Financial Statements
The Geo Group UK Limited

For the Year Ended 31 December 2015

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Registered number: 02878845

Company Information

Directors	G C Zoley B R Evans J M Hurley (resigned 1 February 2016) J D Donahue (appointed 11 February 2016)
Registered number	02878845
Registered office	100 New Bridge Street London EC4V 6JA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditors 1020 Eskdale Road Winnersh Wokingham RG41 5TS
Bankers	Barclays Bank PLC PO Box 544 54 Lombard Street London EC3V 9EX
Solicitors	Baker & McKenzie 100 New Bridge Street London EC4V 6JA

The Geo Group UK Limited
Registered number:02878845

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The Geo Group UK Limited
Registered number:02878845

Strategic Report

For the Year Ended 31 December 2015

Introduction

The GEO Group UK Limited (hereafter "GEO") operates in the criminal justice market, providing custody, escorting and offender management services to primarily public sector organisations. Our services are delivered in accordance with our core values of safety, care, quality, innovation and integrity.

Business review

The principal business activity of GEO during this year was the operational management of its contracts with the Home Office Immigration Enforcement Dungavel IRC. GEO continued to invest significantly in new business opportunities but without success. This has led to a strategic change in direction for GEO as its parent company has decided not to bid on any new projects in the UK at this time, resulting in the closure of the head office on 28 February 2015, with a number of associated redundancies.

Looking forward the company will continue to run its contract with Dungavel IRC and hold its investment in The Geo Group Limited. In 2016 the Home Office will be putting out to tender the contract to Operate and Manager Brook House, Tinsley House and Cedars PDA (Gatwich Estate). GEO UK intends to participate in this competition.

Principal risks and uncertainties

The company uses various financial instruments including cash and items such as trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. The main risks arising from the company's financial instruments are currency risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Currency risk
The company can be exposed to translation and foreign exchange risk on its treasury function. This is however managed through the operation of foreign currency bank accounts.

Liquidity risk
The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Financial key performance indicators

The directors use the following key performance indicators to assess the performance of the company:

	2015	2014	Definition	Analysis
Change in Turnover (%)	-64%	-22%	Year on year change in turnover expressed as a %	Decreased turnover principally driven by the loss of the contract to operate Harmondsworth IRC.
Gross profit %	25%	21%	Gross profit expressed as a % of turnover	The gross margin increased mainly due to the loss of the contract to operate Harmondsworth IRC.
Margin %	-86%	-117%	Net profit expressed as a % of gross profit	The negative margin decreased as the prior year included significant one-off administation expenses, due primarily to restructuring costs.

Strategic Report (continued)

For the Year Ended 31 December 2015

Going concern

The company meets its day to day working capital requirements through its existing funds. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves.

If required the company would be able to access additional funding from its parent, The GEO Group, Inc, as the company participates in the group's centralised treasury arrangements. The directors, having assessed the responses of the directors of the company's parent, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of The GEO Group, Inc to continue as a going concern or its willingness to fund the company if required.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of The GEO Group, Inc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

This report was approved by the board on 30, August 2016 and signed on its behalf.

B R Evans
Director

Directors' Report
For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 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.

Results and dividends

The loss for the year, after taxation, amounted to £1,263,673 (2014 - loss £3,880,931).

No dividend is payable for 2015 (2014: £nil).

Directors

The directors who served during the year were:

G C Zoley
B R Evans
J M Hurley (resigned 1 February 2016)

Future developments

Information in relation to future developments is included in the Strategic Report.

Directors' Report
For the Year Ended 31 December 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 30, August 2016 and signed on its behalf.

B R Evans
Director

Grant Thornton

Independent Auditor's Report to the Members of The Geo Group UK Limited

We have audited the financial statements of The Geo Group UK Limited for the year ended 31 December 2015, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Directors' responsibilities statement, 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 Financial Reporting Council'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 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Grant Thornton

Independent Auditor's Report to the Members of The Geo Group UK Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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.

Grant Thornton UK LLP

Mark Bishop (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditors

Reading
Date: 31 August 2016

Statement of Comprehensive Income
For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	**5,764,588**	15,817,318
Cost of sales		**(4,294,642)**	(12,491,987)
Gross profit		**1,469,946**	3,325,331
Administrative expenses		**(2,417,115)**	(6,941,292)
Operating loss	5	**(947,169)**	(3,615,961)
Interest receivable and similar income	8	**200,271**	262,174
Interest payable and expenses	9	**(516,775)**	(527,144)
Loss before tax		**(1,263,673)**	(3,880,931)
Tax on loss	10	**-**	-
Loss for the year		**(1,263,673)**	(3,880,931)
Other comprehensive income for the year			
Total comprehensive income for the year		**(1,263,673)**	(3,880,931)

There was no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The Geo Group UK Limited
Registered number:02878845

Balance Sheet

As at 31 December 2015

	Note		2015 £		2014 £
Fixed assets					
Tangible assets	11		**31,444**		466,751
Investments			**1**		1
			31,445		466,752
Current assets					
Stocks	12	**79,594**		84,135	
Debtors	13	**9,710,122**		12,538,092	
Cash at bank and in hand	14	**551,944**		1,159,721	
		10,341,660		13,781,948	
Creditors: amounts falling due within one year	15	**(1,513,726)**		(2,051,125)	
Net current assets			**8,827,934**		11,730,823
Total assets less current liabilities			**8,859,379**		12,197,575
Creditors: amounts falling due after more than one year	16		**(11,208,261)**		(12,732,784)
Provisions for liabilities					
Other provisions	18	**-**		(550,000)	
			-		(550,000)
Net assets			**(2,348,882)**		(1,085,209)

Balance Sheet (continued)
As at 31 December 2015

	Note	2015 £	2014 £
Capital and reserves			
Called up share capital	19	**125,003**	125,003
Share premium account	20	**2,225,058**	2,225,058
Capital redemption reserve	20	**2,919,580**	2,919,580
Other reserves	20	**700,000**	700,000
Profit and loss account	20	**(8,318,523)**	(7,054,850)
		(2,348,882)	(1,085,209)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
30, August 2016.

B R Evans
Director

The notes on pages 11 to 24 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2015

	Share capital	Share premium	Capital redemption reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2015	125,003	2,225,058	2,919,580	700,000	(7,054,850)	(1,085,209)
Loss for the year	-	-	-	-	(1,263,673)	(1,263,673)
At 31 December 2015	125,003	2,225,058	2,919,580	700,000	(8,318,523)	(2,348,882)

Statement of Changes in Equity
For the Year Ended 31 December 2014

	Share capital	Share premium	Capital redemption reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2014	125,003	2,225,058	2,919,580	-	(3,173,919)	2,095,722
Loss for the year	-	-	-	-	(3,880,931)	(3,880,931)
Capital contribution from parent	-	-	-	700,000	-	700,000
At 31 December 2014	125,003	2,225,058	2,919,580	700,000	(7,054,850)	(1,085,209)

The notes on pages 11 to 24 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. General information

The Geo Group UK Limited is a limited liability company incorporated in England. The Registered Office is 100 New Bridge Street, London EC4 3AB and the principal place of business is Dungavel House IRC, Muirkirk Road, Strathaven, ML10 6RF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

Under the provisions of Section 401 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements and has not done so, therefore these financial statements show information about the company as an individual entity. Details of parent undertakings are inluded in Note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

If required the company would be able to access additional funding from its parent, The GEO Group, Inc, as the company participates in the group's centralised treasury arrangements. The directors, having assessed the responses of the directors of the company's parent, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of The GEO Group, Inc to continue as a going concern or its willingness to fund the company if required. These financial statements have been prepared on the going concern basis as a result of the continued support from the company's US parent.

Notes to the Financial Statements
For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 5 years
Plant & Equipment	- 3-10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.10 Financial instruments (continued)

other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

2.13 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may very in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgments that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Deferred tax assets
The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

Provisions
In recognising provisions, the company evaluates the extent to which it is probable that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgments used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

Stocks
Management estimates the net realisable values of stock, taking into account the most reliable evidence at each reporting date.

Notes to the Financial Statements
For the Year Ended 31 December 2015

4. Analysis of turnover

	2015	2014
	£	£
Custody, escorting and offender management services	**5,764,588**	15,817,318
	5,764,588	15,817,318

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets	**171,760**	226,199
Operating lease rentals - land and buildings	**315,159**	278,357
Operating lease rentals - plant and machinery	**36,296**	92,603
Auditor's remuneration	**29,650**	30,650
Exchange differences	**347,033**	669,000
Defined contribution pension cost	**88,937**	245,868

During the year, no director received any emoluments (2014 - £NIL).

6. Auditor's remuneration

	2015	2014
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**23,000**	23,600
Total audit	**23,000**	23,600
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	**6,750**	7,050
Total non-audit services	**6,750**	7,050

Notes to the Financial Statements
For the Year Ended 31 December 2015

7. Employees

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	**2,824,150**	8,429,746
Social security costs	**286,684**	776,625
Cost of defined contribution scheme	**88,937**	245,868
	3,199,771	9,452,239

The directors consider that they are the only key management personnel and are not remunerated through this company (2014 - £nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2015	2014
	No.	No.
Number of administrative staff	**20**	94
Number of operational staff	**97**	199
	117	293

8. Interest receivable

	2015	2014
	£	£
Other interest receivable	**200,271**	262,174
	200,271	262,174

9. Interest payable and similar charges

	2015	2014
	£	£
Loans from group undertakings	**516,775**	527,144
	516,775	527,144

Notes to the Financial Statements

For the Year Ended 31 December 2015

10. Taxation

	2015 £	2014 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(1,263,673)	(3,880,931)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of % (2014 - 21.49%)	(255,894)	(834,134)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	104,512	113,338
Unrelieved tax losses carried forward	151,382	720,796
Total tax charge for the year	-	-

Factors that may affect future tax charges

The total losses carried forward of £14,871,201 (2014: £14,101,169) give rise to a potential deferred tax asset which is not being recognised as it does not satisfy the recognition criteria of FRS 102 as management do not expect the company to make a taxable profit in the foreseeable future against which to utilise this asset.

Notes to the Financial Statements

For the Year Ended 31 December 2015

11. Tangible fixed assets

	Computer equipment	Plant & equipment	Total
	£	£	£
Cost or valuation			
At 1 January 2015	297,153	540,501	837,654
Disposals	(187,416)	(449,891)	(637,307)
At 31 December 2015	109,737	90,610	200,347
Depreciation			
At 1 January 2015	165,052	205,851	370,903
Charge owned for the period	76,007	95,753	171,760
Disposals	(149,989)	(223,771)	(373,760)
At 31 December 2015	91,070	77,833	168,903
Net book value			
At 31 December 2015	18,667	12,777	31,444
At 31 December 2014	132,101	334,650	466,751

12. Stocks

	2015	2014
	£	£
Finished goods and goods for resale	79,594	84,135
	79,594	84,135

Notes to the Financial Statements
For the Year Ended 31 December 2015

13. Debtors

	2015 £	2014 £
Due after more than one year		
Amounts owed by joint ventures and associated undertakings	**8,499,960**	10,499,960
Other debtors	**128,979**	802,840
	8,628,939	11,302,800
Due within one year		
Trade debtors	**39,047**	169,357
Other debtors	**509,275**	307,136
Prepayments and accrued income	**532,861**	758,799
	9,710,122	12,538,092

14. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	**551,944**	1,159,721
	551,944	1,159,721

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	**165,145**	222,519
Accrued pension contributions	**9,991**	47,596
Amounts owed to group undertakings	**908,866**	828,568
Taxation and social security	**66,410**	278,782
Other creditors	**28,386**	58,073
Accruals and deferred income	**334,928**	615,587
	1,513,726	2,051,125

Notes to the Financial Statements
For the Year Ended 31 December 2015

16. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	**11,208,261**	12,732,784
	11,208,261	12,732,784

17. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	**551,944**	1,159,721
Financial assets that are debt instruments measured at amortised cost	**9,177,264**	11,779,294
	9,729,208	12,939,015
Financial liabilities		
Financial liabilities measured at amortised cost	**(12,310,658)**	(13,841,944)
	(12,310,658)	(13,841,944)

Financial assets measured at fair value through profit or loss comprise cash.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by joint ventures.

Financial liabilities measured at amortised cost comprise trade creditors. other creditors and amounts owed to group undertakings.

18. Provisions

	Onerous Lease Provision £
At 1 January 2015	550,000
Utilised in year	(550,000)
At 31 December 2015	-

The onerous lease provision was set up to cover operating costs of premises which were expected to be vacated. The provision covers the expected shortfall between operating income and rents payable covering the period to the termination of the lease agreement. The premises were vacated during the current year resulting in the utilisation of this provision.

Notes to the Financial Statements

For the Year Ended 31 December 2015

19. Share capital

	2015 £	2014 £
Authorised		
1,000,000 Ordinary shares of £1 each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
125,003 Ordinary shares of £1 each	**125,003**	125,003

20. Reserves

Share premium

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

Capital redemption - records the nominal value of shares repurchased by the company.

Other reserves

Other - records a capital contribution from the parent.

Profit & loss account

Profit and loss account – includes all current and prior period retained profits and losses.

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £88,937 (2014 - £245,868). Contributions totalling £9,991 (2014 - £47,596) were payable to the fund at the balance sheet date and are included in creditors.

Notes to the Financial Statements
For the Year Ended 31 December 2015

22. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Not later than 1 year	**26,779**	304,369
Later than 1 year and not later than 5 years	**10,112**	857,902
Later than 5 years	-	707,493
Total	**36,891**	1,869,764

23. Related party transactions

Being a 100% owned subsidiary, the company has taken advantage of the exemption, as conferred by Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose transactions with other members of the group headed by The GEO Group Inc.

24. Controlling party

The immediate parent undertaking is GEO International Holdings, LLC.

The ultimate parent undertaking and largest group for which consolidated accounts are available in The GEO Group, Inc. This company is incorporated in the United States of America and is organised under the laws of the state of Florida. Group accounts are available from One Park Place, Suite 700, 621 NW 53rd Street, Boca Raton, Florida 33487, United States of America.

25. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.