

# Condensed Consolidated Balance Sheets

At March 31	2004 \$m	2003 \$m
<b>Assets</b>		
<b>Service Businesses</b>		
<b>Current assets:</b>		
Cash and cash equivalents	31.0	13.3
Trade accounts receivable – net	137.5	138.7
Other current assets	29.9	20.4
<b>Total Service Businesses current assets</b>	<b>198.4</b>	<b>172.4</b>
Property, plant and equipment – net	23.2	109.8
Associates	47.5	49.7
Goodwill and other intangibles – net	390.8	368.6
Other long-term assets	40.1	9.9
<b>Total Service Businesses assets</b>	<b>700.0</b>	<b>710.4</b>
<b>Financial Services</b>		
Cash, cash equivalents and due from banks	22.9	26.1
Interest-bearing deposits with correspondent banks	40.0	52.3
Loans – net	304.5	265.3
Other assets	29.6	29.2
<b>Total Financial Services assets</b>	<b>397.0</b>	<b>372.9</b>
<b>Total assets</b>	<b>1,097.0</b>	<b>1,083.3</b>
<b>Liabilities and shareholders' equity</b>		
<b>Service Businesses</b>		
<b>Current liabilities:</b>		
Short-term debt	37.8	63.7
Accounts payable	15.5	18.3
Accrued personnel costs	48.6	46.5
Insurance reserves – current portion	20.3	19.1
Other current liabilities	36.7	39.9
<b>Total Service Businesses current liabilities</b>	<b>158.9</b>	<b>187.5</b>
Long-term debt	–	11.8
Insurance reserves – long-term portion	48.7	53.3
Other long-term liabilities	13.0	12.4
Minority interests	3.8	48.3
<b>Total Service Businesses liabilities</b>	<b>224.4</b>	<b>313.3</b>
<b>Financial Services</b>		
Deposits	306.3	291.3
Long-term debt	15.0	–
Other liabilities	8.5	6.4
<b>Total Financial Services liabilities</b>	<b>329.8</b>	<b>297.7</b>
<b>Total liabilities</b>	<b>554.2</b>	<b>611.0</b>
<b>Shareholders' equity:</b>		
Share capital (ordinary shares of no par value – 61,765,820)	0.6	0.6
Additional paid-in capital	305.1	305.7
Treasury shares	(17.3)	(18.6)
Retained earnings	234.6	189.4
Cumulative other comprehensive income (loss)	19.8	(4.8)
<b>Total shareholders' equity</b>	<b>542.8</b>	<b>472.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,097.0</b>	<b>1,083.3</b>

## Condensed Consolidated Statements of Income

Year ended March 31	2004 \$m	2003 \$m	2002 \$m
<b>Service Businesses</b>			
Net sales	1,126.4	1,139.5	1,191.0
Cost of sales	(974.9)	(976.6)	(1,020.7)
Selling, general and administrative expenses	(140.8)	(149.6)	(162.9)
Restructuring and other non-recurring items	–	(1.2)	(5.7)
<b>Operating income – Service Businesses</b>	<b>10.7</b>	<b>12.1</b>	<b>1.7</b>
<b>Financial Services</b>			
Interest income	43.9	39.0	35.3
Interest expense	(12.0)	(9.2)	(8.2)
Net interest income	31.9	29.8	27.1
Provision for loan losses	(0.7)	(0.7)	(0.4)
Net non-interest expense	(1.3)	(1.6)	(2.0)
Restructuring and other non-recurring items	–	1.5	1.7
<b>Operating income – Financial Services</b>	<b>29.9</b>	<b>29.0</b>	<b>26.4</b>
Corporate expenses	(4.7)	(6.5)	(7.3)
<b>Total operating income</b>	<b>35.9</b>	<b>34.6</b>	<b>20.8</b>
Associates	4.2	4.9	3.1
Interest income	1.0	0.2	0.4
Interest expense	(3.5)	(5.8)	(6.4)
<b>Income before income taxes</b>	<b>37.6</b>	<b>33.9</b>	<b>17.9</b>
Income taxes	(0.9)	(1.6)	(3.2)
<b>Income after income taxes</b>	<b>36.7</b>	<b>32.3</b>	<b>14.7</b>
Minority interests	(1.2)	(1.0)	(0.6)
<b>Income from continuing operations</b>	<b>35.5</b>	<b>31.3</b>	<b>14.1</b>
Income from discontinued operations	9.7	4.9	9.1
<b>Net income</b>	<b>45.2</b>	<b>36.2</b>	<b>23.2</b>
<b>Basic earnings per ordinary share</b>	<b>\$0.76</b>	<b>\$0.61</b>	<b>\$0.39</b>
<b>Diluted earnings per ordinary share</b>	<b>\$0.75</b>	<b>\$0.61</b>	<b>\$0.39</b>

## Condensed Consolidated Statements of Changes in Shareholders' Equity

	Share capital \$m	Additional paid-in capital \$m	Treasury shares \$m	Retained earnings \$m	Cumulative other comprehensive income (loss) \$m	Total \$m
At April 1, 2001	0.6	308.9	(23.7)	130.0	(18.2)	397.6
Net income	–	–	–	23.2	–	23.2
Purchase of treasury shares	–	–	(0.1)	–	–	(0.1)
Disposal of treasury shares	–	(1.2)	2.5	–	–	1.3
Currency translation adjustments	–	–	–	–	0.7	0.7
Minimum pension liability	–	–	–	–	(1.4)	(1.4)
At March 31, 2002	0.6	307.7	(21.3)	153.2	(18.9)	421.3
Net income	–	–	–	36.2	–	36.2
Disposal of treasury shares	–	(1.8)	2.7	–	–	0.9
Currency translation adjustments	–	–	–	–	15.6	15.6
Minimum pension liability	–	–	–	–	(1.5)	(1.5)
Other movements	–	(0.2)	–	–	–	(0.2)
At March 31, 2003	0.6	305.7	(18.6)	189.4	(4.8)	472.3
Net income	–	–	–	45.2	–	45.2
Purchase of treasury shares	–	–	(0.1)	–	–	(0.1)
Disposal of treasury shares	–	(0.7)	1.4	–	–	0.7
Currency translation adjustments	–	–	–	–	24.9	24.9
Minimum pension liability	–	–	–	–	(0.3)	(0.3)
Other movements	–	0.1	–	–	–	0.1
At March 31, 2004	0.6	305.1	(17.3)	234.6	19.8	542.8

# Condensed Consolidated Statements of Cash Flows

Year ended March 31	2004 \$m	2003 \$m	2002 \$m
<b>Cash flows from operating activities</b>			
Net income	45.2	36.2	23.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	22.9	22.6	19.8
Discount amortization on insurance reserves	3.4	3.6	3.6
Restructuring and other non-recurring items	–	0.2	3.1
Provision for loan losses	0.7	0.7	0.4
Undistributed earnings of associates	2.2	(2.3)	(0.6)
Refinancing costs amortization	0.9	0.9	0.6
Deferred income taxes	0.8	–	–
Minority interests net of distributions	3.5	3.2	8.0
Gain on disposal of discontinued operations	(4.7)	–	–
Other	0.2	(1.0)	(0.4)
Changes in assets and liabilities:			
Decrease in accounts receivable	1.3	33.0	24.7
(Increase) in other assets	(2.5)	(3.3)	(3.7)
(Decrease) increase in accounts payable	(1.3)	(0.1)	1.9
(Decrease) in accrued personnel costs	(0.2)	(0.1)	(4.5)
(Decrease) in insurance reserves	(6.8)	(8.1)	(3.3)
(Decrease) in other liabilities	(1.5)	(14.4)	(23.0)
<b>Net cash provided by operating activities</b>	<b>64.1</b>	<b>71.1</b>	<b>49.8</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(17.8)	(40.6)	(24.9)
Disposal of property, plant and equipment	0.3	1.1	3.5
Disposal of associates and other investments	–	–	0.5
Acquisition of businesses	(0.8)	(5.4)	(17.7)
Disposal of discontinued operations	48.1	–	–
Decrease (increase) in interest-bearing deposits with correspondent banks	12.3	(14.7)	11.6
(Increase) in loans to customers	(39.3)	(37.6)	(55.8)
Other	–	–	(3.2)
<b>Net cash provided (utilized) by investing activities</b>	<b>2.8</b>	<b>(97.2)</b>	<b>(86.0)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long-term debt	1.0	10.2	–
Repayment of long-term debt	(3.0)	(25.8)	(8.7)
Debt refinancing costs	–	(0.4)	(0.4)
(Decrease) increase in short-term debt	(19.4)	(14.0)	11.5
(Increase) in restricted cash deposits	(46.6)	–	–
Increase in deposits	15.0	58.3	3.8
Net sale of treasury shares	0.7	0.9	1.2
Other	(0.3)	–	–
<b>Net cash (utilized) provided by financing activities</b>	<b>(52.6)</b>	<b>29.2</b>	<b>7.4</b>
Currency translation adjustments	0.2	0.5	0.1
<b>Net change in cash, cash equivalents and due from banks</b>	<b>14.5</b>	<b>3.6</b>	<b>(28.7)</b>
Cash, cash equivalents and due from banks at beginning of year	39.4	35.8	64.5
<b>Cash, cash equivalents and due from banks at end of year</b>	<b>53.9</b>	<b>39.4</b>	<b>35.8</b>
Cash – service businesses	31.0	13.3	20.0
Cash – financial services	22.9	26.1	15.8
	<b>53.9</b>	<b>39.4</b>	<b>35.8</b>

# Condensed Segmental Analysis

Year ended March 31	2004 \$m	2003 \$m	2002 \$m
<b>Business analysis</b>			
<b>Net sales</b>			
Facilities Services	904.4	917.2	973.5
Staffing Services	222.0	222.3	217.5
	<b>1,126.4</b>	<b>1,139.5</b>	<b>1,191.0</b>
<b>Operating income</b>			
Facilities Services	7.0	2.6	(8.2)
Staffing Services	3.7	9.5	9.9
	<b>10.7</b>	<b>12.1</b>	<b>1.7</b>
Financial Services	29.9	29.0	26.4
Corporate expenses	(4.7)	(6.5)	(7.3)
	<b>35.9</b>	<b>34.6</b>	<b>20.8</b>
<b>Restructuring and other non-recurring items (included in operating income)</b>			
Facilities Services	-	0.9	4.9
Staffing Services	-	0.3	0.8
	<b>-</b>	<b>1.2</b>	<b>5.7</b>
Financial Services	-	(1.5)	(1.7)
Corporate	-	-	0.1
	<b>-</b>	<b>(0.3)</b>	<b>4.1</b>
<b>Depreciation and amortization</b>			
Facilities Services	8.4	9.9	10.8
Staffing Services	2.7	2.2	1.5
	<b>11.1</b>	<b>12.1</b>	<b>12.3</b>
Financial Services	0.8	0.7	0.6
Corporate	0.1	0.1	0.1
	<b>12.0</b>	<b>12.9</b>	<b>13.0</b>
Discontinued operations	10.9	9.7	6.8
	<b>22.9</b>	<b>22.6</b>	<b>19.8</b>
<b>Capital expenditures</b>			
Facilities Services	3.8	5.0	9.2
Staffing Services	1.4	3.0	3.1
	<b>5.2</b>	<b>8.0</b>	<b>12.3</b>
Financial Services	3.7	2.4	1.5
Corporate	-	-	0.3
	<b>8.9</b>	<b>10.4</b>	<b>14.1</b>
Discontinued operations	8.9	30.2	10.8
	<b>17.8</b>	<b>40.6</b>	<b>24.9</b>
<b>Goodwill</b>			
Facilities Services	276.1	266.0	259.2
Staffing Services	114.7	101.8	91.0
	<b>390.8</b>	<b>367.8</b>	<b>350.2</b>
Discontinued operations	-	0.8	0.8
	<b>390.8</b>	<b>368.6</b>	<b>351.0</b>
<b>Total assets</b>			
Facilities Services	475.4	419.9	445.8
Staffing Services	156.9	137.2	129.0
	<b>632.3</b>	<b>557.1</b>	<b>574.8</b>
Financial Services	397.0	372.9	306.8
Associates	47.5	49.7	47.4
Corporate	20.2	2.7	4.7
	<b>1,097.0</b>	<b>982.4</b>	<b>933.7</b>
Discontinued operations	-	100.9	81.3
	<b>1,097.0</b>	<b>1,083.3</b>	<b>1,015.0</b>

## Condensed Segmental Analysis continued

Year ended March 31	2004 \$m	2003 \$m	2002 \$m
<b>Geographical analysis</b>			
<b>Net sales</b>			
United States	780.7	788.7	832.0
United Kingdom	345.7	350.8	359.0
	<b>1,126.4</b>	<b>1,139.5</b>	<b>1,191.0</b>
<b>Operating income</b>			
United States	5.2	(2.1)	(11.1)
United Kingdom	5.5	14.2	12.8
Belize	25.2	22.5	19.1
	<b>35.9</b>	<b>34.6</b>	<b>20.8</b>
<b>Total assets</b>			
United States	354.3	311.6	333.6
United Kingdom	278.0	245.6	241.2
Belize	464.7	425.2	358.9
	<b>1,097.0</b>	<b>982.4</b>	<b>933.7</b>
Discontinued operations	–	100.9	81.3
	<b>1,097.0</b>	<b>1,083.3</b>	<b>1,015.0</b>

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Carlisle Holdings Limited

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the consolidated balance sheets of Carlisle Holdings Limited and its subsidiaries as of March 31, 2004 and 2003, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2004 (not presented herein) appearing in the Annual Report on Form 20-F for the fiscal year ended March 31, 2004; and in our report dated June 30, 2004, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers LLP  
London, United Kingdom  
June 30, 2004

### Board of Directors

**Lord Ashcroft, KCMG**—Chairman and Chief Executive Officer.

Formerly Chairman and Chief Executive Officer of ADT Limited (1977 to 1997), a company listed on the New York Stock Exchange. He was Belize's Permanent Representative to the United Nations until April 2000 and Treasurer of the Conservative and Unionist Party in the UK from 1998 to 2001. He is currently Assistant Treasurer of the International Democrat Union and Chairman of Trustees for a number of charities – Crimestoppers Trust, Industry in Education and Prospect Education (Technology) Trust Limited. In March 2000, he was appointed as a life peer in the British House of Lords and in June 2000 he was awarded a Knighthood (KCMG – Knight Commander of the Order of St. Michael and St. George) for public service to the community and country of Belize. In November 2001, he was invested as Chancellor of Anglia Polytechnic University (APU) in the UK.

**Sir Edney Cain**—Non-Executive Director and member of the Audit Committee.

Sir Edney Cain is now in retirement after a distinguished career in the public service in Belize, which included positions as Financial Secretary to the Government of Belize, Governor of the Central Bank of Belize and Belize High Commissioner to the UK.

**David Hammond**—Non-Executive Deputy Chairman and Chairman of the Executive Committee of the Audit Committee.

Mr Hammond is Chairman of BCA Holdings Limited. He was previously Deputy Chairman of ADT Limited from 1989 to 1996 and Director and Chairman of the Audit Committee of American Medical Response Inc. from 1993 to 1997. He was a member of the Competition Commission in the UK from 1995 to 2001. He is a Chartered Accountant and has over 30 years' experience in the services industry.

**Cheryl Jones**—Director.

Ms Jones was appointed Chief Executive Officer and Chairman of OneSource in April 2003. She was previously appointed as Executive Vice-President in June 2002 having joined OneSource as Senior Vice-President in June 2001. Prior to OneSource, she served as Senior Vice-President of National Linen Service, a subsidiary of National Service Industries, Inc. where she held a variety of senior management positions from 1994 to 2001.

**Emory King**—Non-Executive Director.

Mr King is now in semi-retirement after a career in insurance and real estate. He is presently involved in publishing, printing and public relations. He is also a Justice of the Peace in Belize.

**John Searle**—Non-Executive Director and member of the Audit Committee.

Mr Searle is Chairman and Managing Director of Belize Global Travel Services Limited which carries on the business of a travel agency and tourism.

### Officers

**Peter Gaze**—Executive Vice-President, Chief Financial Officer and Member of the Executive Committee.

Mr Gaze has been Executive Vice-President and Chief Financial Officer of Carlisle Holdings Limited since 1998. He is a Fellow of the Institute of Chartered Accountants in England and Wales, having trained with the international accounting firm of PricewaterhouseCoopers in London. Prior to joining Carlisle, he was the Group Financial Controller of ADT Limited from 1990 to 1997.

**Philip Osborne**—Company Secretary.

Mr Osborne has been Secretary of Carlisle Holdings Limited since 1993. He is a Solicitor and a member of the Law Society of England and Wales. Before joining Carlisle, he worked as a legal adviser to the London Stock Exchange and The Securities Association in the UK and for the international law firms of Clifford Chance and SJ Berwin & Co. He is a member of the Belize Bar and the country representative for Belize of the International Bar Association.

**Richard Bradford**—Carlisle Group UK and Ireland, Chief Executive.

Mr Bradford joined Carlisle's Staffing Services business as Chief Executive in 1997 from Exel plc where he had broad-ranging line management experience in different businesses in a range of roles from Branch Manager to Managing Director. This spanned an 11-year period, during which a significant time was also spent on secondment to McKinsey & Co. In 2001, he became Chief Executive of Carlisle's operations in the UK and Ireland.

**Philip Johnson**—Financial Services, President.

Mr Johnson has been President of Carlisle's Financial Services businesses since 1995. Prior to joining Carlisle, he spent over ten years in a variety of commercial roles, including over seven years with Lonrho PLC, having previously qualified as a Chartered Accountant.

## Shareholder Information

**Market information**—Carlisle Holdings Limited ordinary shares are currently traded in the Over-the-Counter Market and quoted on the NASDAQ National Market in the United States under the symbol 'CLHL' and on the Alternative Investment Market of the London Stock Exchange in the United Kingdom ('AIM') under the symbol 'CLH'. The table below sets forth the quarterly high and low reported prices of the ordinary shares in US dollars.

	Range of ordinary share prices	
	High \$	Low \$
<b>Fiscal 2003</b>		
First Quarter	3.54	2.56
Second Quarter	3.48	1.83
Third Quarter	2.94	1.38
Fourth Quarter	3.38	2.46
<b>Fiscal 2004</b>		
First Quarter	3.85	2.81
Second Quarter	6.50	3.58
Third Quarter	6.52	5.85
Fourth Quarter	6.55	5.59

### Company websites

[www.carlisleholdings.com](http://www.carlisleholdings.com)  
[www.one-source.com](http://www.one-source.com)  
[www.carlislegroup.co.uk](http://www.carlislegroup.co.uk)

### Registered office

60 Market Square  
Belize City  
Belize  
Central America  
[info@carlisleholdings.com](mailto:info@carlisleholdings.com)

### Registrar and transfer agent (in the USA)

The Bank of New York  
101 Barclay Street, 11E  
New York  
New York 10286  
United States

### Registrar and transfer agent (in the UK)

Capita Registrars  
The Registry  
Bourne House  
Beckenham  
Kent BR3 4TU  
United Kingdom

### Co-transfer agent

The Belize Bank Limited  
60 Market Square  
Belize City  
Belize  
Central America

### Investor information

Makinson Cowell (US) Limited  
One Penn Plaza  
250 W. 34th St., Suite 1935  
New York  
New York 10119  
United States  
Telephone (212) 994 9044  
[inquiries@makinson-cowell.com](mailto:inquiries@makinson-cowell.com)

### Nominated adviser (for AIM in the UK)

WestLB Panmure Limited  
Woolgate Exchange  
25 Basinghall Street  
London EC2V 5HA  
United Kingdom

### Nominated broker (for AIM in the UK)

Fyshe Horton Finney  
Charles House  
148–149 Great Charles Street  
Birmingham B3 3HT  
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