
Sodexo Management Services Limited

**Directors' report and financial
statements**

Registered number 3116705

31 August 2011

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2011

Principal activities & business review

The principal activity of the Company is that of a holding company

Proposed dividend

The profit for the financial year amounted to £253,000 (2010 £250,000)

The directors do not recommend the payment of a dividend (2010 £nil)

Going concern

The directors have considered the future profitability of the Company and its ability to continue as a going concern and have prepared profit and cash flow forecasts into the future. Based on these projections the directors are satisfied that, for the foreseeable future, the Company can meet its projected 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

A J Connolly	Resigned 31 December 2011
P R Andrew	Appointed 1 January 2012

Sodexo Services (No 1) Limited

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 charitable donations or political contributions during the year (2010 £nil)

Employees

No staff were employed by the Company during the year (2010 nil)

Disclosure of information to auditors

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 auditors are 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 are aware of that information.

Auditors

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

By order of the board



Gareth John
Authorised Signatory
Sodexo Corporate Services (No 2) Limited
Secretary

One Southampton Row
London
WC1B 5HA
17 May 2012

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 judgments 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 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 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

St James' Square
Manchester
M2 6DS

Independent auditor's report to the members of Sodexo Management Services Limited

We have audited the financial statements of Sodexo Management Services Limited for the year ended 31 August 2011 set out on pages 5 to 11. 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 sections 495 and 496 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 auditors' 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 auditors

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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2011 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 Management Services 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



Michael Frankish (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

30 May 2012

Profit and loss account
for the year ended 31 August 2011

	<i>Note</i>	2011 £000	2010 £000
Operating costs		-	-
Operating loss		-	-
Other interest receivable	5	347	347
Profit on ordinary activities before taxation	3	347	347
Tax on profit on ordinary activities	6	(94)	(97)
Retained profit for the year		253	250

The Company has no recognised gains or losses, other than the profit above and therefore no separate statement of total recognised gains or losses has been prepared

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

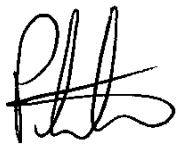
The notes from pages 8-11 form part of the financial statements

Balance sheet
at 31 August 2011

	<i>Note</i>	2011 £000	2010 £000
Current assets			
Debtors	8	9,829	9,482
Creditors, amounts falling due within one year	9	(2,072)	(1,978)
Net assets		7,757	7,504
Capital and reserves			
Called up share capital	10	23,572	23,572
Capital Contribution	11	24,872	24,872
Profit and loss account	11	(40,687)	(40,940)
Shareholders' funds - Equity		7,757	7,504

The notes from pages 8-11 form part of the financial statements

These financial statements were approved by the board of directors on 17 May 2012 and were signed on its behalf by



P R Andrew
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 August 2011

	2011 £000	2010 £000
Profit for the financial year	253	250
Net addition to shareholders' funds	253	250
Opening shareholders' funds	7,504	7,254
Closing shareholders' funds	7,757	7,504

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, except as noted below

Basis of preparation

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

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, 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 13.

Going concern

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

Interest income

Interest income comprises interest receivable on intercompany debtor balances. It is recognised in the profit and loss account as it accrues.

Fixed asset investments

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Directors' emoluments

No directors received emoluments for their services to the Company (2010 £nil)

3 Profit on ordinary activities before taxation

Audit fees in the current and previous year have been borne by Sodexo Limited.

4 Employee information

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

Notes (continued)

5 Interest receivable

	2011 £000	2010 £000
Interest from loans to group undertakings	347	347

6 Taxation

Analysis of charge in period

	2011 £000	2010 £000
Current tax		
UK corporation tax	94	97

Factors affecting the tax charge for the current period

On 1 April 2011, the standard rate of corporation tax changed to 26%. For the purpose of the company accounts to 31 August 2011, a blended rate of corporation tax has been applied.

The current tax charge (2010 charge) for the period is equal to (2010 equal to) the blended (2010 standard) rate of corporation tax of 27.167% (2010 28%).

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	347	347
Current tax at blended (2010 standard) rate of 27.167% (2010 28%)	94	97

On the 23 March 2011 the Chancellor announced that the main rate of UK corporation tax will reduce from 26% to 25% with effect from 1 April 2012. This change became substantively enacted in July 2011 and therefore the effect of the rate reduction on the deferred tax balances has been included in the figures above.

On 21 March 2012 the Chancellor announced a further reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012. This change became substantively enacted on 26 March 2012. As this rate was not substantively enacted at the balance sheet date it has not been reflected in the above figures.

The Chancellor has also proposed changes to further reduce the main rate of UK corporation tax by 1% per annum to 22% by 1 April 2014. These reductions have not been substantively enacted the changes are not reflected in the above figures.

Notes (continued)

7 Fixed asset investments

	Shares in subsidiary undertakings £000
Cost	
At beginning and end of year	28,000
Provisions	
At beginning and end of year	28,000
Net book value	
At beginning and end of year	-

At 31 August 2011 the following are the Company's principal direct and indirectly owned subsidiaries

	Country of incorporation	Principal activity	Percentage of shares held	
			Direct	Indirect
Sodexo Services Company Limited	England & Wales	Holding company	100%	-
Acton-Berkeley Travel Limited	England & Wales	Travel agency	-	100%
Sodexo Catering Services Limited	England & Wales	Contract cleaning	-	100%
Sodexo Care Services Limited	England & Wales	Contract cleaning	-	100%
Sodexo Overseas Services Limited	Scotland	Contract cleaning	-	100%
Sodexo Services Scotland Limited	England & Wales	Contract cleaning	-	100%
Sodexo Vending Limited	England & Wales	Vending services	-	100%
Cliff Evans Limited	England & Wales	Dormant	-	100%
Safeguard Limited	England & Wales	Dormant	-	100%
Taylorplan Services Limited	England & Wales	Dormant	-	100%

The value of the Company's shareholdings in these undertakings at 31 August 2011 after provisions was £nil (2010 £ nil)

8 Debtors

	2011 £000	2010 £000
Amounts falling due within one year		
Amounts owed by parent and fellow subsidiary undertakings	9,829	9,482

Intercompany interest is calculated on the principle loan amount of £6,725,000 at a fixed rate of 5.16%. This amount is repayable on demand.

Notes (continued)

9 Creditors' amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to parent and fellow subsidiary undertakings	772	678
Other creditors	1,300	1,300
	<u>2,072</u>	<u>1,978</u>

Amounts owed to parent and fellow subsidiary undertakings are payable on demand. No interest is due on these balances.

10 Called up share capital

	2011 £000	2010 £000
<i>Allotted, called up and fully paid</i>		
Equity 23,572,100 Ordinary shares of £1 each	23,572	23,572
	<u>23,572</u>	<u>23,572</u>

11 Reserves

	Capital Contribution £000	Profit and loss account £000
At beginning of year	24,872	(40,940)
Retained loss for the year	-	253
	<u>24,872</u>	<u>(40,687)</u>

12 Related party disclosures

The group has taken exemption under FRS8 from disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent undertaking.

13 Ultimate parent company and ultimate controlling party

The Company's ultimate 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.

The Company's immediate parent undertaking and controlling party is Sodexo Holdings Limited, a company incorporated in England and Wales.