

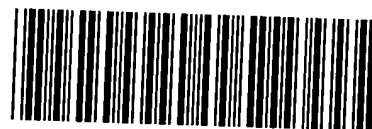
Sodexo Holdings Limited

Directors' report and financial statements

Registered number 2987170

For the ended 31 August 2015

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Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditor's report to the members of Sodexo Holdings Limited	3
Profit and Loss Account	5
Balance Sheet	6
Reconciliation of Movements in Shareholders' Funds	7
Notes forming part of the financial statements	8



Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 August 2015.

Principal activities and business review

The principal activity of the Company continues to be that of a holding company.

Political and charitable contributions

The Company made no political contributions or charitable donations during the year (2014: £nil).

Proposed dividend

The profit for the financial year amounted to £24,624,000 (2014: £46,544,000).

Dividends paid during the year comprise an interim dividend of £27,985,000 (2014: £50,533,000) in respect of the year ended 31 August 2015. This represents 5.45p (2014: 9.84p) per ordinary and preference share.

Going concern

The directors have considered the future profitability of the Company and its ability to continue as a going concern. Based on these projections the directors are satisfied that, for the foreseeable future, the Company can meet its working capital requirements. Consequently the financial statements have been prepared on a going concern basis.

Directors

The directors who held office during the year were as follows:

D J White	
A L Leech	Resigned 31 August 2015
S A Carter	
L C Mawdsley	Resigned 15 April 2016
L Arnaudo	Appointed 15 April 2016

Employees

No staff were employed by the Company during the year (2014: none).

Insurance of directors

The Company maintains insurance for directors and officers in respect of their duties as directors and officers of the Company.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Auditor

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditor annually and KPMG LLP will therefore continue in office.

By order of the board


L. Arnaudo
Director

One Southampton Row
London
United Kingdom
WC1B 5HA
26 May 2016



Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Sodexo Holdings Limited

We have audited the financial statements of Sodexo Holdings Limited for the year ended 31 August 2015 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Sodexo Holdings Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Michael Frankish (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

31 May 2016

Profit and Loss Account
for the year ended 31 August 2015

	<i>Note</i>	2015 £000	2014 £000
Operating expenses	2	(2,355)	(5,384)
Operating loss		(2,355)	(5,384)
Income from shares in group undertakings		31,264	53,841
Other interest receivable and similar income	6	382	432
Interest payable and similar charges	7	(6,418)	(4,493)
Profit on ordinary activities before taxation	3	22,873	44,396
Tax on profit on ordinary activities	8	1,751	2,148
Retained profit for the year		24,624	46,544

All results arise from continuing operations for the current and preceding financial year.

The Company has no recognised gains, other than the profit above for both the current and previous year and therefore no separate statement of total recognised gains has been prepared.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and the historic equivalents.

The notes from pages 8-14 form part of the financial statements.

Balance Sheet
 at 31 August 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Investments	9		912,077		912,077
Current assets					
Debtors (including £2,367,000 (2014: £2,930,000) due after more than one year)	11	7,066		7,659	
Cash and cash equivalents		15,844		14,095	
		<u>22,910</u>		<u>21,754</u>	
Creditors: amounts falling due within one year	12	<u>(372,448)</u>		<u>(357,931)</u>	
Net current liabilities			<u>(349,538)</u>		<u>(336,177)</u>
Total assets less current liabilities			<u>562,539</u>		<u>575,900</u>
Creditors: amounts falling due after more than one year	13		<u>(27,174)</u>		<u>(37,174)</u>
Net assets			<u>535,365</u>		<u>538,726</u>
Capital and reserves					
Called up share capital	14		513,646		513,646
Profit and loss account	15		13,125		16,486
Capital contribution reserve	15		8,594		8,594
Shareholders' funds - Equity			<u>535,365</u>		<u>538,726</u>

The notes from pages 8-14 form part of the financial statements.

These financial statements were approved by the board of directors on 26 May 2016 and were signed on its behalf by:



L Arnaudo
 Director

Reconciliation of Movements in Shareholders' Funds
for the year ended 31 August 2015

	<i>Note</i>	2015 £000	2014 £000
Profit for the financial year		24,624	46,544
Dividends on shares classified in shareholders' funds	10	(27,985)	(50,532)
Net reduction in shareholders' funds		(3,361)	(3,988)
Opening shareholders' funds		538,726	542,714
Closing shareholders' funds		535,365	538,726

The notes from pages 8-14 form part of the financial statements.

Notes forming part of the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements have been prepared on the going concern basis.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Sodexo S.A., a company registered in France, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Sodexo S.A., within which this Company is included, can be obtained from the address given in note 18.

Going concern

The directors have considered the future profitability of the Company and its ability to continue as a going concern. Based on these projections the directors are satisfied that, for the foreseeable future, the Company can meet its working capital requirements. Consequently the financial statements have been prepared on a going concern basis.

Fixed asset investments

Shares in subsidiary undertakings are stated at cost less provisions for any diminution in value.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Operating expenses

	2015 £000	2014 £000
Other charges	2,355	5,384

Other charges represent central costs associated with the Sodexo UK Group activities which are not recharged to subsidiary undertakings.

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2015 £000	2014 £000
<i>Auditor's remuneration:</i>		
Audit of these financial statements	30	30

4 Directors' emoluments

No directors received emoluments for their services to the Company (2014: £nil).

5 Employee information

No persons were employed by the Company during the current or previous financial year.

6 Other interest receivable and similar income

	2015 £000	2014 £000
Receivable from group undertakings	382	432

Notes (continued)

7 Interest payable and similar charges

	2015 £000	2014 £000
Payable to group undertakings	6,418	4,493

8 Taxation

Analysis of credit in period

	2015 £000	2014 £000
<i>Current tax:</i>		
UK corporation tax	(1,751)	(2,153)
Adjustments in respect of previous periods		5
Total current tax credit	(1,751)	(2,148)
Tax on profit on ordinary activities	(1,751)	(2,148)

Factors affecting the tax credit for the current period

On 1 April 2015, the standard rate of corporation tax changed to 20%. For the purpose of the company accounts to 31 August 2015, a blended rate of corporation tax has been applied.

The current tax charge (2014: charge) for the period is lower (2014: lower) than the blended (2014: blended) rate of corporation tax of 20.581% (2014: 22.162%). The differences are explained below.

	2015 £000	2014 £000
Profit on ordinary activities before tax	22,873	44,396
Current tax at blended (2014: blended) rate of 20.581% (2014: 22.162%)	4,707	9,838
<i>Effects of:</i>		
UK dividends received	(6,434)	(11,931)
Other permanent adjustments	(24)	(60)
Adjustments in respect of prior year		5
Current tax credit for period	(1,751)	(2,148)

Notes (continued)

9 Fixed asset investments

	Shares in subsidiary undertakings £000
<i>Cost</i>	
At beginning of year	912,077
At end of the year	<u>912,077</u>

The principal companies in which the Company's interest at the year end is more than 20% are as follows:

<i>Direct Subsidiary undertakings</i>	Country of Incorporation	Principal activity	Class and Percentage of shares held
Sodexo Defence Training Services Limited	England and Wales	Dormant	Ordinary 100%
Sodexo Limited	England and Wales	Catering and support services	Ordinary 100%
Sodexo Services Group Limited	England and Wales	Support services	Ordinary 100%
Tillery Valley Foods Limited	England and Wales	Catering and support services	Ordinary 100%
Sodexo Management Services Limited	England and Wales	Non-trading	Ordinary 100%
Sodexo Support Services Limited	Scotland	Catering and support services	Ordinary 100% Cumulative 6% Preference 100%
Sodexo Corporate Services (No 1) Limited	England and Wales	Dormant	Ordinary 100%
Sodexo Corporate Services (No 2) Limited	England and Wales	Dormant	Ordinary 100%
The Brand Group Limited	England and Wales	Dormant	Ordinary 100% Preference 100%
Sodexo Foundation	England and Wales	Charitable company	-
Sodexo Services Asia Pte. Limited	Singapore	Business and management consultancy services	Ordinary 70%

Notes (continued)

10 Dividends

The aggregate amount of dividends comprises

	2015 £000	2014 £000
Interim dividends paid in respect of the current year (5.45p per share, 2014: 9.84p)	27,985	50,533

11 Debtors

	2015 £000	2014 £000
Amounts falling due within one year		
Amounts owed by group undertakings	4,645	4,629
Prepayments and accrued income	54	100
Total debtors due within one year	4,699	4,729
Amounts falling due after more than one year		
Investment in Agecroft Prison Management sub-debt (see note 17)	2,367	2,930
Total Debtors	7,066	7,659

Interest on amounts due from Agecroft Prison Management is receivable twice annually in arrears at an interest rate of 13.367% (2014: 13.367%) per annum or such other rate as may be agreed from time to time. Late payment penalty interest is charged to the related party at an interest rate of 15.367% p.a. Amounts are recoverable on 6 July 2023.

Amounts owed by group undertakings are repayable on demand. No interest is charged on these amounts.

12 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to fellow subsidiary undertakings	362,448	357,931

Included in amounts owed to fellow subsidiary undertakings is an amount of £10,871,000 (2014: £10,871,000) repayable on demand at a rate of 5.16% and an amount of £347,057,000 (2014: £347,057,000) repayable on demand at a rate of base rate +0.5%.

Notes (continued)

13 Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to fellow subsidiary undertakings	27,174	37,174

Amounts owed to fellow subsidiary undertakings are repayable over the period to August 2015 at an interest rate of base rate plus 50 base points.

Analysis of debt payable:

	£000	£000
Debt can be analysed as falling due:		
In one year or less, or on demand	372,448	357,931
Between one and two years	27,174	37,174
	399,622	395,105

14 Called up share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
312,799,971 (2014: 312,799,971) ordinary shares of £1 each	312,800	312,800
200,846,500 (2014: 200,846,500) redeemable preference shares of £1 each	200,846	200,846
	513,646	513,646

The preference dividend shall not be cumulative and in the event that the Company does not in any financial period declare a dividend there shall be no entitlement of the holders of the Redeemable Preference Shares to receive either any preference dividend or any obligation upon the Company to pay any preference dividend.

The Company has the right to redeem the shares at par.

Notes (continued)

15 Reserves

	Profit and loss account	Capital contribution reserve	Total
	£000	£000	£000
At beginning of year	16,486	8,594	25,080
Retained profit for the year	24,624		24,624
Dividends on shares classified in shareholders funds	(27,985)		(27,985)
At end of year	13,125	8,594	21,719

The capital contribution reserve arose during 2002 as a result of the preference shareholders irrevocably waiving their rights to £8,594,000 of previously proposed fixed cumulative preference dividends.

The capital contribution reserve is a distributable reserve.

16 Contingent Liabilities

The company has also given counter-indemnities relating to guarantees amounting to £10,675,000 (2014: £10,675,000).

17 Related party disclosures

The group has taken exemption under Financial Reporting Standard 8 from disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent undertaking.

During the year, the Company carried out transactions with related parties in the normal course of business and on an arm's length basis. The names of the related party, nature of transaction and total value is shown below:

	2015 £000	2014 £000
<i>Transaction with Agecroft Prison Management Limited in which Sodexo S.A. holds a 50% shareholding:</i>		
Interest receivable	342	414
Principal repayment	563	99
Debtor balance	2,367	2,930
<i>Transaction with All Black Tours in which Sodexo Limited holds a 60% shareholding:</i>		
Debtor balance	822	827

18 Ultimate parent company and ultimate controlling party

The Company's ultimate and immediate parent company and controlling party is Sodexo S.A., a Company incorporated in France. This is the smallest group of undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from The Secretary, Sodexo S.A., 255 Quai de la Bataille de Stalingrad, 92866 Issy-Les-Moulineaux, France.

