

# G4S Cash Services (UK) Limited

## FINANCIAL STATEMENTS

31 December 2008



Company Registration No. 354883

# G4S Cash Services (UK) Limited

## DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

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### DIRECTORS

DG Hughes  
J Duxfield  
IL Nisbet  
A Miller  
M Ryan  
P Shingler  
C Woodland  
NAR Prentice

### SECRETARY

M Ryan

### REGISTERED OFFICE

Sutton Park House  
15 Carshalton Road  
Sutton  
Surrey SM1 4LD

### AUDITORS

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

# G4S Cash Services (UK) Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of G4S Cash Services (UK) Limited for the year ended 31 December 2008.

### PRINCIPAL ACTIVITIES

The principal activity of the company is cash transportation, cash processing, ATM replenishment and ATM maintenance.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company is a wholly owned subsidiary of G4S plc and operates as part of the group's European cash services division. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 8, the company's sales have increased by 6.1% over the prior year and the profit after tax has similarly improved.

The balance sheet on page 9 of the financial statements shows that the company's financial position at the year end is, in both net asset and cash terms, consistent with the prior year.

### KEY PERFORMANCE INDICATORS

The company utilises a wide range of operational performance measures across its business activities. However, these are all activity or contract specific. The company's directors do not believe that further key performance indicators are necessary or appropriate for an understanding of the development, performance or position of the business as a whole.

### PRINCIPAL RISKS AND UNCERTAINTIES

All businesses are subject to risk and many individual risks are macro-economic or social and common across many businesses. The key risks are those which could materially damage the company's strategy, reputation, business, profitability or assets and these risks are listed below. This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others currently considered immaterial become material.

#### 1. Major changes in market dynamics

Such changes in dynamics could include new technologies, government legislation or the behaviour of competitors and could, particularly if rapid or unpredictable, impact the group's revenues and profitability.

#### 2. Financial institution in-sourcing

The company provides a range of cash services to financial institutions. If the trend towards the outsourcing of such services were for any reason to be reversed the company's revenue and profitability may be adversely affected.

#### 3. IT systems

The company makes widespread use of IT systems both in its operations and for financial management. Failure in these systems, including the failure of business continuity procedures in the event of physical damage to or inaccessibility of normal systems, could result in reputational damage and the loss of revenue and profitability.

#### 4. Deterioration in labour relations

The company has a good relationship with its committed work force. Were this relationship to become strained the company's operational performance and reputation may be adversely affected.

#### 5. Cash losses

The company is responsible for much of the cash held on behalf of its customers. Increases in the value of cash lost through criminal attack may increase the cost of the company's insurance. Were there to be failures in the

# G4S Cash Services (UK) Limited

## DIRECTORS' REPORT

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control and reconciliation processes in respect to customer cash, these could also adversely affect the company's profitability.

The potential impact of these risks is mitigated through the company's performance management procedures, operational standards and policy of proactive engagement with customers, industry associations, government regulators and employee representatives.

### ENVIRONMENT

The company acknowledges the inherent value of the natural environment. The company recognises that its business activities have a direct and indirect impact on the environment and it endeavours to manage these in a responsible manner. The company is committed to a programme of continuous improvement to minimise the impact on the environment.

The company does this by:

- Establishing performance indicators which will allow the company to set targets and track its progress.
- Complying with all relevant legislation, commercial requirements and codes of conduct.
- Preventing pollution in line with legal requirements.
- Seeks to reduce waste and improve efficiency in all its activities.
- Enables and encourages staff to make a contribution to environmental improvements.
- Engages with suppliers and customers in environmental initiatives.

### EMPLOYEES

Details of the number of employees and related costs are given in note 7 to the financial statements on page 13.

Employee involvement and consultation is managed in a number of ways. These include keeping employees informed about current activities, progress and general matters through an intranet, staff meetings, newsletters, bulletins and similar items as well as seeking their views through questionnaires and consultation with representatives where appropriate.

The company's policy and practice is to encourage the recruitment and subsequent training, career development and promotion of disabled persons according to their aptitudes and abilities, and to the retention and retraining of employees who become disabled.

### CHARITABLE DONATIONS

During the year the company did not make any charitable contributions.

### DIVIDENDS

The directors do not recommend the payment of a dividend (2007 £Nil).

# G4S Cash Services (UK) Limited

## DIRECTORS' REPORT

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### DIRECTORS

The following directors held office since 1 January 2008:

J Duxfield	(Appointed 14 February 2008)
DG Hughes	(Resigned 5 January 2009)
A Miller	(Appointed 10 January 2008)
IL Nisbet	
M Ryan	(Appointed 21 January 2008)
P Shingler	
C Woodland	(Resigned 19 January 2009)
N Prentice	

### THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provisions are in place for the benefit of all directors of the company.

### POLICY ON PAYMENT OF CREDITORS

It is the company's policy to pay suppliers in accordance with the payment terms negotiated with them. Thus, prompt payment is normally made to those suppliers meeting their obligations. The company does not follow any formal code or standard on payment practice.

At 31 December 2008 trade creditors represented 43 days (2007: 44 days) of annual purchases.

### MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the market value of properties at 31 December 2008 would exceed the net book values included in the financial statements. They are unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the company's intention to retain ownership of its existing properties for use in its business for the foreseeable future.

### EMPLOYEE INVOLVEMENT

The company has continued its practice of keeping employees informed on a regular basis of current activities, progress and general matters of interest by various methods. These include regular team briefings, the circulation of the in-house magazine 'the Mag', and the availability to employees of a comprehensive Intranet site.

### EMPLOYMENT OF DISABLED PERSONS

The company's policy and practice is to encourage the recruitment and subsequent training, career development and promotion of disabled persons on the basis of their aptitudes and abilities, and the retention and retraining of employees who become disabled.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they 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 it has been communicated to the auditor.

# G4S Cash Services (UK) Limited

## DIRECTORS' REPORT

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### AUDITOR APPOINTMENT

On 26<sup>th</sup> September 2008 Baker Tilly UK Audit LLP resigned as auditors and the Directors subsequently appointed KPMG Audit Plc to fill the vacancy arising.

A resolution to reappoint KPMG Audit Plc, Chartered Accountants, as auditors will be put to members at the Annual General Meeting.

By order of the board



Director  
30<sup>th</sup> July 2009

# G4S Cash Services (UK) Limited

## DIRECTORS' REPORT

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### DIRECTORS RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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).

The financial statements are required by law to 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G4S CASH SERVICES (UK) LIMITED

We have audited the financial statements of G4S Cash Services (UK) Limited for the year ended 31<sup>st</sup> December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

30 July 2009



# G4S Cash Services (UK) Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

	<i>Notes</i>	2008 £000	2007 £000
TURNOVER	1	306,845	289,199
Cost of sales		(218,909)	(191,456)
GROSS PROFIT		87,936	97,743
Other operating expenses (net)	2	(70,773)	(76,472)
OPERATING PROFIT		17,163	21,271
Exceptional items:	3		
Profit on Disposal of Property		-	15,062
Restructuring costs		-	(2,301)
Interest payable	4	(2,445)	(1,610)
Interest receivable	5	7,633	6,974
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	22,351	39,396
Taxation	8	(5,107)	(3,930)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	17	17,244	35,466

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# G4S Cash Services (UK) Limited

## BALANCE SHEET

31 December 2008

	Notes	2008 £000	2007 £000
<b>FIXED ASSETS</b>			
Tangible assets	9	129,719	115,067
		<u>129,719</u>	<u>115,067</u>
<b>CURRENT ASSETS</b>			
Stock	10	5,140	4,373
Debtors	11	197,686	170,604
Cash at bank and in hand		874	11,336
		<u>203,700</u>	<u>186,313</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	(90,189)	(77,962)
<b>NET CURRENT ASSETS</b>		<u>113,511</u>	<u>108,351</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		243,230	223,418
<b>DEBTORS: Amount falling due after more than one year</b>	13	1,947	947
<b>CREDITORS: Amounts falling due after more than one year</b>	14	(34,182)	(28,253)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15	(1,800)	(4,330)
<b>NET ASSETS</b>		<u>209,195</u>	<u>191,782</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	116,000	116,000
Profit and loss account	17	92,144	74,900
Capital contribution reserve	18	1,051	882
<b>EQUITY SHAREHOLDERS' FUNDS</b>	19	<u>209,195</u>	<u>191,782</u>

The financial statements on pages 8 to 19 were approved by the board of directors and authorised for issue on 30th July 2009 and are signed on its behalf by:



M A Ryan  
Director

30<sup>th</sup> July 2009

# G4S Cash Services (UK) Limited

## ACCOUNTING POLICIES

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### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

The company has taken advantage of the exemption conferred by section 228 of the Companies Act 1985 from the requirement to prepare group accounts, as the company is itself a wholly owned subsidiary. As such the accounts present the financial position and performance of the individual entity only.

Under the provisions of FRS1 (Revised), Cash Flow Statements, the Company has not prepared a cashflow statement because its ultimate parent company G4S Plc, which is incorporated in Great Britain, has prepared consolidated financial statements which include the financial statements of the company for the year and which contain a cashflow statement.

### TURNOVER

Turnover represents the amount, net of Value Added Tax, of goods sold and services provided to customers.

### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

### SHARE BASED PAYMENTS

G4S Cash Services (UK) Limited has applied the optional transitional exemptions in FRS 20 Share-based Payment and implemented its requirements for grants of equity instruments made after 7 November 2002 which had not vested by 1 January 2005.

G4S plc issues equity-settled share based payments to certain employees of G4S Cash Services (UK) Limited. The fair value of share-based payments is determined at the date of the grant and expensed with a corresponding increase in equity on a straight-line basis over the vesting period, based on the estimate of the shares that will eventually vest, in accordance with the UITF 44 'Group and Treasury Share Transactions'. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, save for changes resulting from any market-related performance conditions.

The fair value of share-based payments granted in the form of options is measured by the use of the Black-Scholes valuation technique, adjusted for future dividend receipts and for any market-related performance conditions.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	-	over 50 years
Equipment and vehicles	-	over 3 to 15 years
Leasehold property - long lease	-	over 50 years
- short lease	-	over the term of the lease

### RESEARCH AND DEVELOPMENT

Development expenditure is capitalised when its future recoverability can be foreseen with reasonable assurance and is amortised in line with sales from the related product. All research and other development costs are written off as incurred.

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items.

# G4S Cash Services (UK) Limited

## ACCOUNTING POLICIES

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### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### POST RETIREMENT BENEFITS

The Company participates in the Group's defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amounts charged to the profit and loss account represents the contributions payable to the scheme in respect of the financial year.

The Company also participates in a group wide defined benefit pension scheme. The assets of the scheme are held separately from those of the company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

# G4S Cash Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit on ordinary activities before taxation were derived from its principal activity in the United Kingdom.

2	OTHER OPERATING EXPENSES (NET)	2008 £000	2007 £000
	Establishment costs	8,021	7,477
	Administration expenses	61,218	67,549
	Royalties	1,534	1,446
		<u>70,773</u>	<u>76,472</u>

### 3 EXCEPTIONAL ITEMS

During the year ended 31 December 2007:

- the company sold freehold land and buildings located in the London region and realised a net gain on disposal.
- a decision was made to restructure the operational activities in the London area and the cost of the restructuring which mainly relates to redundancy was provided for in the year.

There were no exceptional items in 2008.

4	INTEREST PAYABLE	2008 £000	2007 £000
	Bank loans and overdrafts	-	91
	Finance leases and hire purchase contracts	2,148	1,519
	Other interest	297	-
		<u>2,445</u>	<u>1,610</u>

5	INTEREST RECEIVABLE	2008 £000	2007 £000
	Bank loans and overdrafts	-	47
	From group undertakings	7,633	6,927
		<u>7,633</u>	<u>6,974</u>

# G4S Cash Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

6	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2008 £000	2007 £000
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation and amounts written off tangible fixed assets:		
	charge for the year:		
	owned assets	7,936	4,884
	leased assets	4,901	9,040
	Write down of fixed asset investment		
	Amortisation of goodwill	-	353
	(Profit)/loss on disposals:		
	Properties	15	(14,271)
	Other	(59)	(2,301)
	Operating lease rentals:		
	Plant and machinery	4,594	1,995
	Land and buildings	6,452	4,582
	Auditors' remuneration: audit services		
	- 2007	36	96
	- 2008	120	-
	Share option charge	169	132
		<u>          </u>	<u>          </u>

7	EMPLOYEES	2008 No	2007 No
	The average weekly number of persons (including directors) employed by the company during the period was:		
	Management and administration	426	419
	Operational	2,113	2,100
		<u>2,539</u>	<u>2,519</u>

		2008 £000	2007 £000
	Staff costs for all employees (including subcontracted) are:		
	Wages and salaries	157,516	149,319
	Social security	14,930	13,547
	Other pension costs	18,196	15,563
	Share option charge	169	132
		<u>190,811</u>	<u>178,561</u>

The company subcontracted in 4,970 (2007: 4,635) operational staff from a fellow subsidiary company. The total staff costs for these subcontracted staff, including social security costs and pension costs, was £125,063,546 (2007: £109,485,000)

	DIRECTORS' REMUNERATION	2008 £000	2007 £000
	Emoluments (including benefits in kind)	1,597	1,174
	Pension Contributions	185	118
		<u>1,782</u>	<u>1,292</u>

# G4S Cash Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

Directors' fees and other emoluments (excluding pension contributions) include amounts paid to the highest paid director:	2008	2007
Emoluments	£000	£000
Accrued pension	403	317
	28	15
	<u>431</u>	<u>332</u>

The number of directors to whom retirement benefits are accruing under defined benefit schemes was 8 (2007: 8).

The number of directors who exercised share options in the ultimate parent undertaking during the year was nil (2007: nil).

8	TAXATION	2008	2007
		£000	£000
	Current tax:		
	UK corporation tax on profits of the period	5,881	7,151
	Adjustments in respect of previous periods	226	1,004
	Total current tax	<u>6,107</u>	<u>8,155</u>
	Deferred taxation:		
	Origination and reversal of timing differences	(1,000)	(4,225)
	Total deferred tax	<u>(1,000)</u>	<u>(4,225)</u>
	Tax on profit on ordinary activities	<u>5,107</u>	<u>3,930</u>

		2008	2007
		£000	£000
	Factors affecting tax charge for period:		
	The tax assessed for the period is higher than the standard rate of corporation tax in the UK 2008 28% (2007 - 30%). The differences are explained below:		
	Profit on ordinary activities before tax	22,351	39,396
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 28.5% (2007: 30%)	<u>6,370</u>	<u>11,819</u>
	Effects of:		
	Expenses not deductible for tax purposes	169	596
	Income not taxable	(3)	(732)
	Capital allowances in excess of depreciation	-	(258)
	Adjustment to tax charge in respect of previous periods	226	1,004
	Profits relieved by capital losses not provided for in deferred tax	-	(2,566)
	Rollover relief on profit on disposal of property	-	(76)
	Differences between accounting profit on disposal and taxable gain	-	(1,632)
	Restructuring provision	(655)	-
	Current tax charge for period	<u>6,107</u>	<u>8,155</u>

# G4S Cash Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 9 TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Leasehold properties Long term £000	Short term £000	Equipment and vehicles £000	Assets Under construction £000	Total £000
Cost						
1 January 2007	19,037	14,704	23,292	111,473	19,214	187,720
Additions	7,188	927	779	17,828	6,323	33,045
Disposals	(452)	-	-	(17,628)	(4,120)	(22,200)
Re-classification	12,721	398	-	(2,209)	(10,910)	-
31 December 2008	38,494	16,029	24,071	109,464	10,507	198,565
Depreciation:						
1 January 2007	5,160	2,764	9,244	55,485	-	72,653
Charged in the year	393	289	1,032	11,123	-	12,837
Disposals	(52)	-	-	(16,592)	-	(16,644)
Re-classification	-	84	(84)	-	-	-
31 December 2008	5,501	3,137	10,192	50,016	-	68,846
Net book value:						
31 December 2008	32,993	12,892	13,879	59,448	10,507	129,719
31 December 2007	13,877	11,940	14,048	55,988	19,214	115,067

Included in tangible fixed assets are motor vehicles held under finance leases with a net book value of £39,733,534 (2007: £34,045,165). The depreciation charge in respect of these assets was £4,900,543 (2007: £4,139,836).

10	STOCKS	2008 £000	2007 £000
	Finished goods and goods for resale	5,140	4,373
11	DEBTORS	2008 £000	2007 £000
	Due within one year:		
	Trade debtors	46,045	41,540
	Amounts owed by group undertakings	142,350	122,802
	Other debtors	192	842
	Prepayments and accrued income	9,099	5,420
		197,686	170,604

Amounts owed by group undertakings are unsecured, repayable on demand with interest receivable at 1% above base rate.



# G4S Cash Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

12	CREDITORS: Amounts falling due within one year	2008 £000	2007 £000
	Bank loans and overdrafts	140	565
	Obligations under hire purchase and finance leases	5,230	4,977
	Trade creditors	10,828	14,087
	Amounts owed to group undertaking	21,651	15,608
	Other taxation and social security costs	7,149	7,938
	Other creditors	2,701	5,935
	Accruals and deferred income	36,116	27,950
	Corporation Tax	6,374	902
		<u>90,189</u>	<u>77,962</u>

The bank overdraft is secured by a debenture giving fixed floating charges on all assets of the company. It is repayable on demand with interest payable at 1% above the base rate.

Amounts owed to group undertakings are unsecured, repayable on demand and interest free.

Obligations under finance leases are secured on related assets.

13	DEBTORS : Amounts falling due after one year	2008 £000	2007 £000
	Deferred tax asset / (liability) as at January 1 <sup>st</sup>	947	(3,278)
	Change during year	1,000	4,225
	Deferred tax asset as at December 31 <sup>st</sup>	<u>1,947</u>	<u>947</u>

The debtor for deferred tax represents Accelerated Capital Allowances.

14	CREDITORS: Amounts falling due after more than one year	2008 £000	2007 £000
	Obligations under hire purchase and finance leases	34,182	28,253

Obligations under finance leases are secured on related assets.

Obligations under finance leases and hire purchase contracts:

Amounts payable:

within one year	5,230	4,977
within two to five years	22,247	19,892
after five years	11,935	8,361
	<u>39,412</u>	<u>33,230</u>

# G4S Cash Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

### 15 PROVISION FOR LIABILITIES AND CHARGES

	Unoccupied properties £000	Restructure Provision £000	Total £000
Provision at 31 December 2007	2,029	2,301	4,330
Provision utilised in the year	(229)	(2,301)	(2,530)
	<u>1,800</u>	<u>-</u>	<u>1,800</u>

#### Unoccupied properties

The provision is based on the value of further net cash outflows relating to rent, rates, service charge and costs marketing the properties. An assessment is made by property of the likelihood of sub-letting the property before the end of the lease and provision is made up to this date. Each provision is reviewed annually.

#### Restructure Provision

The provision was fully utilised in 2008 following completion of the building move and associated redundancies from Nine Elms and Rifle Street branches to a new branch located in Stewarts Road, South London.

16	SHARE CAPITAL	2008 £000	2007 £000
	Authorised: 116,000,000 ordinary shares of £1 each	116,000	116,000
	Allotted, issued and fully paid: 116,000,000 ordinary shares of £1 each	116,000	116,000
		<u>116,000</u>	<u>116,000</u>
17	PROFIT AND LOSS ACCOUNT	2008 £000	2007 £000
	31 December 2007	74,900	39,434
	Profit for the financial period	17,244	35,466
	31 December 2008	<u>92,144</u>	<u>74,900</u>

# G4S Cash Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

18	CAPITAL CONTRIBUTION RESERVE	2008 £000	2007 £000
	31 December 2007	882	750
	Share option charge	169	132
	31 December 2008	<u>1,051</u>	<u>882</u>

G4S plc has two types of equity-settled, share-based payment scheme in place: (1) share options previously held by employees over Securicor plc shares and rolled over to G4S plc shares with the acquisition of that business on 19 July 2004, and (2) conditional allocations of G4S plc shares.

G4S plc has granted share options to the employees of G4S Cash Services (UK) Limited. The company has measured the services received from the employees by reference to the fair value of the shares at the date those rights to shares were originally granted by G4S plc in accordance with UITF 44 'Group and Treasury Share Transactions'.

The details of the share-based payments of G4S plc are disclosed in the group's annual report.

19	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2008 £000	2007 £000
	Profit for the financial year	17,244	35,466
	Share option charge	169	132
		<u>17,413</u>	<u>35,598</u>
	Opening shareholders' funds	191,782	156,184
	Closing shareholders' funds	<u>209,195</u>	<u>191,782</u>

## 20 CONTINGENT LIABILITIES

- The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. The liability of the UK group registration at 31 December 2008 totalled £25,820,628 (2007: £18,214,691).
- The company is included within a group composite banking arrangement with certain fellow subsidiary undertakings and has provided an unlimited guarantee.
- The company, together with certain other group companies, is jointly and severally liable under the terms of a guarantee provided in respect of a revolving credit loan facility granted to G4S plc, details of which are disclosed in the group accounts of G4S plc.

# G4S Cash Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

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### 21 CAPITAL COMMITMENTS

- a) At the end of the financial year the Company had entered into commitments amounting to £8,314,853 (2007: £ 9,446,878) in respect of finance leases (and similar hire purchase contracts), the inception of which occurs after the year end.
- b) Annual commitments under non-cancellable operating leases are as follows:

	2008		2007	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Operating leases which expire:				
Within one year	117	433	306	1,485
In the second to fifth years inclusive	416	7,273	568	4,057
Over five years	3,073	521	2,813	994
	<u>3,606</u>	<u>8,227</u>	<u>3,687</u>	<u>6,536</u>

### 22 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the Group. All transactions with related parties are in the normal course of business.

### 23 ULTIMATE PARENT COMPANY

At 31 December 2008 the ultimate holding company of G4S Cash Services (UK) Limited was G4S plc, a company registered in England and Wales. Copies of the group accounts of G4S plc can be obtained from The Manor, Manor Royal, Crawley, West Sussex, RH10 9UN.