

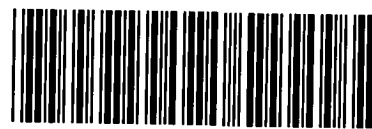
Sodexo Holdings Limited

Directors' report and financial statements

Registered number 02987170

For the ended 31 August 2017

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Strategic report

The directors present their strategic report, directors' report and audited financial statements for the year ended 31 August 2017.

Principal activities

The company is a wholly owned subsidiary of Sodexo SA and operates as part of the group's UK & Ireland business. Its ultimate parent is Sodexo SA, a French company listed on the Paris Euronext. Sodexo operates in 80 countries, employing nearly 420,000 people in the provision of a wide range of food services, soft services and technical services.

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

Performance of the business

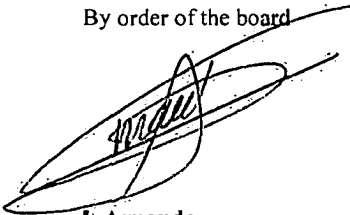
As shown in the company's profit and loss account on page 6, the company's operating loss has increased by 31% to £1,495,000.

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year end, in net asset terms, has decreased by £2,325,000. This is due to the loss made in the year from the company's operations.

Future developments

The company's principal activity continues to be that of a holding company so no future developments are expected.

By order of the board



L Arnaudo
Director

30 July 2018

One Southampton Row
London
United Kingdom
WC1B 5HA
30 July 2018

Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 August 2017.

Proposed dividend

The loss for the financial year amounted to £2,325,000 (2016: profit of £38,654,000).

Dividends paid during the year comprise an interim dividend of £nil (2016: £39,978,000) in respect of the year ended 31 August 2017. This represents nil (2016: 7.78p) 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:

L Arnaudo	
S A Carter	Appointed 25 May 2017
S M Haley	Appointed 01 September 2016
R Stern	Appointed 01 September 2016

Employees

No staff were employed by the company during the year (2016: none).

Insurance of directors

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

Political and charitable contributions

The company made no political contributions or charitable donations during the year (2016: £nil).

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 section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and therefore KPMG will continue in office.

By order of the board


L. Arnaudo
Director

30 July 2018

One Southampton Row
London
United Kingdom
WC1B 5HA

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), including FRS 101 *Reduced Disclosure Framework*.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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

Opinion

We have audited the financial statements of Sodexo Holdings Limited ("the company") for the year ended 31 August 2017 which comprise the Profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

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

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

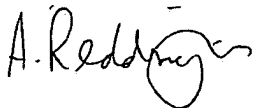
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



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

31 July 2018

Profit and loss account and other comprehensive income
for the year ended 31 August 2017

	<i>Note</i>	2017 £000	2016 £000
Operating expenses	2	(1,495)	(1,142)
Operating loss		(1,495)	(1,142)
Other income	6	3,195	-
Income from shares in group undertakings		-	43,934
Other interest receivable and similar income	7	492	570
Interest payable and similar charges	8	(5,615)	(5,923)
(Loss)/Profit before taxation	3	(3,423)	37,439
Tax on (loss)/profit	9	1,098	1,215
(Loss)/Profit for the financial year and total comprehensive income		(2,325)	38,654

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

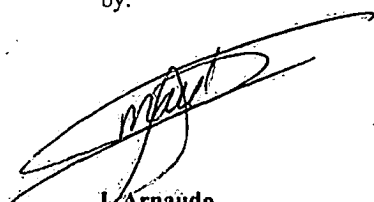
The notes from pages 9-16 form part of the financial statements.

Balance Sheet
at 31 August 2017

	<i>Note</i>	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Investments	10		918,066		912,077
Current assets					
Debtors (including £2,321,000 (2016: £2,418,000) due after more than one year)	12	9,311		7,296	
Cash and cash equivalents		12,913		18,292	
		<u>22,224</u>		<u>25,588</u>	
Creditors: amounts falling due within one year	13	<u>(408,574)</u>		<u>(365,455)</u>	
Net current liabilities			<u>(386,350)</u>		<u>(339,867)</u>
Total assets less current liabilities			<u>531,716</u>		<u>572,210</u>
Creditors: amounts falling due after more than one year	14		-		(38,169)
Net assets			<u>531,716</u>		<u>534,041</u>
Capital and reserves					
Called up share capital	15	513,646		513,646	
Profit and loss account		9,476		11,801	
Capital contribution reserve		8,594		8,594	
Shareholders' funds			<u>531,716</u>		<u>534,041</u>

The notes from pages 9-16 form part of the financial statements.

These financial statements were approved by the board of directors on 30 July 2018 and were signed on its behalf by:


L. Arnaudo
Director

Company Registered Number: 2987170

Statement of Changes in Equity
for the year ended 31 August 2017

	Capital Contribution Reserve £000	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 September 2015	8,594	513,646	13,125	535,365
Total comprehensive income for the period				
Profit	-	-	38,654	38,654
Total comprehensive income for the period	-	-	38,654	38,654
Dividends	-	-	(39,978)	(39,978)
Total contributions by and distributions to owners	-	-	(39,978)	(39,978)
Balance at 31 August 2016	8,594	513,646	11,801	534,041

	Capital Contribution Reserve £000	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 September 2016	8,594	513,646	11,801	534,041
Total comprehensive income for the period				
Loss	-	-	(2,325)	(2,325)
Total comprehensive income for the period	-	-	(2,325)	(2,325)
Balance at 31 August 2017	8,594	513,646	9,476	531,716

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.

The notes from pages 9-16 form part of the financial statements.

Notes forming part of the financial statements

1 Accounting policies

Sodexo Holdings Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital

As the consolidated financial statements of Sodexo S.A include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these 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.

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 paragraph 8 (k) of FRS101 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.

Notes (continued)

1 Accounting policies (continued)

Basic Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Other debtors / creditors

Other debtors are recognised initially at transaction price less attributable transaction costs. Other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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.

Accounting estimates and judgements

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not believe that there are any accounting policies that would be likely to produce materially different results should there be a change to the underlying judgements, estimates and assumptions.

Notes (continued)

2 Operating expenses

	2017 £000	2016 £000
Other charges	1,495	1,142

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

3 Operating loss

Loss before taxation is stated after charging:

	2017 £000	2016 £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 (2016: £nil) as the amount of service provided by the directors to the company is not material.

5 Staff number and costs

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

6 Other income

	2017 £000	2016 £000
Gains on disposals of investments	3,195	-

In November 2016 the company disposed of its investment in Sodexo Services Asia Pte. Limited. This gave rise to a gain on disposal of £3,195,000.

7 Other interest receivable and similar income

	2017 £000	2016 £000
Receivable from group undertakings	492	570

Notes (continued)

8 Interest payable and similar charges

	2017 £000	2016 £000
Payable to group undertakings	5,615	5,923

9 Taxation

Analysis of credit in period

	2017 £000	2016 £000
<i>UK Corporation Tax charge / (credit):</i>		
UK corporation tax	(1,167)	(1,326)
Adjustments in respect of previous periods	69	111
Total current tax credit	(1,098)	(1,215)
Tax on profit	(1,098)	(1,215)

Factors affecting the tax credit for the current period

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The total tax credit is higher (2016: credit is lower) than the standard rate of corporation tax of 19.581% (2016: blended rate of 20%). The differences are explained below.

	2017 £000	2016 £000
(Loss)/Profit before tax	(3,359)	37,439
Total tax at blended (2016: standard) rate of 19.581% (2016: 20%)	(658)	7,488
<i>Effects of:</i>		
UK dividends received	-	(8,787)
Non taxable income	(626)	-
Other permanent adjustments	117	(26)
Adjustments in respect of prior year	69	110
Total tax credit for period	(1,098)	(1,215)

Notes (continued)

10 Fixed asset investments

	Shares in subsidiary undertakings £000	Loans to group undertakings £000	Total £000
Cost			
At beginning of year	919,800	2,878	922,678
Additions	15,089	-	15,089
Disposals	(9,100)	-	(9,100)
At end of year	925,789	2,878	928,667
Provisions			
At beginning of year	(10,601)	-	(10,601)
At end of year	(10,601)	-	(10,601)
Net book value			
31 August 2017	915,188	2,878	918,066
31 August 2016	909,199	2,878	912,077

During November 2016, the Company disposed of its investment in 70% of the ordinary share capital of Sodexo Services Asia Pte. Limited for a consideration of £12,295,000.

During March 2017, the company acquired 100% of the ordinary share capital of Prestige Nursing Limited for a consideration of £15,089,000.

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

	Registered office	Class of Shares	Ownership at 31 August 2017
Direct Subsidiary undertakings			
Sodexo Limited	One Southampton Row, London, WC1B 5HA	Ordinary	100%
Sodexo Services Group Limited	One Southampton Row, London, WC1B 5HA	Ordinary	100%
Tillery Valley Foods Limited	One Southampton Row, London, WC1B 5HA	Ordinary	100%
Sodexo Management Services Limited	One Southampton Row, London, WC1B 5HA	Ordinary	100%
Sodexo Remote Sites Support Services Limited	5 th Floor, Exchange Tower No. 2, 62 Market Street, Aberdeen, AB11 5PJ	Ordinary	100%
		Cumulative Preference	6% 100%
Sodexo Corporate Services (No 1) Limited	One Southampton Row, London, WC1B 5HA	Ordinary	100%
Sodexo Corporate Services (No 2) Limited	One Southampton Row, London, WC1B 5HA	Ordinary	100%
The Brand Group Limited	One Southampton Row, London, WC1B 5HA	Ordinary Preference	100% 100%
Sodexo Stop Hunger Foundation	One Southampton Row, London, WC1B 5HA	-	-
Prestige Nursing Limited	Greenview House, 5 Manor Road, Wallington, Surrey, SM6 0BW	Ordinary	100%

Notes (continued)

11 Dividends

The aggregate amount of dividends comprises

	2017 £000	2016 £000
Interim dividends paid in respect of the current year (nil per share, 2016: 7.78p)	-	39,978

12 Debtors

	2017 £000	2016 £000
Amounts falling due within one year		
Amounts owed by group undertakings	6,990	4,857
Prepayments and accrued income	-	21
Total debtors due within one year	6,990	4,878
Amounts falling due after more than one year		
Investment in Agecroft Prison Management sub-debt	2,321	2,418
Total Debtors	9,311	7,296

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

Interest on amounts due from Agecroft Prison Management is receivable twice annually in arrears at an interest rate of 13.367% (2016: 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% (2016: 15.367%) p.a. Amounts are recoverable on 6 July 2023.

13 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to fellow subsidiary undertakings	408,574	365,455

Included in amounts owed to fellow subsidiary undertakings is an amount of £11,912,000 (2016: £11,516,000) repayable on demand at a rate of 5.16% and an amount of £396,526,000 (2016: £353,750,000) repayable on demand at a rate of base rate +0.5%.

Notes (continued)

14 Creditors: amounts falling due after more than one year

	2017 £000	2016 £000
Amounts owed to fellow subsidiary undertakings	-	38,169

15 Share Capital

	2017 £000	2016 £000
<i>Allotted, called up and fully paid</i>		
312,799,971 (2016: 312,799,971) ordinary shares of £1 each	312,800	312,800
200,846,500 (2016: 200,846,500) redeemable preference shares of £1 each	200,846	200,846
	<u>513,646</u>	<u>513,646</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

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

16 Contingent Liabilities

The company has also given counter-indemnities relating to guarantees amounting to £10,675,000 (2016: £10,675,000).

17 Related party disclosures

The group has taken exemption contained in paragraph 8 (k) of FRS101 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 standard course of business. The names of the related party, nature of transaction and total value is shown below:

	2017 £000	2016 £000
<i>Transaction with Agecroft Prison Management Limited in which Sodexo S.A. holds a 50% shareholding:</i>		
Interest receivable for the year	319	342
Principal repayment	100	563
Debtor balance	2,267	2,418
<i>Transaction with All Black Tours in which Sodexo Limited holds a 60% shareholding:</i>		
Interest receivable for the year	47	160
Debtor balance	987	780

Notes *(continued)*

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.