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Contact: see below

## **Kilmarnock Prison Services (Holdings) Limited ("KPS") completes contract to design, construct, finance and manage Her Majesty's Prison, Kilmarnock**

KPS today signed a contract with the Scottish Office to design, construct, finance and manage Her Majesty's Prison, Kilmarnock. The contract value is approximately £130m at today's value, spread over the 25 year contract period. The due date for the prison to open is Spring 1999.

KPS is a joint venture company owned 50% by Serco Investments Limited ("SIL"), a wholly owned subsidiary of Serco Group plc and 50% by Wackenhut Corrections (UK) Limited. SIL has committed to invest £2.1m in equity and subordinated debt of KPS.

Premier Prison Services Limited which has the same share ownership as KPS has been contracted to manage the day to day operations of the prison.

Mr Edward Frizzell, the Chief Executive of the Scottish Prison Service said:

"I am pleased that the contract to provide a new 500 cell Category B prison at Bowhouse, Kilmarnock has now been awarded. The new prison will mean that the Scottish Prison Service will be better able to meet current and future demand for prisoner accommodation and the additional spaces will help reduce some of the immense pressure on existing establishments. Premier Prison Services Limited have already shown an innovative and effective approach to prison management at HMP Doncaster in England and will I am sure make an important contribution to the prison system in Scotland.

This new prison will form an integral part of the Scottish Prison Service and is crucial to the ability of the Service to move forward with confidence into the next century. Work is already underway on the site and we expect the prison to open in Spring 1999."

The new prison which is being built under the terms of the Private Finance Initiative is expected to generate hundreds of jobs within East Ayrshire and the surrounding districts.

- Ends -

### **For further information please contact:**

Dr George Gray - Chairman  
Kevin Beeston - Director, Finance

Serco Group plc - Tel: +44 (0)1932 755900  
Serco Group plc - Tel: +44 (0)1932 755900