

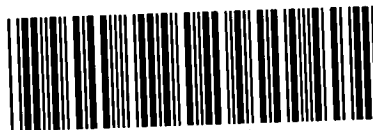
Harmondsworth Detention Services Limited

Directors' report and financial statements

Registered number 04054452

31 August 2016

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Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 August 2016.

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 had an eight year contract with the UK Immigration Service which expired on 6 June 2009.

In October 2008, the operating contract at the Immigration Removal Centre Harmondsworth was not renewed and ceased on 6 June 2009. During the period ended 31 August 2011 final invoicing took place in relation to this contract. This went on longer than expected due to issues in UKBA (UK Borders Agency) in respect of an insurance pay out (in relation to a claim following riots in 2008), and agreeing the final amount which would be paid to Harmondsworth. The contract is now complete and the Company has ceased trading.

In order to comply with the requirement of new UK GAAP, the Company has transitioned to FRS 101 in the year.

Results and proposed dividend

The loss for the financial year amounted to £43 (2015: £128).

The directors do not recommend the payment of a dividend (2015: £nil).

Going concern

Following the cessation of the contract at the Immigration Removal Centre, Harmondsworth and the subsequent resolution of all invoicing in relation to this contract, the board of directors made the decision that Harmondsworth Detention Services Limited would cease to trade and become a dormant company with effect from 1 September 2013. On this basis the financial statements have not been prepared on a going concern basis. The effect of this is explained in note 1.

Directors and directors' interests

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

I M Renhard
S A Carter

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 or charitable contributions during the year (2015: £nil).

Employees

No staff were employed by the Company during the year (2015: none).

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.

Directors' report (*continued*)

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



S A Carter
Director

22nd May 2017

Interserve House
Ruscombe Park
Twyford
Reading
Berkshire
RG10 9JU

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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

Independent auditor's 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 2016 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), including FRS 101 *Reduced Disclosure Framework*.

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 Statement of Directors' Responsibilities 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, 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 2016 and of its loss 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.

Emphasis of matter – non-going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

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 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing the strategic report



Andrew Reddington (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M3 3AE

30 May 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 August 2016

	<i>Note</i>	2016 £	2015 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative income		-	-
		<hr/>	<hr/>
Operating profit		-	-
Interest receivable	4	78	16
Interest payable and similar charges	5	(105)	(141)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	6	(27)	(125)
Tax on loss on ordinary activities	7	(16)	(3)
		<hr/>	<hr/>
Loss for the financial year and total comprehensive income		(43)	(128)
		<hr/>	<hr/>

All results arise from discontinued operations.

The notes from pages 9-13 form part of the financial statements.

Balance Sheet
at 31 August 2016

	<i>Note</i>	2016 £	2015 £
Current assets			
Cash at bank and in hand		51,338	51,368
Creditors: amounts falling due within one year	8	(10,778)	(10,765)
Net assets		40,560	40,603
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		40,460	40,503
Shareholders' funds		40,560	40,603

The notes from pages 9-13 form part of the financial statements.

These financial statements were approved by the board of directors on 22nd May 2017 and were signed on its behalf by:



S A Carter
 Director

Company Registered Number: 04054452

Statement of Changes in Equity
for the year ended 31 August 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 September 2014	100	40,631	40,731
Total comprehensive income for the period			
Profit or loss	-	(128)	(128)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(128)	(128)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2015	100	40,503	40,603
	<hr/>	<hr/>	<hr/>

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 September 2015	100	40,503	40,603
Total comprehensive income for the period			
Profit or loss	-	(43)	(43)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(43)	(43)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2016	100	40,460	40,560
	<hr/>	<hr/>	<hr/>

The notes from pages 9-13 form part of the financial statements.

Notes forming part of the financial statements

1 Accounting policies

Harmondsworth Detention Services 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 amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. 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.

The Company has adopted FRS 101 on its financial statements for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. There has been no impact on the reported financial position, financial performance and cash flows of the Company.

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;

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 Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 September 2014 for the purposes of the transition to FRS 101.

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 & going concern

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

As the Company is a partly-owned subsidiary of Sodexo S.A., the Company has taken advantage of the exemption contained in IAS 24 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 11.

The principal activity of the Company was to design, construct and manage the Immigration Removal Centre Harmondsworth. The contract expired in 6 June 2009 and all trading has now ceased. The financial statements were prepared on a going concern basis to 31 August 2011. However following the settlement of all insurance claims, the Company will undertake no further activity and became a dormant entity with effect from 1 September 2013. On this basis the financial statements have not been prepared on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

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

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.

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.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and 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.

Notes (continued)

2 Directors' emoluments

No directors received emoluments for their services to the Company (2015: £nil) as the amount of service provided by the director to the Company is not material.

3 Staff numbers and cost

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

4 Interest receivable

	2016 £	2015 £
Interest on bank deposits	78	16
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	2016 £	2015 £
Bank charges	105	141
	<u> </u>	<u> </u>

6 Expenses and auditor's remuneration

Audit fees for the current and prior year are borne by Sodexo Limited and totalled £1,000 (2015: £1,000).

Notes (continued)

7 Taxation

Analysis of charge in the year

	2016 £	2015 £
UK corporation tax charge		
UK corporation tax	16	3
Adjustments in respect of previous period	-	-
	<hr/>	<hr/>
Total current tax	16	3
Deferred tax		
Adjustments in respect of previous periods	-	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	16	3
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions 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 charge (2015: charge) is higher (2015: higher) than the standard rate of corporation tax of 20% (2015: blended rate of 20.581%). The differences are explained below.

	2016 £	2015 £
Current tax reconciliation		
Loss on ordinary activities before tax	(27)	(125)
	<hr/>	<hr/>
Total tax at the standard (2015: blended) rate of 20% (2015: 20.581%) would be:	(5)	(26)
The taxation credit has been (increased) / reduced by:		
Non deductible expenses	21	29
	<hr/>	<hr/>
Total tax charge	16	3
	<hr/>	<hr/>

Notes (continued)

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	10,762	10,762
Corporation tax	16	3
	<u>10,778</u>	<u>10,765</u>

9 Capital and Reserves

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
Equity: 100 (2015: 100) ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</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.

10 Related party disclosures

There were no related party transactions during the year (2015: £nil)

11 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.

12 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.