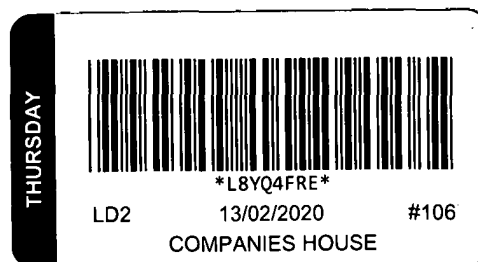


Registered number:
02878845

THE GEO GROUP UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



THE GEO GROUP UK LIMITED

COMPANY INFORMATION

Directors	G C Zoley B R Evans J D Donahue
Company secretaries	J Negron (appointed 1st January 2019) J J Bulfin (resigned 31 December 2018) J Henney (resigned 23 January 2019) Abogado Nominees Limited (resigned 25 January 2019)
Registered number	02878845
Registered office	1 St. James Court Whitefriars Norwich Norfolk NR3 1RU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South Oxford Oxfordshire OX4 2WB
Bankers	Barclays Bank PLC PO Box 544 1 Churchill Place London EC3V 9EX
Solicitors	Baker & McKenzie 100 New Bridge Street London EC4V 6JA

THE GEO GROUP UK LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements	8 - 16

THE GEO GROUP UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The GEO Group UK Limited (hereafter "GEO UK") 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.

Directors

The directors who served during the year were:

G C Zoley
B R Evans
J D Donahue

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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 accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE GEO GROUP UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on
signed on its behalf.

12 February 2020

and



B R Evans
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GEO GROUP UK LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of The Geo Group UK Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

During the year ended 31 December 2018, the Company identified certain transactions that were not recorded to the general ledger and certain transactions that were not allocated to the correct accounting period. In addition, a computer system failure prevented the Company from accessing the accounting records for a period of time post year end which has caused delays in resolving the aforementioned issues. As a result of this, we were unable to confirm or verify by alternative means the balances included in the statement of financial position as at 31 December 2018 and therefore, we were unable to determine whether any adjustments might have been found necessary in respect of the balances presented, and the related elements making up the Statement of Comprehensive Income and Retained Earnings.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GEO GROUP UK LIMITED (CONTINUED)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records have not been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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



Grant Thornton

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GEO GROUP UK LIMITED
(CONTINUED)**

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with ISAs (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Use of our report

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.

Mark Bishop FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford

13 FEBRUARY 2020

THE GEO GROUP UK LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover		5,337,972	5,197,417
Cost of sales		(3,780,748)	(3,630,900)
Gross profit		1,557,224	1,566,517
Administrative expenses		(2,388,049)	(654,640)
Operating (loss)/profit		(830,825)	911,877
Interest receivable and similar income		14,482	79,307
Interest payable and expenses		(257,757)	(427,232)
(Loss)/profit before tax		(1,074,100)	563,952
Tax on (loss)/profit		(15,264)	390,311
(Loss)/profit after tax		(1,089,364)	954,263
Retained earnings at the beginning of the year		(9,942,785)	(10,897,048)
		(9,942,785)	(10,897,048)
(Loss)/profit for the year		(1,089,364)	954,263
Retained earnings at the end of the year		(11,032,149)	(9,942,785)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 16 form part of these financial statements.

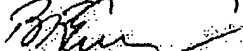
THE GEO GROUP UK LIMITED
REGISTERED NUMBER:02878845

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	107,360	11
Investments	5	1	1
		<u>107,361</u>	<u>12</u>
Current assets			
Stocks		122,792	80,868
Debtors	6	1,068,080	2,355,260
Cash at bank and In hand	7	705,223	2,328,547
		<u>1,896,095</u>	<u>4,764,675</u>
Creditors: amounts falling due within one year	8	(801,906)	(453,719)
Net current assets		<u>1,094,189</u>	<u>4,310,956</u>
Total assets less current liabilities		<u>1,201,550</u>	<u>4,310,968</u>
Creditors: amounts falling due after more than one year	9	(6,264,058)	(8,284,112)
Net liabilities		<u>(5,062,508)</u>	<u>(3,973,144)</u>
Capital and reserves			
Called up share capital		125,003	125,003
Share premium account	11	2,225,058	2,225,058
Capital redemption reserve	11	2,919,580	2,919,580
Other reserves	11	700,000	700,000
Profit and loss account	11	(11,032,149)	(9,942,785)
		<u>(5,062,508)</u>	<u>(3,973,144)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
12 February 2020.


B R Evans
Director

The notes on pages 8 to 16 form part of these financial statements.

THE GEO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Geo Group UK Limited is a private company limited by shares and registered in England and Wales. Registered number: 02878845. Its registered head office is located at 1 St. James Court, Whitefriars, Norwich, Norfolk, NR3 1RU 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 unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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.

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.

THE GEO GROUP UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

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.

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 in the Statement of income and retained earnings.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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 out basis.

At each reporting 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.

2.7 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.

2.8 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.

THE GEO GROUP UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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 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 debtors and creditors, 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 the 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 Statement of income and retained earnings.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

2.10 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.

THE GEO GROUP UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP Sterling (£).

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 Statement of income and retained earnings 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 Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

THE GEO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

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 payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. 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 Statement of income and retained earnings using the effective interest method.

2.16 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The directors consider that they are the only key management personnel and are not remunerated through this company (2017: £Nil).

The average monthly number of employees, including directors, during the year was 91 (2017 - 90).

THE GEO GROUP UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Tangible fixed assets

	Computer equipment £	Plant & equipment £	Total £
Cost or valuation			
At 1 January 2018	109,737	90,610	200,347
Additions	-	250,499	250,499
At 31 December 2018	<u>109,737</u>	<u>341,109</u>	<u>450,846</u>
Depreciation			
At 1 January 2018	109,737	90,599	200,336
Charge for the year on owned assets	-	143,150	143,150
At 31 December 2018	<u>109,737</u>	<u>233,749</u>	<u>343,486</u>
Net book value			
At 31 December 2018	<u>-</u>	<u>107,360</u>	<u>107,360</u>
At 31 December 2017	<u>-</u>	<u>11</u>	<u>11</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	1
At 31 December 2018	<u>1</u>

This is an investment in The Geo Group Limited which owns the investment in the joint venture Geo Amey Pecs Limited.

THE GEO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Debtors

	2018 £	2017 £
Trade debtors	529,205	10,786
Amounts owed by joint ventures and associated undertakings	-	1,655,534
Other debtors	29,601	146,333
Prepayments and accrued income	509,274	542,607
	<u>1,068,080</u>	<u>2,355,260</u>

An impairment loss of £Nil (2017: £Nil) was recognised against trade debtors.

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>705,223</u>	<u>2,328,547</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	166,886	111,893
Corporation tax	15,262	15,264
Other taxation and social security	57,207	75,934
Other creditors	63,465	78,070
Accruals and deferred income	499,086	172,558
	<u>801,906</u>	<u>453,719</u>

THE GEO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018 £	2017 £
Amounts owed to group undertakings	<u>6,264,058</u>	<u>8,284,112</u>

10. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at amortised cost	<u>1,264,029</u>	<u>4,141,200</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(6,494,409)</u>	<u>(8,459,364)</u>

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

11. Reserves

Share premium account

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.

12. 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 £86,007 (2017: £75,300). Contributions totalling £21,919 (2017: £14,711) were payable to the fund at the balance sheet date and are included in other creditors.

THE GEO GROUP UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	25,972	43,470
Later than 1 year and not later than 5 years	-	25,972
	<u>25,972</u>	<u>69,442</u>

14. 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.

15. Controlling party

The immediate parent undertaking is GEO International Holdings, LLC.

The ultimate parent undertaking and smallest and largest group for which consolidated accounts are available is the GEO Group Inc. The company is incorporated in the United States of America and is organised under the law 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.