

Registered number: 02878845

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**THE GEO GROUP UK LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



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**THE GEO GROUP UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	G C Zoley B R Evans J H Black
<b>Company secretaries</b>	J Negron D McCarthy (appointed 25 August 2023)
<b>Registered number</b>	02878845
<b>Registered office</b>	1 St. James Court Whitefriars Norwich Norfolk England NR3 1RU
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU
<b>Bankers</b>	Barclays Bank PLC 2 Churchill Place Canary Wharf London E14 5RB
<b>Solicitors</b>	Mills & Reeve LLP 1 St James Court Whitefriars Norwich NR3 1RU

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**THE GEO GROUP UK LIMITED**

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## THE GEO GROUP UK LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their report and the financial statements for the year ended 31 December 2022.

#### 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.

#### Results

The profit for the year, after taxation, amounted to £2,249,456 (2021: £4,536,348).

The Company had net current assets of £6,480,965 at the year end date (2021: £4,231,509).

#### Directors

The directors who served during the year and after the year end were:

G C Zoley  
B R Evans  
J H Black

#### 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 preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

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**THE GEO GROUP UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Going concern**

As a part of their going concern assessment the directors have considered the cash requirements for the next 12 months from the date of approval of these financial statements.

The loss of the Home Office Dungavel contract in September 2021, leaves the Company with no immediate operational income. All liabilities relating to the Dungavel operation have been settled with the exception of some outstanding work the scope of which has not been agreed with the Home Office and adequate provision has been made for these obligations.

The Company will continue to actively seek opportunities in the UK market and in the meantime any limited post contract expenditure related to statutory returns, retention of documents, and the annual audit will be met from existing cash resources and/or dividends from the GEO Amey JV. Currently, the Company no longer employs any staff in the UK after all staff were transferred to the new operator in terms of TUPE regulations.

The directors will actively consider any new project opportunities as they arise, but it is unlikely that any new projects will generate additional income in the 12 months from the date approval of these financial statements due to the timescales associated with the tender and bidding process typically associated with the nature of the Company's business.

Until such time as a suitable opportunity is identified, the directors will ensure that the Company will continue to have sufficient resources to meet any potential liabilities.

In response to any new project opportunities a budget to cover the bid costs would be prepared and would be met from current cash reserves, future dividend receipts, or funded separately by the parent Company.

**Qualifying third party indemnity provisions**

The Company has maintained directors' and officers' liability insurance in respect of its directors.

**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**

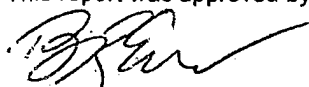
The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**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 **26/09/2023**

and signed on its behalf.



**B R Evans**  
Director



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

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### Opinion

We have audited the financial statements of The Geo Group UK Limited (the 'Company') for the year ended 31 December 2022, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro economic uncertainties such as Brexit and the situation in Russia and Ukraine, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



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

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In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Directors' report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



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

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**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**

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:

- 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 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**

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.





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

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which they operate. We determined that the following laws and regulations were most significant - Financial Reporting Standard 102 and Companies Act 2006.
- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management, and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee.
- In addition, we concluded that there are certain specific laws and regulations that may have an effect on the determination of amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental and bribery and corruptions matters.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates;
  - understanding of the legal and regulatory requirements specific to the Company including:
    - the provisions of the applicable legislation;
    - the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
    - the applicable statutory provisions.



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

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- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - challenging assumptions and judgements made by management in its significant accounting estimates; and
  - identifying and testing journal entries posted in the year which were deemed to be unusual.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**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.

*Grant Thornton UK LLP*

Taras Kulyk, ACCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes  
Date: 27 September 2023

THE GEO GROUP UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover		-	4,721,363
Cost of sales		-	(2,874,441)
<b>Gross profit</b>		-	1,846,922
Administrative income / (expenses)		37,418	(1,211,317)
Other operating income		-	182,579
<b>Operating profit</b>		37,418	818,184
Income from shares in group undertakings		2,100,000	3,750,000
Interest receivable and similar income		112,038	-
Interest payable and similar charges		-	(31,836)
<b>Profit before tax</b>		2,249,456	4,536,348
Tax Credit	5	-	-
<b>Profit after tax</b>		2,249,456	4,536,348
Retained earnings at the beginning of the year		(1,788,131)	(6,324,479)
		(1,788,131)	(6,324,479)
Profit for the year		2,249,456	4,536,348
<b>Retained earnings at the end of the year</b>		461,325	(1,788,131)

All amounts relate to continuing activities. All profits are attributable to the owners of the parent undertakings.

The notes on pages 10 to 19 form part of these financial statements.

**THE GEO GROUP UK LIMITED**  
**REGISTERED NUMBER:02878845**

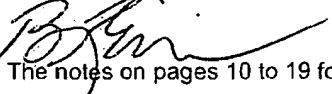
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	6	1	1
<b>Current assets</b>			
Debtors	7	4,613,351	93,759
Cash at bank and in hand	8	1,932,892	4,359,179
		<u>6,546,243</u>	<u>4,452,938</u>
Creditors: amounts falling due within one year	9	(65,278)	(221,429)
<b>Net current assets</b>		<u>6,480,965</u>	<u>4,231,509</u>
<b>Total assets less current liabilities</b>		<u>6,480,966</u>	<u>4,231,510</u>
<b>Provisions for liabilities</b>			
Provisions		(50,000)	(50,000)
		<u>(50,000)</u>	<u>(50,000)</u>
<b>Net assets</b>		<u><u>6,430,966</u></u>	<u><u>4,181,510</u></u>
<b>Capital and reserves</b>			
Called up share capital		125,003	125,003
Share premium account	10	2,225,058	2,225,058
Capital redemption reserve	10	2,919,580	2,919,580
Other reserves	10	700,000	700,000
Profit and loss account	10	461,325	(1,788,131)
		<u>6,430,966</u>	<u>4,181,510</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  
26/09/2023

**B R Evans**  
Director



The notes on pages 10 to 19 form part of these financial statements.

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## THE GEO GROUP UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 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, England, NR3 1RU and the principal place of business is Dungavel House IRC, Muirkirk Road, Strathaven, ML10 6RF.

In 2011, the Home Office awarded the GEO Group (UK) Ltd an 8 year contract for the operational maintenance and management of Dungavel IRC (Immigration Removal Centre). That contract was due to terminate in September 2019. By agreement, the termination date was extended to September 2021 with revised fixed fees for extra staffing, medical services and a revised variable fee depending on occupancy. The contract extension bid with the Home Office in October 2020 was unsuccessful. In the absence of the contract that terminated in September 2021, no income is expected in the near future due to the tender and bidding process timescales typically associated with the nature of the Company's business. The directors intend to actively consider new opportunities in the UK market but as indicated above, these are unlikely to generate additional revenue within the 12 months following the approval of these financial statements.

#### 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 (see note 3).

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated

The following principal accounting policies have been applied:

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## THE GEO GROUP UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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## 2. Accounting policies (continued)

### 2.2 Going concern

As a part of their going concern assessment the directors have considered the cash requirements for the next 12 months from the date of approval of these financial statements.

The loss of the Home Office Dungavel contract in September 2021, leaves the Company with no immediate operational income. All liabilities relating to the Dungavel operation have been settled with the exception of some limited maintenance activities that could not be completed during the winter of 2021, and adequate provision has been made for these obligations.

The Company will continue to actively seek opportunities in the UK market and in the meantime, any limited post contract expenditure related to statutory returns, retention of documents, and the annual audit will be met from existing cash resources and/or dividends from the GEO Amey JV. Currently, the Company no longer employs any staff in the UK after all staff were transferred to the new operator in terms of TUPE regulations.

The directors will actively consider any new project opportunities as they arise, but it is unlikely that any new projects will generate additional income in the 12 months from the date approval of these financial statements due to the timescales associated with the tender and bidding process typically associated with the nature of the Company's business.

Until such time as a suitable opportunity is identified, the directors will ensure that the Company will continue to have sufficient resources to meet any potential liabilities.

In response to any new project opportunities a budget to cover the bid costs would be prepared and would be met from current cash reserves, future dividend receipts, or funded separately by the parent Company.

### 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 Other operating income

Other income relates to the services performed in facilitating the installation or upgrade of assets in the Immigration Removal Centre. Other income is recognised proportionately based on the stage of completion of the relevant assets as at the year end.

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## THE GEO GROUP UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.6 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.

##### 2.7 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.

##### 2.8 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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THE GEO GROUP UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.8 Financial instruments (continued)**

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.

**2.9 Creditors**

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

**2.10 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'.

**2.11 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**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.



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THE GEO GROUP UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.14 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.

**2.15 Pensions**

The Company currently has no employees and do not currently have any pension plan.

**2.16 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.17 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 Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of financial position.

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## THE GEO GROUP UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.18 Taxation

Tax is recognised in 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 reporting 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. Judgements in applying accounting policies and key sources of estimation uncertainty

##### Dilapidation's provision - estimate

The Company has engaged with the Home Office in respect of flooding which occurs in the basement of the premises on a regular basis. The Home Office acknowledge their obligations for a portion of the work for a long term solution to the issue which is due to a variety of factors. To the extent that these factors relate to GEO's maintenance obligations, GEO have offered to make a financial contribution to the extended Home Office project. GEO do not believe that this contribution, including any professional fees required, would exceed £50,000.

Since the contract termination in September 2021 the Home Office have not advised GEO of any other maintenance work they consider to be outstanding.

#### 4. Employees

The directors consider that they are the only key management personnel and are not remunerated through this Company (2021: £Nil).

During the year, all directors were remunerated for their services to the group by other group companies. Their remuneration is disclosed in the accounts of that companies. It is not considered practicable to allocate their remuneration between the companies of which they are a director.

The average monthly number of employees, including directors, during the year was Nil (2021: 74).

THE GEO GROUP UK LIMITED

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5. Taxation

	2022 £	2021 £
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 lower than (2021: *lower than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	2,249,456	4,536,348
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	427,397	149,406
Effects of:		
Fixed asset differences	-	8,696
Other permanent differences	(399,000)	(34,671)
Tax adjustments, reliefs and transfers	8,967	(854,462)
Deferred tax not recognised	(37,364)	731,031
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Company has tax losses of £12,286,378 (2021: £12,109,072) available to carry forward to future periods. Also, management has taken a prudent approach and decided not to recognise a deferred tax asset in light of not making sustainable profits and uncertainty about the future.

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**THE GEO GROUP UK LIMITED**

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**6. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2022	1
At 31 December 2022	<u>1</u>
<b>Net book value</b>	
At 31 December 2022	<u>1</u>
At 31 December 2021	<u>1</u>

This is an investment in the Geo Group Limited which owns the investment in the joint venture Geo Amey Limited. Geo Group UK Limited owns 100% of the ordinary share capital of Geo Group Limited. The registered address of Geo Group Limited is 1 St. James Court, Whitefriars, Norwich, Norfolk, United Kingdom, NR3 1RU.

**7. Debtors**

	<b>2022 £</b>	<b>2021 £</b>
<b>Due after more than one year</b>		
Amounts owed by group undertakings	4,606,686	-
	<u>4,606,686</u>	<u>-</u>
<b>Due within one year</b>		
Trade debtors	-	93,759
Other debtors	6,665	-
	<u>4,613,351</u>	<u>93,759</u>

Amounts owed by group undertakings are represented by the loan which is unsecured, interest is charged at a fixed rate of 8.5% and the loan is to be repaid on the maturity date of 31 October 2027.

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8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,932,892	4,359,179

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	607	47,996
Other taxation and social security	-	5,728
Other creditors	-	1,434
Accruals	64,671	166,271
	65,278	221,429

10. 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.

11. 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 £Nil (2021: £81,892). Contributions totaling £Nil (2021: £Nil) were payable to the fund at the Statement of financial position date and are included in other creditors.

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**12. 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.

**13. Immediate and ultimate 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 The GEO Group Inc. 4955 Technology Way, Boca Raton, Florida 33431, United States of America.