

Sodexho Management Services Limited
(formerly Marriott Management Services (UK)
Limited)

Annual report

for the year ended 31 August 2000

Registered Number 3116705



Sodexho Management Services Limited
Annual report
for the year ended 31 August 2000

Contents

Directors and Advisors for the year ended 31 August 2000	1
Directors' report for the year ended 31 August 2000	2
Auditors' report to the members of Sodexho Management Services (UK) Limited	4
Profit and loss account for the year ended 31 August 2000	5
Balance sheet as at 31 August 2000	6
Accounting policies	7
Notes to the financial statements for the year ended 31 August 2000	8

Sodexho Management Services Limited

Directors and Advisors for the year ended 31 August 2000

Directors

B Carton
D S Ford
R S Herbert-Jones

Secretary

N A Mead

Auditors

PricewaterhouseCoopers
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Bankers

HSBC Bank plc
27/32 Poultry
London
EC2P 5AE

Registered Office

Kenley House
Kenley Lane
Kenley
Surrey
CR8 5ED

Registered Number

3116705

Sodexho Management Services Limited

Directors' report for the year ended 31 August 2000

The directors present their report and the audited financial statements for the year ended 31 August 2000.

Change of name

On 22 February 2000 the company changed its name from Marriott Management Services (UK) Limited to Sodexho Management Services Limited.

Principal activities and review of business

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

Directors and their interests

The directors who held office during the year are given below.

B Carton
D S Ford
R S Herbert-Jones

None of the directors had any interests in the share capital of the company during the year, and no disclosure is required of any interest in the share capital of the ultimate holding company, by virtue of that company not being incorporated in Great Britain and in accordance with the exceptions to the Companies Act 1985 contained in Statutory Instrument 802 of 1985.

Employees and employee involvement

The directors recognise the importance of good communications and relations with employees, and systems which will develop and improve these are continually being sought. The company is committed to providing staff and management training designed to develop the necessary attitudes and skills to foster good communication and consultation at all levels with a view to informing and involving staff in the progress of the company and its future financial plans. As a result of these efforts, a number of trading divisions have achieved Investors in People accreditation.

The Sodexho Alliance SA Group has offered medium term incentive arrangements to some of the company's staff. The company believes that this type of initiative demonstrates the company's commitment to involving employees in the Group's performance.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 August 2000 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Euro

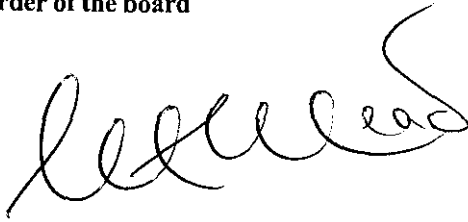
A Euro strategy has been established for the Sodexho Group of which Sodexho Management Services Limited is a member. Details are contained within the directors' report within the 2000 Annual Report of Sodexho Limited, the principal UK trading company of the Group.

Auditors

The company has availed itself of the elective regime as permitted under section 379A of the Companies Acts 1985 and 1989 and therefore does not need to re-appoint PricewaterhouseCoopers on an annual basis.

Sodexo Management Services Limited

By order of the board

A handwritten signature in black ink, appearing to read 'N A Mead', written in a cursive style.

N A Mead
Company Secretary
28 November 2000

Sodexho Management Services Limited

Auditors' report to the members of Sodexho Management Services Limited

We have audited the financial statements on pages 4 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

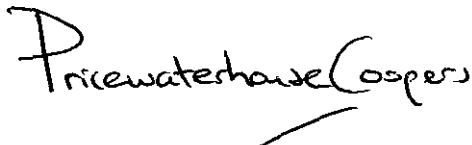
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Manchester
28 November 2000

Sodexo Management Services Limited

Profit and loss account for the year ended 31 August 2000

	Note	2000 £'000	1999 £'000
Turnover		1496	1,393
Cost of sales		(1,405)	(1,378)
Gross profit		91	15
Administrative expenses		(32)	-
Profit on ordinary activities before taxation		59	15
Tax on profit on ordinary activities	4	(22)	-
Profit on ordinary activities after taxation	10	37	15

All the activities during the year and in the comparative period were continuing.

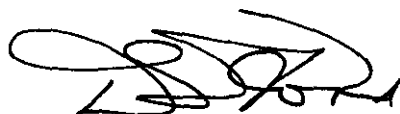
There company has no recognised gains and losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been prepared.

Sodexho Management Services Limited

Balance sheet as at 31 August 2000

	Note	2000 £'000	1999 £'000
Fixed assets			
Investments	5	-	-
Current assets			
Debtors	6	116	162
Cash in hand		1	1
		117	163
Creditors: amounts falling due within one year	7	(28)	(111)
Net current assets		89	52
Net assets		89	52
Capital and reserves			
Called up share capital	9	23,572	23,572
Capital contribution	12	24,872	24,872
Profit and loss account	10	(48,355)	(48,392)
Equity shareholders' funds	12	89	52

The financial statements on pages 4 to 11 were approved by the board of directors on 28 November 2000 and were signed on its behalf by:



D S Ford
Director

Sodexho Management Services Limited

Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Intermediate parent undertaking

The financial statements contain information about Sodexho Management Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements, as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Sodexho Alliance SA, a company registered in France.

Cash flow statement

The company has taken advantage of the exemption under FRS 1 (revised) and not published a cash flow statement. The cash flows of the group are included in the consolidated cash flow statement of the ultimate parent undertaking.

Related party transactions

The company has taken advantage of the provisions of FRS8, "Related party disclosures", not to disclose transactions with other group companies that are eliminated on consolidation.

Revaluation of fixed asset investments

The value attributed to the company's investment in subsidiary undertakings is adjusted each year by the increase or decrease in the net assets of those subsidiaries. The gain or loss occurring is credited or debited respectively to the revaluation reserves to the extent that such reserves exist. Losses in excess of the revaluation reserve are written off to the profit and loss account.

Turnover

Turnover represents the amount receivable for goods sold and services provided, excluding value added tax.

Sodexho Management Services Limited

Notes to the financial statements for the year ended 31 August 2000

1 Directors' emoluments

No director received any remuneration in respect of his service to the company during the year (1999: £Nil).

2 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2000 Number	1999 Number
Employees	28	30
	£'000	£'000
Staff costs	610	584

3 Audit fee

The audit fee is borne by a fellow subsidiary undertaking.

4 Taxation on profit on ordinary activities

	2000 Number	1999 Number
Corporation tax at 30% (1999: 30.583%):		
Current	18	-
Prior year	4	-
	22	-

Sodexho Management Services Limited

5 Investments

At 31 August 2000 the company had the following direct and indirectly owned trading subsidiaries:

Name of undertaking	Country of incorporation or registration	Holding company	Major activity	% Holding	
Subsidiary undertakings				Direct	Indirect
Sodexho Services Company Limited	England and Wales		Holding company	100%	
The Brand Group Limited	England and Wales		Holding company	100%	
Sodexho Commercial Services Limited	England and Wales	Sodexho Services Company Limited	Contract cleaning		100%
Sodexho Vending Services Limited	England and Wales	Sodexho Services Company Limited	Vending services		100%
Sodexho (Land Technology) Limited	England and Wales	Sodexho Services Company Limited	Landscape gardening		100%
Sodexho Overseas Services Limited	England and Wales	Sodexho Services Company Limited	Contract catering		100%
Sodexho Care Services Limited	England and Wales	Sodexho Services Company Limited	Contract cleaning		100%
Sodexho Catering Limited	England and Wales	Sodexho Services Company Limited	Contract catering		100%
Sodexho Services (Scotland) Limited	Scotland	Sodexho Services Company Limited	Contract cleaning		100%
Acton-Berkeley Travel Limited	England and Wales	Sodexho Services Company Limited	Travel agency		100%
Sodexho Food Services Limited	England and Wales	The Brand Group Limited	Provision of food and management services		100%

The value of the company's shareholdings in these undertakings at 31 August 2000 was £Nil after provisions (1999: £Nil).

6 Debtors

	2000 £'000	1999 £'000
Trade debtors	111	162
Amounts due from subsidiaries	5	-
	116	162

Sodexo Management Services Limited

7 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Accruals	8	8
Amounts owed to fellow subsidiary undertakings	20	103
	28	111

8 Deferred taxation

The company had no liability to deferred taxation at 31 August 2000 (1999: £Nil).

9 Called up share capital

	2000 £'000	1999 £'000
Authorised		
50,000,000 ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
23,572,100 ordinary shares of £1 each	23,572	23,572

10 Profit and loss account

	2000 £'000	1999 £'000
Retained loss at 1 September 1999	(48,392)	(48,407)
Profit for the year	37	15
Retained loss at 31 August 2000	(48,355)	(48,392)

11 Pension and similar obligations

On 6 April 2000 the employees were transferred into the Sodexo Limited Pension Fund. The costs for the year and details of the Sodexo Limited Pension fund are disclosed in the financial statements of Sodexo Limited, a fellow subsidiary undertaking.

12 Reconciliation of movements in equity shareholders' funds

	Share capital £'000	Capital Contribution £'000	Profit and loss account £'000	Total equity Shareholders' funds £'000
Balance at a September 1999	23,572	24,872	(48,392)	52
Profit for the year	-	-	37	37
Balance at 31 August 2000	23,572	24,872	(48,355)	89

Sodexo Management Services Limited

13 Ultimate parent company and ultimate controlling party

In the opinion of the directors the company's ultimate controlling party is the ultimate parent company, Sodexo Alliance SA, a company incorporated in France. Copies of that company's consolidated financial statements may be obtained from The Secretary, Sodexo Alliance SA, 3 Avenue Newton, 78180 Montigny-le-Bretonneux, France.