commercial, institutional and industrial clients.

Facilities Services UK and Ireland In the United Kingdom and Ireland, Carlisle operates under the brand name Carlisle Facilities Services. Major services include specialized contract cleaning and support services and specialist security services, principally manned guarding, to major retail chains and other clients mainly in the retail, transport, distribution and public sectors. The business also includes a Retail Support Services operation providing merchandising and store support services to retailers and an Event Management business specializing in advisory and staff services for leading sports and music events.

Staffing Services The Staffing Services division operates in the United Kingdom and Ireland providing temporary and permanent staff recruitment services as well as managed human resources services. The division has developed a significant presence across a broad range of specialist sectors and comprises a number of well-known market-facing brands.

Financial Services Carlisle operates The Belize Bank, the largest full service commercial and retail bank in the country, and other wholly-owned subsidiaries that provide a variety of banking and financial services to both domestic and international clients.

Telecommunication Services Carlisle has a majority interest in Belize Telecommunications, the largest company in Belize.

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Carlisle Holdings Limited is a leader in the services sector in the United States and United Kingdom. Our goal is to respond to the needs of our diverse client base by providing flexible, cost-effective and innovative service solutions that allow them to run their businesses more efficiently.

Letter to the Shareholders. Focus on business basics

All of Carlisle's businesses dealt with difficult business conditions again this year and were up to the challenge. In the US and UK, we took steps to further restructure our core businesses to create a more efficient organization. We focused on the basics of customer retention and cost controls and substantially improved productivity. Success was evident in improved performance at OneSource and solid results from our UK businesses.

Market conditions in the US and UK remained very tough during fiscal 2003 making growth difficult to achieve. All of our businesses worked hard to retain existing clients and win new ones. OneSource reduced costs, improved administrative functions and continued to provide quality facilities services at competitive rates. Facilities Services in the UK was integrated under one brand and structure to simplify dealings with customers. Staffing Services outperformed in the healthcare and managed human resources areas. In Belize, our financial and telecommunications businesses achieved good performances and remained leaders in their sectors.

Facilities Services OneSource made important progress during the year. The underlying operational management structure and back office processes have been considerably improved and results met our expectations. Management was successful in improving customer relationships and retention, receivables management, cost controls and profitability. We expect these key initiatives to continue to improve performance in the months ahead.

We are focusing sales and marketing on key geographic areas and strategic market segments and this led to some important new business wins during the year. These included the addition of Cincinnati-based Convergys Corporation as well as the expansion and renewal of our long-standing contract with Citigroup. Retention of existing clients remains of paramount importance. OneSource's continuous improvement program is one of our primary retention strategies since it monitors existing accounts and seeks to improve services and save money for clients. As an industry leader, OneSource is well placed to benefit as US companies continue to turn to outsourcing.

The Facilities Services business now operates throughout the UK as one brand, Carlisle Facilities Services. Cleaning services made a solid contribution and showed good progress in serving the Transport and Retail sectors. The Retail Support Services business had a good year extending its range of merchandising and store support services to DIY and consumer products retailers. The competition for market share remains intense and management is firmly focused on gradually winning new contracts while maintaining the stability of existing business.

Staffing Services Carlisle Staffing Services is a market leader in a very fragmented industry in the UK. In spite of depressed demand for workers, tight cost control and improved front-office technology helped to achieve a satisfactory performance. Our well-known brands are an asset as is our ability to offer skilled staff to virtually every part of the private and public sectors. In addition, clients are increasingly looking for the managed human resource solutions we provide and we see good growth opportunities when the business economy improves. The division's talented staff and reduced cost base position it well for when general market conditions pick up.

Financial Services Financial Services, including The Belize Bank, delivered another year of strong results and maintained its leading market share. The business continued to grow its loan portfolio, its other business and profitability whilst also providing a valuable source of funds for the rest of the Company.

Telecommunication Services Belize Telecommunications is now operating in a competitive environment in Belize and continues to invest for future growth. The state-of-the-art GSM network introduced at the end of 2002 has been very successful in attracting new customers and will be used as a base for the launch of international roaming and always-on internet services in the coming year.

Outlook Carlisle's services are essential to providing a 'ready to work' environment. We accomplished many improvements in our business structure in fiscal 2003 and the process is ongoing. As companies strive for maximum efficiency in selecting service providers, one of our primary goals is to continue to be ready with attractive service packages to meet their needs.

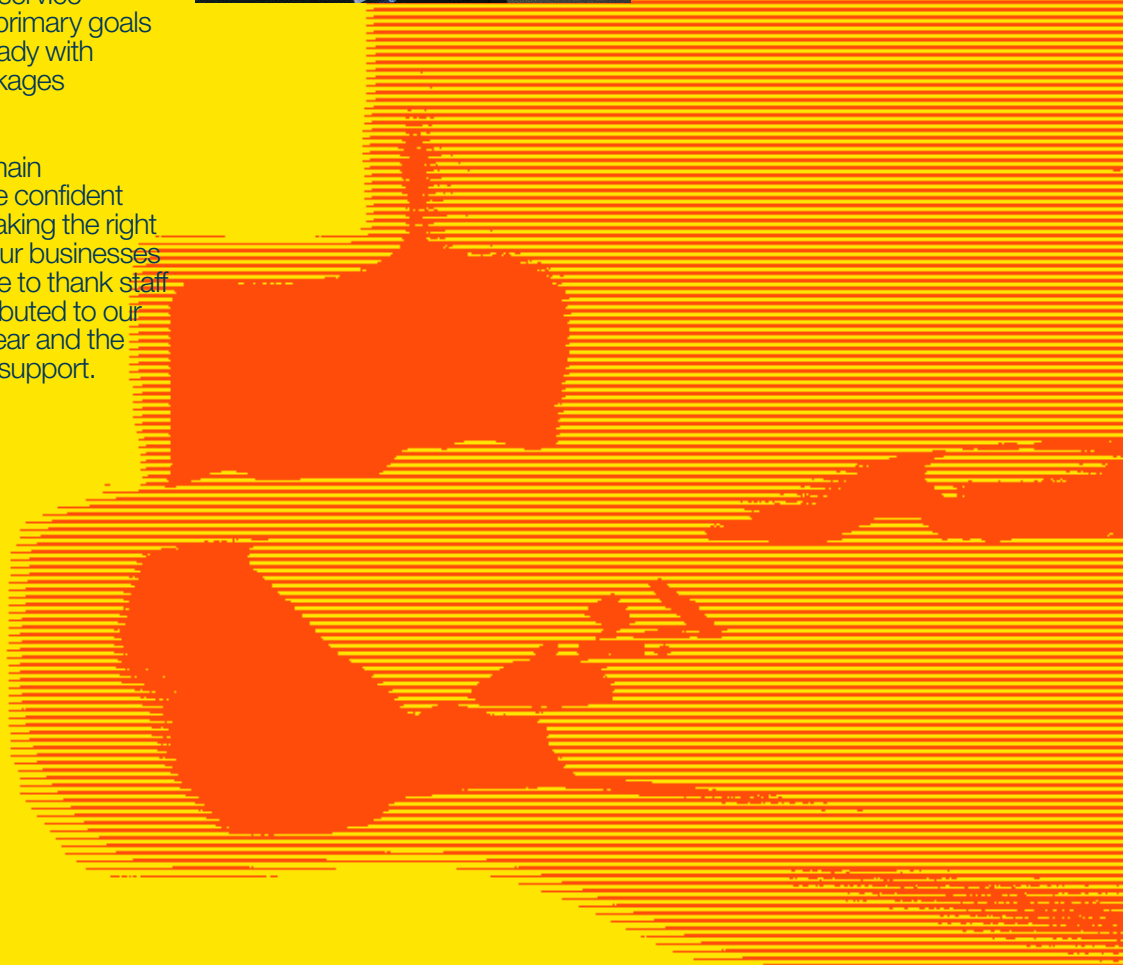
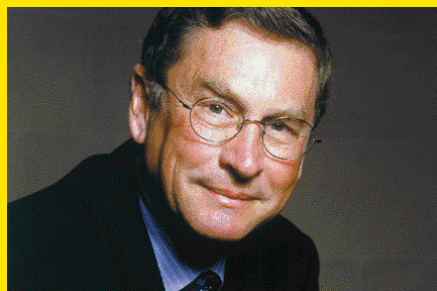
Market conditions remain challenging but we are confident that management is taking the right steps to ensure that our businesses are competitive. I'd like to thank staff at all levels who contributed to our progress during the year and the shareholders for their support.



Lord Ashcroft, KCMG
Chairman

Three-year selected financial data

March 31	2003	2002	2001
In \$ millions except per share amounts and numbers of shares			
Net sales	\$1,194.7	\$1,246.5	\$1,240.7
Operating income (loss) – Service Businesses	\$24.8	\$20.8	\$(6.0)
Operating income – Financial Services	\$29.0	\$26.4	\$18.8
Net income	\$36.2	\$23.2	\$3.5
Basic and diluted earnings per share	\$0.61	\$0.39	\$0.06
Weighted average number of ordinary shares	59,225,816	58,907,622	59,316,660
Shareholders' equity	\$472.3	\$421.3	\$397.6
Shareholders' equity per ordinary share	\$7.95	\$7.13	\$6.77
Net operating cash flows	\$71.1	\$49.8	\$33.5
Total debt	\$75.5	\$118.0	\$117.0
Total assets	\$1,083.3	\$1,015.0	\$988.9
Trade accounts receivable – Service Businesses	\$138.7	\$166.1	\$182.9
Goodwill – Service Businesses	\$368.6	\$351.0	\$332.5
Property plant and equipment – net – Service Businesses	\$109.8	\$95.2	\$94.4
Capital expenditures	\$40.6	\$24.9	\$19.2
Depreciation and intangibles amortization	\$22.6	\$19.8	\$22.7



Facilities Services US. OneSource

OneSource, a market leader in the facilities services industry, provides janitorial, contract cleaning, landscape design, grounds keeping, building maintenance and facility support services to US businesses. The trend in outsourcing continues as companies return their focus to core competencies, strive to simplify their operations and increase their overall efficiencies. Today, OneSource's workforce of over 31,000 service professionals delivers a wide range of outsourced facility services to more than 10,000 commercial, institutional and industrial customers throughout 185 metropolitan areas in 42 states.

During fiscal 2003, a significant focus on core operations, ongoing cost control measures and careful expansion of the company's customer base enabled OneSource to successfully manage its service businesses.

Core Business Initiatives

Management at all levels of the organization maintained a strict focus on four key business initiatives: customer retention, labor cost control, receivables management and overhead cost reduction. A strengthened corporate infrastructure was the catalyst for core business process re-engineering. Concurrently, field operations were streamlined and regionalized, moving decision-makers closer to our customers and the front lines of our business.

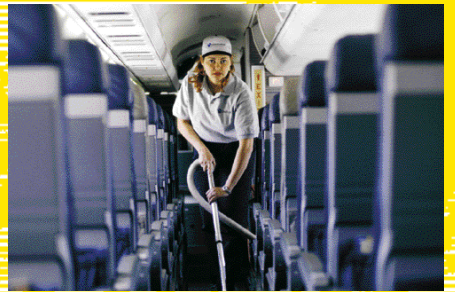
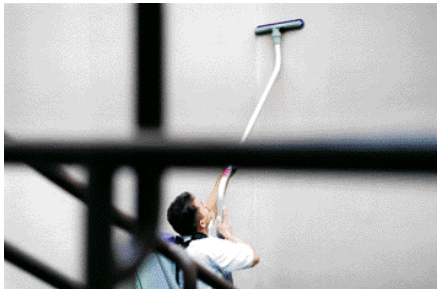
Growth Strategy Sales and marketing efforts fueled the company's controlled new business strategy with heightened focus on key geographic areas and strategic market segments. A matrix sales and account management organization was created to complement our regionalized operations, allowing flexibility to respond to both local and national requirements as well as specific segment opportunities.

This improved client-focused structure makes OneSource more efficient in serving a broad range of large customers including Southwest Airlines, Saks Fifth Avenue and the Chicago Board of Trade.

Technology Advancements

OneSource continues to develop new technology to improve efficiency and provide a strong infrastructure for growth. A key initiative has been the automation of time and attendance information. In targeted operational areas, paper time sheets previously used to capture labor hours on job sites are being replaced with electronic time sheets. A number of key locations already have electronic time clocks that are polled daily. OneSource is continually focusing on the reduction of both onsite labor costs and the administrative cost of the back office wage processing procedures for a significant service workforce. OneSource has also pioneered the use of information technology to improve the way services are delivered to clients. For example, computerized work-loading and on-line billing are used to provide accurate work estimates and to ensure economic efficiency.

As part of the year's focus on core operations, businesses were re-examined for strategic fit and non-core operations were identified for divestiture or closedown. This qualitative process has allowed the company to realign management and financial resources with more profitable endeavors and achieve progress towards better performance.



Business Services UK and Ireland. Staffing Services

Carlisle Staffing Services operates in the UK and Ireland from more than 70 locations. The business supplies contract, temporary and permanent staff to more than 5,000 clients across a range of sectors and has a growing role in providing managed human resource solutions for specific clients. Our strategy is founded upon the core competence of engaging and mobilizing, around 7,000 people each week.

Broad Client Base Staffing Services faced a challenging environment in 2003 as the economies in the UK and Ireland remained weak. However, we were helped by a broad client base covering almost every part of the private and public sector with staff representing office and administrative, teaching, nursing and care, industrial, driving, banking and insurance, accounting, legal and information technology. In addition, our business is primarily geared to the provision of temporary/contract staff rather than the more volatile permanent staff recruitment.

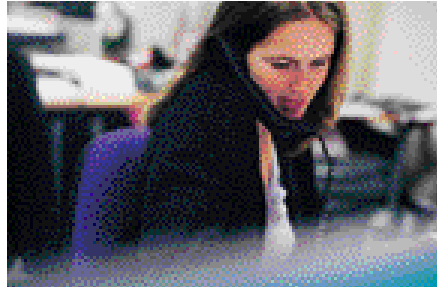
Focused Brands The Staffing operations have become a significant (top 10 UK and top 5 Ireland) presence in a large and fragmented marketplace. A mix of organic and acquisitive growth has driven our expansion and the business now comprises a number of well-known, market-facing brands: Celsian, Recruit, Tate Office, Indigoselection, Irish Recruitment Consultants and Workforce. Each brand is recognized for specific sectors or geographic markets and Celsian, our brand for professionals in Education, Health and Care won the annual award for 'Best Recruitment marketing campaign' sponsored by 'People Management'.

The Right People Our business is about having the right people at the right time in the right place so maintenance of a qualified database of skilled and available staff is a competitive differentiation. Major clients who count on our services include New Wave Logistics and Diageo/Guinness Ireland in the private sector, the Royal Mail and the Financial Services Authority in the public sector and Ernst & Young and Camelot in the HR Services sector.

Systems Upgrades Costs are being tightly managed but we continue to invest in technology to improve our business. A front office system now installed across all operations enables improved process efficiency, consistent and timely communications and the ability to integrate more closely with our customers. All active brands now operate from a single technology platform with a unified management structure and centralized reporting and controls.

Outlook In the short-term, cost control will remain paramount in the difficult staffing markets and we expect to further develop market-leading positions in selected markets for both Staffing and Human Resource Managed Services. Our priority is to stay close to our customers by securing and sustaining high value relationships.





Business Services UK and Ireland. Facilities Services

The Facilities Services business now operates throughout the UK as Carlisle Facilities Services and in Ireland through Carlisle Security Services. In 2003, LI Group (cleaning) and Capitol Security Services (manned guarding) were consolidated into one operation (Carlisle Facilities Services) employing more than 5,000 people. The business also contains a Retail Support Services operation in the UK, and smaller businesses in Events Management and Investigations Services.

One Brand UK Facilities Services operated in a tough business climate in 2003 – a low inflation environment with intense price competition. However, we continued to serve and grow a diverse client base and also reshaped our business to better support single and multi-service delivery through one brand, Carlisle Facilities Services. As part of this process, the LI Group and Capitol back offices were consolidated in one location, including accounting, administrative and support services.

On Duty '24/7' The principal UK business is organized into four main sectors: Transport, Retail, Distribution and Public Sector and we also offer commercial security, largely manned guarding. We provide a '24/7' schedule, supplying services and staff at over 1,200 contract sites. The range of services offered is broad and includes cleaning and related services; events management; in-transit and turnaround train cleaning and tanking; merchandising projects; mechanical and electrical maintenance services; and retail store refurbishment and shop fitting. Nearly 500 clients receive one or more of these services.

Growth We enjoyed good growth momentum during the year in the Transport sector and in our Retail Support Services business which continues to extend its range of merchandising and store support services in both the DIY market and, increasingly, with food retailers. Our major transport clients include West Coast Traincare and London Underground and we were pleased to add Midland Mainline to the already strong list of train operating companies in the customer base. In the retail sector, we serve sector leaders in the UK including Tesco, Sainsbury, B&Q and Homebase.

Integrated Solutions The markets for the type of outsourced business services we provide remain fragmented with many players competing for market share. Just as in our Staffing Services business, we need to make sure we have the right people and processes at the right time to deliver quality service. There is evidence of a need for more complex services and common themes in the outsourced business services market include increasing purchasing sophistication/coordination; pressure to improve productivity; and increasing use of technology. With our new structure, we are well placed to offer comprehensive, integrated solutions to increasingly demanding customers.

The priority for the coming year will be to leverage our integrated brand platform, efficient processes and capable staff to maintain and develop extended customer relationships.



Financial Services, Telecommunication Services.

The Belize Bank Limited and other wholly owned subsidiary companies provide a variety of banking and financial services to both domestic and international customers. The Bank also delivers a range of international financial products, including company formation, secretarial and investment services.

The Belize Bank is the largest commercial banking operation in Belize with a 47 percent share of loans and deposits. The division reported a record result last year with operating income of \$27.5 million. These results reflect a 10 percent increase in net interest income driven by an increase in the average loan portfolio offset by a decline in interest margins. The Belize Bank (Turks and Caicos) Limited, a wholly owned subsidiary of the Belize Bank, now in its fourth year of operation, contributed \$3.3 million to the operating income of financial services.

A Diversified Portfolio The bank's loan portfolio is diversified to minimize the risk of exposure to a particular market segment. Commercial loans to major industries in Belize, including agriculture, tourism and distribution, account for approximately half of the portfolio. The balance is comprised principally of consumer loans and residential mortgages. Strict credit controls ensure that loan growth is balanced with sound loan quality.



The restructuring of Belize Telecommunications Limited ('BTL') has continued through 2002/3 as the company prepares itself for competition. BTL was awarded a new non-exclusive 15-year telecommunications licence, effective from December 30, 2002.

In mid-December 2002, BTL launched its new nationwide GSM cellular service to operate in parallel with and subsequently replace the existing analogue cellular network. This state-of-the-art GSM system delivers a high-quality digital service, value-added features such as text messaging, and later in 2003 will be used for the deployment of international roaming, internet and e-mail. This system delivers a major strategic advantage to BTL, and between 2002 and 2003 BTL increased total cellular customers by 25 percent.

The full impact of tariff rebalancing and tariff reductions, implemented in December 2001, was felt during 2002/3. These tariff adjustments have reduced BTL's dependency on international voice services. The tariff balancing and adjustment process will continue during 2003/4 to further reduce the company's exposure to 'cherry picking' by competitors with respect to their provision of telecommunications services.

Outlook Investment through 2003/4 will focus on expanding and leveraging the value of the GSM network; the replacement of core billing and operational systems to improve internal efficiencies (thus reducing operating costs and improving customer service), and the upgrade of core network facilities to support quality data transmission.



