

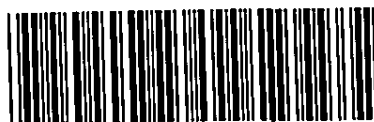
Harmondsworth Detention Services Limited

**Directors' report and financial
statements**

Registered number 04054452

31 August 2009

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Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 August 2009

Principal activities and business review

Harmondsworth Detention Services Limited is a Special Purpose Vehicle whose purpose is to design, construct and manage the Immigration Removal Centre Harmondsworth, which holds 501 male detainees. It has an 8 year contract with the UK Immigration Service which expired on 6 June 2009.

During the year there were two principal subcontractors, Kalyx Limited, who manage the operations, and Interserve Project Services Limited, who constructed the building.

In October 2008, the operating contract at the Immigration Removal Centre Harmondsworth was not renewed and ceased on 6 June 2009.

It is the intention of the directors that the Company will continue to trade until all residual matters are settled.

Results and proposed dividend

The profit for the financial year amounted to £2,081 (2008 £1,124).

The directors do not recommend the payment of a dividend (2008 £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 and directors' interests

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

H Nahapiet	Resigned 15 July 2009
J Vyse	Resigned 17 February 2009
I Renhard	Appointed 17 February 2009
M Priday	
S Carter	
A Leech	(Alternate to H Nahapiet) Resigned 15 July 2009
A Leech	Appointed 15 July 2009
D Paterson	(Alternate to I Renhard)

Since the year end, Mr A Leech resigned on 7 December 2009 and Mr P Andrew was appointed in his place on the same date.

The Company maintained 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 during the year (2008 £nil).

Employees

No staff were employed by the Company during the year.

Directors' report *(Continued)*

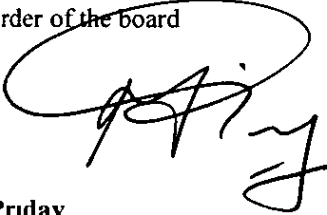
Disclosure of information to auditors

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 auditors are aware of that information

Auditors

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

By order of the board

A handwritten signature in black ink, appearing to be 'M. Priday', is written over a large, loopy circular mark.

M. Priday

Director

Interserve House
Ruscombe Park
Twyford,
Berkshire
RG10 9JU
25 May 2010

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

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Harmondsworth Detention Services Limited

We have audited the financial statements of Harmondsworth Detention Services Limited for the year ended 31 August 2009 set out on pages 6 to 13. 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 3, 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 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/UKNP.

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 2009 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

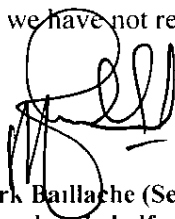
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Harmondsworth Detention 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



Mark Baillache (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

26 May 2010

Profit and loss account
for the year ended 31 August 2009

	<i>Note</i>	2009 £	2008 £
Turnover	2	17,219,262	16,336,797
Cost of sales	3	(17,219,262)	(16,336,797)
Gross profit		-	-
Administrative income/(expenses)		1,150	(1,825)
Operating profit/ (loss)		1,150	(1,825)
Other interest receivable and similar income	6	3,208	2,750
Interest payable and similar charges	7	(221)	(96)
Profit on ordinary activities before taxation	8	4,137	829
Tax on profit on ordinary activities	9	(2,056)	295
Profit for the financial year		2,081	1,124

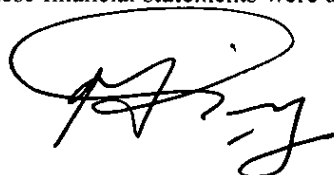
All results arise from continuing activities, subject to the statements made in the Directors' report. The Company has no recognised gains or losses, other than the profit above, and therefore no separate statement of total recognised gains and losses has been prepared.

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

Balance sheet
at 31 August 2009

	<i>Note</i>	2009 £	2008 £
Current assets			
Debtors	<i>10</i>	833,934	2,131,958
Cash at bank and in hand		128,281	44,611
		<hr/>	<hr/>
		962,215	2,176,569
Creditors: amounts falling due within one year	<i>11</i>	(921,140)	(2,137,575)
		<hr/>	<hr/>
Net assets		41,075	38,994
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	<i>12</i>	100	100
Profit and loss account	<i>13</i>	40,975	38,894
		<hr/>	<hr/>
Shareholders' funds - Equity		41,075	38,994
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 26th May 2010 and were signed on its behalf by



M Priday
Director

Harmondsworth Detention Services Limited Registered number 04054452

Reconciliation of movements in shareholders' funds
for the year ended 31 August 2009

	2009 £	2008 £
Profit for the financial year	2,081	1,124
Net increase in shareholders' funds	2,081	1,124
Opening shareholders' funds	38,994	37,870
Closing shareholders' funds	41,075	38,994

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 historic cost accounting rules

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate

It is the intention of the directors that the Company will continue to trade until all residual matters are settled

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. The consolidated financial statements of Sodexo S A, within which this company is included, can be obtained from the address given in note 15

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

Turnover

Turnover is recognised based on the amount receivable in respect of construction and operation of the immigration centre, net of discounts and allowances payable under contractual arrangements, and excluding VAT

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 Turnover

Turnover represents amounts invoiced for services in the United Kingdom for the construction and operation of the immigration removal centre as follows

	2009 £	2008 £
<i>By activity</i>		
Operations	17,219,262	16,336,797

3 Cost of sales

	2009 £	2008 £
Other operating charges	17,219,262	16,336,797

Notes *(continued)*

4 Directors' emoluments

No directors received emoluments for their services to the Company (2008 £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

	2009 £	2008 £
Interest on bank deposits	3,208	2,750

7 Interest payable and similar charges

	2009 £	2008 £
Bank charges	221	96

8 Profit/(loss) on ordinary activities before taxation

	2009 £	2008 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
<i>Auditors' remuneration</i>		
Audit of these financial statements	5,000	5,000

Audit fees for the current year are borne by Sodexo Limited

Notes (continued)

9 Taxation

Analysis of credit in period

	2009 £	2008 £
<i>UK corporation tax</i>		
Current tax on income for the period	898	242
Adjustments in respect of previous period	(242)	863
Total current tax	656	1,105
<i>Deferred tax</i>		
Adjustments in respect of previous periods	1,400	(1,400)
Total deferred tax	1,400	(1,400)
Tax on profit on ordinary activities	2,056	(295)

Factors affecting the tax charge for the current period

On 1 April 2008, the standard rate of corporation tax changed to 28% and capital allowance legislation impacting on the calculation of the deferred tax provision of the Company was introduced for taxable periods on or after 1 April 2008. For the purpose of the Company accounts to 31 August 2008, a blended rate of corporation tax has been applied.

The current tax charge (2008 charge) for the period is lower (2008 higher) than the standard rate of corporation tax of 28% (2008 blended rate of 29.2%). The differences are explained below.

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,137	829
Current tax at standard rate of 28% (2008 blended rate of 29.2%)	1,158	242
<i>Effects of</i>		
Utilisation of losses brought forward	(260)	
Adjustments in respect of previous periods	(242)	863
Total current tax charge	656	1,105

Notes (continued)

10 Debtors

	2009 £	2008 £
Trade debtors	14,636	1,690,852
Other debtors	819,298	439,706
Deferred tax asset (see below)	-	1,400
	<u>833,934</u>	<u>2,131,958</u>

The amounts provided for deferred taxation are set out below

	2009 £	2008 £
Deferred tax		
Short term timing differences	-	1,400
	<u>-</u>	<u>1,400</u>
Asset at start of year	1,400	-
Deferred tax (charge)/ credit in profit and loss account	(1,400)	1,400
	<u>-</u>	<u>1,400</u>
Deferred tax asset	<u>-</u>	<u>1,400</u>

11 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	801,942	292,510
Amounts owed to parent and fellow subsidiary undertakings	107,540	1,690,852
Corporation tax	898	1,105
Accruals and deferred income	10,760	153,108
	<u>921,140</u>	<u>2,137,575</u>

Notes (continued)

12 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
Equity 1 000 Ordinary shares of £1 each	1,000	1 000
<i>Allotted, called up and fully paid</i>		
Equity 100 Ordinary shares of £1 each	100	100

13 Reserves

	Profit and loss account £
At beginning of year	38,894
Profit for the year	2,081
At end of year	40,975

14 Related party disclosures

	2009 £	2008 £
Transactions with Sodexo Limited (whose parent company is a 51% shareholder in the Company)		
Purchases within cost of sales	17,219,262	16 336 797
Debtor balance	14,636	1 690 852

There were no transactions with Interserve Project Services Limited that require disclosure under FRS8

15 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.