

**Sodexo Services Group Limited**

**Directors' report and financial  
statements**

**Registered number 2721707**

**31 August 2009**

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## Directors' report

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

### Principal activities & business review

The Company is a wholly owned subsidiary of Sodexo Holdings Limited and operates as part of the groups' UK & Ireland division. Its ultimate parent is Sodexo S.A., a French company listed on the Paris Euronext. Sodexo operates in 80 countries, employing over 355,000 people in the provision of a wide range of food services, soft services and technical services.

The Company is a wholly owned subsidiary of Sodexo Holdings Limited and operates as part of the groups' UK & Ireland division.

The principal activities of the Company were the provision of purchasing and environmental services to third parties and the provision of Head Office support services to its subsidiaries and other companies within the group.

On 29 August 2008, the Company transferred its entire trade and assets to Sodexo Limited, at that time a subsidiary undertaking, at book value for intercompany consideration. This is an inter group transaction which is exempt to taxation.

Sodexo Services Group Limited ceased trading on 29 August 2008.

### Proposed dividend

The profit for the financial year amounted to £nil (2008 loss £13,522,000). The directors do not recommend the payment of a dividend.

### Going concern

The directors have considered the future profitability of the Company and its ability to continue as a going concern and have prepared profit and cash flow forecasts into the future. Based on these projections the directors are satisfied that, for the foreseeable future, the Company can meet its projected working capital requirements. Consequently the financial statements have been prepared on a going concern basis.

### Directors

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

P. E. R. Jansen	Resigned 1 September 2008
A. J. Connolly	
Sodexo Corporate Services (No. 1) Limited	Appointed 1 September 2008

### Insurance of directors

The Company maintains insurance for directors and officers in respect of their duties as directors and officers of the Company.

### Employees

No staff were employed by the Company during the year.

All staff were transferred to Sodexo Limited as part of the restructure on 31 August 2008.

### Political and charitable contributions

The Company made no political contributions during the year (2008 £nil).

Donations to UK charities amounted to £nil (2008 £54,633).

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Directors' report** *(continued)*

### **Auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and therefore KPMG LLP will continue in office

By order of the board



**Gareth John**  
*Authorised Signatory*  
Sodexo Corporate Services (No 2) Limited  
*Secretary*

Solar House  
Kings Way  
Stevenage  
Hertfordshire  
SG1 2UA  
25 May 2010

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

8 Salisbury Square

London

EC4Y 8BB

United Kingdom

## **Independent auditors' report to the members of Sodexo Services Group Limited**

We have audited the financial statements of Sodexo Services Group Limited for the year ended 31 August 2009 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Independent auditors' report to the members of Sodexo Services Group Limited** *(continued)*

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



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

25/5/10

**Profit and Loss Account**  
*for the year ended 31 August 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	2008 £000
<b>Turnover</b>	2	-	41,196
Operating expenses		-	(76 732)
<b>Operating loss</b>		-	(35,536)
Income from shares in group undertakings		-	12,692
<b>Loss on ordinary activities before interest and taxation</b>		-	(22,844)
Other interest receivable and similar income	5	-	5 849
Interest payable and similar charges	6	-	(5 643)
<b>Loss on ordinary activities before taxation</b>	7	-	(22 638)
Tax on loss on ordinary activities	8	-	9,116
<b>Retained loss for the year</b>		-	(13,522)

All results arise from operations which are discontinued in Sodexo Services Group Limited, but have continued in Sodexo Limited

The company has no recognised gains or losses, other than the loss above, for both the current and previous year and therefore no separate statement of total recognised gains and losses has been prepared

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and the historic equivalents

**Balance sheet**  
*at 31 August 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Current assets</b>					
Debtors	9	294,842		294,842	
Creditors, amounts falling due within one year	10	(39,112)		(39,112)	
<b>Net current assets</b>			<b>255,730</b>		<b>255,730</b>
<b>Net assets</b>			<b>255,730</b>		<b>255,730</b>
<b>Capital and reserves</b>					
Called up share capital	11		2,368		2,368
Share premium account	12		217,687		217,687
Profit and loss account	12		35,675		35,675
<b>Shareholder's Funds - Equity</b>			<b>255,730</b>		<b>255,730</b>

These financial statements were approved by the board of directors on 25 May 2010 and were signed on its behalf by



**A J Connolly**  
Director

Sodexo Services Group Limited registration number 2721707

**Reconciliation of movements in shareholder's funds**  
*for the year ended 31 August 2009*

	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Loss for the financial year</b>	-	(13,522)
Stock option costs	-	558
<b>Net reduction to shareholder's funds</b>	-	(12 964)
Opening shareholder's funds	<b>255,730</b>	268,694
<b>Closing shareholder's funds</b>	<b>255,730</b>	<b>255,730</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules

The financial statements have been prepared on the going concern basis

On 29 August 2008, the Company transferred its entire trade and assets to Sodexo Limited, at that time a subsidiary undertaking, at book value for intercompany consideration. This is an inter group transaction which is exempt to taxation

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Sodexo S A , the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Sodexo S A , within which this company is included, can be obtained from the address given in note 15

The directors have considered the future profitability of the Company and its ability to continue as a going concern and have prepared profit and cash flow forecasts into the future. Based on these projections the directors are satisfied that, for the foreseeable future, the Company can meet its projected working capital requirements. Consequently the financial statements have been prepared on a going concern basis

#### *Turnover*

Turnover is recognised based on the amount receivable in respect of recharged corporate and support function services and goods and services provided, net of discounts and allowances payable to customers under contractual arrangements, and excluding VAT

#### *Taxation*

The charge for taxation in the prior year is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

### 2 Turnover

The Company's activities consisted of the provision of purchasing, Head Office support and environmental services in the United Kingdom. These activities were transferred to Sodexo Limited on 29 August 2008

**Notes** *(continued)*

**3 Directors' emoluments**

	2009 £000	2008 £000
Aggregate emoluments and benefits	-	1 775
Number of directors to whom retirement benefits are accruing under defined benefit schemes	-	-
<b>Highest paid director</b>		
Aggregate emoluments and benefits	-	1,378
Accrued pension at end of year in defined benefit scheme	-	-

Emoluments of the directors in the current year are borne by Sodexo Limited

## Notes (continued)

### 4 Employee information

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2009	2008
Food and Management Services	-	502

The aggregate payroll costs of these persons were as follows

	2009 £000	2008 £000
Wages and salaries	-	23,397
Social security costs	-	1,854
Other pension costs	-	35,895
	-	61,146

No staff were employed by the Company during the year

All staff were transferred to Sodexo Limited as part of the restructure on 31 August 2008

During the year the Company made additional pension contributions of £nil (2008 £34,660,000) to the UK Pension Scheme

### 5 Interest receivable and similar income

	2009 £000	2008 £000
Interest receivable on bank deposits	-	1,866
Interest from group undertakings	-	3,273
Net exchange gains	-	710
	-	5,849

### 6 Interest payable and similar charges

	2009 £000	2008 £000
Group interest payable	-	5,643
	-	5,643

## Notes (continued)

### 7 Loss on ordinary activities before taxation

	2009 £000	2008 £000
<i>Loss on ordinary activities before tax is stated after charging/(crediting)</i>		
Depreciation charge for the year		
Tangible owned fixed assets	-	2,985
Amortisation of intangible assets	-	673
Impairment of assets	-	123
Hire of other assets - operating leases	-	2 851
	<hr/>	<hr/>
	£000	£000
Auditors' remuneration		
Audit of these financial statements	-	237
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Audit fees for the current year are borne by Sodexo Limited

### 8 Taxation

#### *Analysis of credit in year*

	2009 £000	2008 £000
<i>Current tax</i>		
UK corporation tax	-	(10 207)
Adjustments in respect of previous periods	-	(248)
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Total current tax	-	(10,455)
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<i>Deferred tax</i>		
Adjustments to tax in respect of prior periods	-	1 339
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Total deferred tax	-	1 339
	<hr/>	<hr/>
Tax credit on profit on ordinary activities	-	(9 116)
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## Notes (continued)

### 8 Taxation (continued)

#### *Factors affecting the tax credit for the current year*

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

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

	2009 £000	2008 £000
Loss on ordinary activities before tax	-	(22 638)
Current tax at standard rate of 28% (2008 blended rate of 29.2%)	-	(6 603)
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	97
Double tax relief	-	(5 214)
Increase in taxable income for underlying tax on dividend income	-	1 513
Adjustment in respect of prior year tax calculation	-	(248)
Current tax credit for year	-	(10,455)

## Notes (continued)

### 9 Debtors

	2009 £000	2008 £000
Amounts owed by parent and fellow subsidiary undertakings	294,842	294 842
	<u>294,842</u>	<u>294 842</u>

### 10 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to parent and fellow subsidiary undertakings	39,112	39 112
	<u>39,112</u>	<u>39,112</u>

### 11 Called up share capital

	2009 £000	2008 £000
<i>Authorised</i>		
Equity 236 771,024 Ordinary shares of 1p each	2,368	2,368
	<u>2,368</u>	<u>2,368</u>
<i>Allotted, called up and fully paid</i>		
Equity 236,771,024 Ordinary shares of 1p each	2,368	2 368
	<u>2,368</u>	<u>2 368</u>

## Notes (continued)

### 12 Share premium and reserves

	Share premium account £000	Profit and loss account £000
At beginning of year	217 687	35 675
At end of year	<u>217,687</u>	<u>35,675</u>

### 13 Share based payments

Share based payments are now included in Sodexo Limited

	2009 £000	2008 £000
Outstanding at the beginning of the period	-	102
Granted during the period	-	50
Forfeited during the period	-	(18)
	<u>-</u>	<u>134</u>
	<u>-</u>	<u>39</u>

The total expenses recognised for the period arising from share based payments are as follows -

	2009 £000	2008 £000
Equity settled share based payments	-	558
Cash settles share based payments	-	-
	<u>-</u>	<u>558</u>

### 14 Related party disclosures

The group has taken exemption under Financial Reporting Standard 8 from disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent undertaking

### 15 Ultimate parent company and ultimate controlling party

The Company's ultimate parent company and controlling party is Sodexo S A , a company incorporated in France. This is the smallest group of undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from The Secretary, Sodexo S A , 255 Quai de la Bataille de Stalingrad, 92866 Issy-Les-Moulineaux, France.

The Company's immediate parent undertaking and controlling party is Sodexo Holdings Limited, a company incorporated in England and Wales.