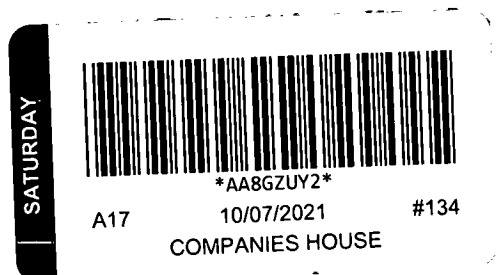


Registration number: 00354883

# G4S Cash Solutions (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



## **G4S Cash Solutions (UK) Limited**

### **Contents**

	<b>Page(s)</b>
Company Information	1
Strategic Report	2 to 6
Directors' Report	7 to 11
Independent Auditors' Report	12 to 14
Income Statement	15
Statement of Comprehensive Income	16
Statement of Changes in Equity	17
Statement of Financial Position	18 to 19
Notes to the Financial Statements	20 to 46

## **G4S Cash Solutions (UK) Limited**

### **Company Information**

<b>Directors</b>	J W V Apthorpe J L France
<b>Company secretary</b>	R Y Bartlett
<b>Registered office</b>	2nd Floor, Chancery House St. Nicholas Way Sutton Surrey SM1 1JB
<b>Independent auditors</b>	PricewaterhouseCoopers LLP The Portland Building 25 High Street Crawley RH10 1BG

## **G4S Cash Solutions (UK) Limited**

### **Strategic Report for the Year Ended 31 December 2020**

The directors present their report for the year ended 31 December 2020.

#### **Fair review of the business**

##### *Principal activities*

The principal activities of G4S Cash Solutions (UK) Limited ("the Company") include the provision of outsourced cash management solutions, cash consulting services, management of Automatic Teller Machines, cash transportation services as well as retail cash management solutions (CASH 360<sup>TM</sup>).

##### *Financial performance*

The Company has net assets of £65,865,000 (2019: £91,273,000). This represents a year-on-year decrease of £25,408,000 (27.8%).

The Company recorded sales of £109,134,000 (2019: £161,142,000). This represents a year-on-year decrease of £52,008,000 (32.3%). In comparison, the Company recorded cost of sales of £108,889,000 (2019: £127,186,000). This represents a year-on-year decrease of £18,297,000 (14.4%). Overall, the Company recorded gross profit of £245,000 (2019: £33,956,000). This represents a year-on-year decrease of £33,711,000 (99.3%).

The Company made a loss for the financial year of £25,436,000 (2019: £2,764,000). This represents a year-on-year increase in loss of £22,672,000 (820.3%) after accounting for restructuring and includes £16,211,000 income from the governments job retention scheme.

In line with our expectations at the time of the 2019 strategic report the impact of Covid-19 saw volumes reduce by an average c30% YoY with significant fluctuations across the different industry sectors. With the assistance of the government job retention scheme we were able to protect jobs for many of our key workers and to provide our customers with flexibility in line with the changes in government guidelines. Despite the difficult trading conditions we have achieved a positive EBITDA of £3,843,000 excluding restructure costs and have maintained a positive net asset position.

In order to right size our network for post Covid-19, we took the decision to close 5 operational sites during the year ensuring that we are able to continue to provide our customers with a competitive model to enable cash to continue to be a widely available payment choice.

##### *Future developments*

The historical decline in cash is likely to have been accelerated by Covid-19 responses, while there will be a bounce back the level of its return cannot be known. Multiple economic and social demographic issues, such as stability of employment, age, habit and mobility, will all play a part in the 'new normal' state.

To that end G4S has in addition to ensuring competitive cash services launched G4S Pay, and has the ability to now offer merchant services which moves our customer conversations beyond focusing solely on Cash, to a fully consultative discussion around all payment types. These conversations not only open the door to new opportunities regarding merchant services, they also give us insight to influence customer retention where they may otherwise consider reducing or even stopping accepting cash completely. The G4S Pay approach is not just about merchant services, it is also creating new opportunities around our broader capability for new and existing cash solutions, including Cash360.

Cash360 includes a suite of customer focused solutions for cash management to which we have further added new products. Our new "Contactless Cash" product means we can satisfy the demand of customers who want to protect their staff and customers by reducing contact between them and the cash. Our new "Banked Cash" product is delivered in partnership with a Financial Institution whereby they will accelerate their customers bank credit so this is made in advance of the physical cash being collected from the in store device.

## **G4S Cash Solutions (UK) Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **Fair review of the business (continued)**

##### *Future developments (continued)*

Over the next year our G4S Pay solution will see merchant services, cash services, and cash technologies all become more integrated which will strengthen our position as a total payment solution provider.

##### **Key performance indicators**

The directors utilise a wide range of operational performance measures to monitor the Company's business activities. However, the operational performance measures are all specific to a particular activity or contract. The Company's directors do not believe that presenting consolidated operational key performance indicators would be 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. Many individual risks are macro-economic or social in nature and thus they are common to many businesses. Below, the risks considered key to the Company have been listed. The key risks are those which would materially damage the Company's strategy, reputation, business, profitability or assets. This list is in no particular order and it is not an exhaustive list of all potential risks. Some risks may be unknown at present and it may transpire that risks currently considered immaterial become material in the future.

##### *(1) Major changes in market dynamics*

Major changes in market dynamics might include the development of new technologies or passing of new government legislation. Should these events occur in a rapid or an unpredictable manner, these might impact the Company's revenues and profitability as the Company adjusts to them.

##### *Risk mitigation approach*

The Company, in line with the policy of G4S plc group, is committed to proactively engage with its customers, suppliers, industry associations, government regulators and employee representatives. These actions aim to foster a dialogue with the stakeholders and enable the Company to respond to any changes in a timely manner. The Company also performs customer satisfaction surveys to further drive strong business relationships. Additionally, the Company continues to invest in the sales and development of its systems in order to respond to any changes in technology.

##### *(2) Financial institution in-sourcing*

The Company provides a range of cash services to financial institutions and the current trend is for such institutions to out-source their cash services. Should this trend reverse, or should consolidation of the Company's customers occur, the demand for Company's services may be altered and this may result in adverse effects on the Company's revenue and profitability.

##### *Risk mitigation approach*

The Company actively engages with its customers, seeking to build strong business relationships. The Company also seeks customers' feedback on the services provided, ensuring that the Company is able to respond to any comments in a timely manner.

## **G4S Cash Solutions (UK) Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **Principal risks and uncertainties (continued)**

##### ***(4) Cash losses***

The Company is responsible for substantial quantities of cash held on account of its customers. Should the Company lose any of the customers' cash, for example as a result of a criminal attack, this may result in reputational damage; and consequently lead to adverse effects on the Company's revenue and profitability.

##### ***Risk mitigation approach***

The Company developed robust internal controls to ensure that the customers' cash is correctly accounted for at all times. Furthermore, the Company continues to invest in technologies which prevent and deter the loss of cash in criminal attacks. In the event of a material loss full internal security audits are conducted to ensure no repeat breaches occur. The directors of the Company with support of the security personnel work closely with the UK police departments to secure criminal convictions and to recover lost funds.

##### ***(5) Deterioration in labour relations***

The Company has a good relationship with its committed work force. However, if this relationship were to deteriorate, for example as a result of industrial action, this may result in adverse effects on the Company's operations.

##### ***Risk mitigation approach***

The Company is committed to proactively engage with its work force and employee representatives. These actions aim to foster a dialogue and enable the Company to resolve any disputes in a timely manner and thus minimise any adverse effects on the Company's operations.

## **G4S Cash Solutions (UK) Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **Statement by the directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006**

The Board's engagement with the Company's stakeholders helps frame the Company's strategic direction, informs the Board's decision making process and overall supports the Board's duty to promote the success of the Company as set out in Section 172 of the Companies Act 2006. The directors of the Company consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

The following paragraphs summarise how directors fulfil their duties:

#### *Long-term view*

Assessment of long-term consequences of our decisions is at the heart of our risk-management strategy. On an annual basis the Board of directors assesses the major risks affecting the Company and develops mitigating strategies to reduce the likelihood of those risks crystallising. In turn, these strategies form the basis for the Company's financial budgets, resource planning and capital spend, setting the general direction for the Company. The financial budgets and other plans undertake scrutiny both from the managers directly involved in each functional area, as well as the G4S plc group ("the Group"). This approach ensures that the Company's strategy is able to address the ever-changing risk landscape, maintains the long-term focus and is aligned with the core values of the Group.

For more details on the principal risks and uncertainties affecting the Company, refer to the description of "Principal risks and uncertainties" above.

#### *Our employees*

Our employees are our most important asset and our success is underpinned by the way we lead and engage with our people. Attraction, retention and development of talent form the cornerstone of the Company's success. The directors strive to create a culture of engagement and inclusion, where every employee's contribution is valued and diversity of the team is celebrated. In particular, the directors have taken steps to promote the training materials for new and existing employees, strengthening the processes of onboarding as well as continuous education. Furthermore, the directors promoted our whistleblowing hotline, "Speak Out", emphasising the importance of ethical behaviour to the Company's core values. What is more, the directors maintain an active dialogue with the employees and employee representatives, fostering open communication channels and enabling exchange of ideas and expectations.

#### *Business relationships*

We view our customers and suppliers not merely as business parties, but as partners in delivering value and innovation. Our long-term customer relationships are based upon trust and understanding of our customers' business needs and objectives. Through those customer relationships and connections we look to deliver sustainable long-term growth in revenues, earnings and cash flow. We continuously measure customer satisfaction through the use of Net Promoter Score surveys, seeking to retain current customers and proactively engage in dialogue.

Our suppliers help us deliver our values. We have a responsible purchasing policy consistent with our business ethics and all our suppliers sign up to our Supplier Code of Conduct. We are also committed to the UK Prompt Payment Code and we aim to promote the use of SME businesses.

These actions aim to enhance our relationship not only with our customers and suppliers, but stakeholders at large. Our operations promote security and stability of communities through local engagement programs, economic contributions as well as activity in the industry forums.

## **G4S Cash Solutions (UK) Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

**Statement by the directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006 (continued)**

#### *Community and environment*

Our employees touch the lives of others every day, providing crucial services to help keep society safe and secure. We engage with the local communities, government, industry bodies and environmental groups as part of our sustainable development goals strategy. Our key priorities include taking care of health and well-being of our employees through awareness training and ongoing programs, creation of new employment opportunities as well as prevention of crime aiming to generate safe working behaviour for our employees and safe and secure communities.

Although our operations do not have a direct impact on the environment, we recognise our responsibility to combat the climate change. We aim to reduce the intensity of greenhouse gas emissions from our vehicles through implementing efficiencies in the way we operate, we foster energy-saving culture through employee awareness campaigns and we recycle a significant proportion of our waste as to minimise the amount of refuse disposed to landfill.

#### *Our reputation*


Strong brand and reputation differentiate us in the competitive market place. We hold ourselves, our employees and our business partners to high standards, embodied in the set of our corporate values. These values promote a culture and business interactions based on Integrity, Respect, Safety, Security, Service Excellence, Innovation and Teamwork.

We build and maintain our reputation in our day-to-day activities, engaging proactively with our customers, suppliers, employees and other stakeholders, anticipating potential issues and proceeding to a timely resolution. We deliver on our promises and we lead by example.

#### *Acting fairly*

The Company is a member of the G4S plc group. We maintain a continuous and open dialogue with G4S plc, and ensure we stay aligned with the Group's values and strategies.

Approved by the Board on 1 July 2021 and signed on its behalf by:



J L France  
Director



## **G4S Cash Solutions (UK) Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The directors present their report and the audited financial statements for the year ended 31 December 2020.

#### **Directors of the Company**

The directors of the Company, who were in office during the year and up to the date of signing, were as follows:

J W V Apthorpe (appointed 2 January 2020)

J L France

J W Lennox (resigned 2 January 2020)

#### **Results and dividends**

The results for the year are set out on page 15. No dividends were paid or declared by the Company in the financial year (2019: £Nil).

A review of the progress of the Company's business during the year, likely future developments, key performance indicators and principal business risks are contained in the Strategic Report on page 2.

#### **Employment of disabled persons**

It is the policy of the Company to give fair consideration to applications for employment made by disabled persons acknowledging the particular abilities and aptitudes of each applicant and taking into account the requirements of the vacancies available. The Company has been assessed and approved to use the "Positive about Disabled People" logo on its recruitment advertisements in the UK where the Company is also a member of the Employers Forum on Disability to raise awareness in the organisation of the importance of giving assistance to disabled persons in employment.

In the event of a member of staff becoming disabled, every effort is made via the Company's Occupational Health Adviser to ensure that their employment with the Company continues and that appropriate help is given to assist the member of staff.

It is the policy of the Company to ensure that the training, career development and promotion of a disabled person, should, as far as possible, be identical to that of a person who does not suffer any disability.

## **G4S Cash Solutions (UK) Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

#### **Employee engagement**

The Board's engagement with the Company's employees is facilitated through a variety of initiatives and channels which are decided at a wider level of the G4S plc group. Further details of these can be found in the consolidated financial statements of G4S plc.

The Company is committed to inform and involve its employees in the business of the Company. The directors have applied the policies and decisions taken at the Group level during the year in the following ways:

- The 2019 employee engagement survey was completed, with results of the survey being reviewed and discussed by the Board, and action plans developed.
- Formal consultative committees and focus groups have been used to ensure that issues of mutual interest can be discussed and resolved.
- Onboarding, induction and refresher training have continued to be a priority. The Company offers all employees the opportunity to increase their skills and knowledge at work. Employees are encouraged to take responsibility for their own learning on an on-going basis using the extensive range of materials available, and using technology platforms to share training and learning paths more effectively.
- Company newsletters, employees magazines and other communications have been used on a regular basis to keep staff informed of events and performance within the Company.
- Specific campaigns on health and safety, our values and Speak Out whistleblowing arrangements have been conducted, linking to the Company's and wider Group's Corporate Social Responsibility focus.
- Values recognition schemes, aligned with the Company's values, have been utilised to encourage the involvement of employees in the Company's performance and to ensure that the Company's values are promoted in everything we do.

#### **Statement of private company governance arrangements**

The Company's ultimate parent, G4S plc, applied the UK Corporate Governance Code 2018 which was applied throughout the Group. Details of how the Group complies with the Code are included in the consolidated financial statements of G4S plc. The Company complies with the policies and processes implemented in accordance with the Code, where relevant and appropriate.

#### **Other stakeholder engagement**

The Board's engagement with other stakeholders is largely driven by processes and initiatives which are decided at a wider Group level. Further details of these can be found in the consolidated financial statements of G4S plc.

The Company considers its key other stakeholders to be its customers, its suppliers and the wider society in which it operates. During the year, the Company's directors have reflected the policies made at the Group level in the following ways:

## **G4S Cash Solutions (UK) Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

#### **Other stakeholder engagement (continued)**

<b>Key other stakeholders</b>	<b>How the Board engages</b>
<b>Customers</b>	<p>Through understanding our customers' needs we offer value-added, innovative, cost effective cash handling solutions and we build enduring relationships. This understanding comes from strong engagement with customers. Key areas of interest for customers include quality and price of service delivery, expertise in innovation, health and safety and business ethics.</p> <p>The Company believes in proactive relationship management. During the year directors attended a number of meetings with customers and shared customer feedback and information with the rest of the Board. If, during contract discussions, we consider that a customer's interest are not well served in the long term by our proposals, we will make this clear even if it impacts negatively on our business. Being open and honest with our customers also means that we will raise concerns with them if we become aware of any business practices or processes in their business which we believe are contrary to their values or may compromise our own values. The Board also reviews customers' changing expectations or needs as part of its strategy session every year.</p>
<b>Suppliers</b>	<p>The Company has a responsible purchasing policy consistent with its' business ethics. Engagement with suppliers takes place in many different ways.</p> <p>One of the main ways in which the Board considers key suppliers is as part of large contract bid or renewal approvals. We set high standards for our suppliers in the context of our own ethical policy. These standards are explained in our Supplier Code of Conduct. All suppliers are expected to comply with the Code or ensure that there is a clear time frame for full implementation of the Code within their own organisation and their associated suppliers and subcontractors.</p> <p>The Company recognises that receiving timely reimbursements is of high interest to suppliers. It is our policy to pay suppliers in accordance with agreed terms of trade. What is more, the Company is committed to the UK Prompt Payment Code.</p>
<b>Society</b>	<p>Our employees touch the lives of others every day, providing crucial services to help keep society safe and secure. The specialist security services delivered by the Company mitigate the risk or impact of criminal behaviour and help to create safer communities. As part of its decision making process, the Board takes into consideration a broad range of societal issues which are reported to the Board through a variety of means. During the year under review, the Board received regular updates on corporate governance reform and broader societal issues that were considered by the Financial Reporting Council and UK government.</p>

#### **Greenhouse gas emissions**

Further details of the greenhouse gas emissions of the G4S plc group, which the Company is a member of, are included in the consolidated financial statements of G4S plc.

## **G4S Cash Solutions (UK) Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

#### **Environmental matters**

The Company continues to focus on ways to improve its environmental impact baselining our property network to set goals for reduction in energy usage, working with our waste contractors to maintain a very high majority of waste not going to landfill - on average 69% of plastic goes to Energy Recovery and 31% is achieved through recycling.

We have already introduced two electric vehicles as part of our Fleet, and have established a 2, 5 and 10 year plan to strive to achieve zero emissions by 2030. The Company recognises the importance of its responsibilities to reduce environmental impact in energy usage, recycling or environmentally-friendly products. In these areas the Company operates in accordance with the policies of G4S plc which are detailed in the G4S plc's annual report.

#### **Financial risk management**

The Company operates under the financial risk management objectives and policies of its ultimate parent, G4S plc, into which the results of the Company are consolidated. G4S plc's key objectives and policies include:

- Mitigating liquidity risk by ensuring there are sufficient undrawn committed facilities available to the G4S plc group;
- Conducting operating and financing activities, wherever possible, in the Company's local currency; and
- Utilising interest rate swaps and, to a lesser extent, forward rate agreements to manage future cash outflows.

Further details of the financial risk management objectives and policies of the G4S plc group, which the Company is a member of, are included in the consolidated financial statements of G4S plc.

#### **Events after balance sheet date**

On 8 December 2020, the Allied Universal Topco LLC ("Allied Universal") and the G4S Board announced that they had reached an agreement on the terms of a recommended cash offer to be made by Atlas UK Bidco Limited ("Atlas Bidco"), a newly incorporated entity that is indirectly controlled by Allied Universal, to acquire the entire issued and to be issued ordinary share capital of G4S at a price of 245 pence per G4S share. On 6 April 2021, the majority of the share capital of the Group was acquired by Atlas Bidco and the Group became a subsidiary of Allied Universal. The ultimate controlling party is now Atlas Ontario LP.

#### **Going concern**

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate due to the positive net asset position of the company. In addition the Company received a financial support letter from a parent company to provide sufficient financial assistance to the Company if and when it is needed to enable the Company to continue its operations and fulfil its currently anticipated financial obligations now and in the future. This undertaking is provided for a period of at least 12 months provided the Company remains a member of the parent company's group.

## **G4S Cash Solutions (UK) Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

#### **Directors' confirmations**


In the case of each director in office at the date the Directors' Report is approved:

- So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution confirming their appointment will be approved at the Annual General meeting.

Approved by the Board on 1 July 2021 and signed on its behalf by:



J L France  
Director

# Independent auditors' report to the members of G4S Cash Solutions (UK) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, G4S Cash Solutions (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2020; the income statement, statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining a letter of support from the parent company confirming the provision of sufficient financial assistance as needed to enable the company to continue its operations and fulfil its currently anticipated financial obligations now and in the future for a period of at least 12 months provided the company remains a member of the parent company's group.

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and the Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### **Auditors' 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 auditors' 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to but were not limited to compliance with payroll laws and regulations, tax laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to:

- (1) posting inappropriate journal entries to manipulate financial results;
- (2) management bias in accounting estimates; and
- (3) inappropriately including or excluding transactions from the company's underlying performance metrics.

Audit procedures performed by the engagement team included:

- Discussions with management at multiple levels across the business throughout the year. These discussions have included consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- Evaluation of management's controls designed to prevent and detect irregularities
- Challenging assumptions and judgements made by management in determining significant accounting estimates (because of the risk of management bias)
- Identifying and testing unusual journal entries, in particular journal entries posted with unusual account combinations and
- Incorporating elements of unpredictability into the audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



David Beer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
1 July 2021



## G4S Cash Solutions (UK) Limited

### Income Statement for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Revenue	4	109,134	161,142
Cost of sales		<u>(108,889)</u>	<u>(127,186)</u>
<b>Gross profit</b>		245	33,956
Administrative expenses		(28,160)	(27,221)
Restructuring costs	5	(24,579)	(13,991)
Other income	5	<u>16,211</u>	<u>-</u>
<b>Operating loss</b>	5	(36,283)	(7,256)
Finance income	9	716	557
Finance costs	10	<u>(4,071)</u>	<u>(2,115)</u>
<b>Loss before income tax</b>		(39,638)	(8,814)
Income tax credit	11	<u>14,202</u>	<u>6,050</u>
<b>Loss for the financial year</b>		<u><u>(25,436)</u></u>	<u><u>(2,764)</u></u>

The above results were derived from continuing operations.

## **G4S Cash Solutions (UK) Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Loss for the financial year	<u>(25,436)</u>	<u>(2,764)</u>
<b>Total comprehensive expense for the financial year</b>	<u><b>(25,436)</b></u>	<u><b>(2,764)</b></u>

## G4S Cash Solutions (UK) Limited

### Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Accumulated losses £ 000	Total £ 000
At 1 January 2019	116,000	(21,929)	94,071
<b>Comprehensive expense:</b>			
Loss for the financial year	-	(2,764)	(2,764)
Total comprehensive expense for the financial year	-	(2,764)	(2,764)
<b>Transactions with owners:</b>			
Share based payment transactions	-	(33)	(33)
Tax on items taken to equity	-	(1)	(1)
Total transactions with owners	-	(34)	(34)
<b>At 31 December 2019</b>	<b>116,000</b>	<b>(24,727)</b>	<b>91,273</b>
At 1 January 2020	116,000	(24,727)	91,273
<b>Comprehensive expense:</b>			
Loss for the financial year	-	(25,436)	(25,436)
Total comprehensive expense for the financial year	-	(25,436)	(25,436)
<b>Transactions with owners:</b>			
Share based payment transactions	-	27	27
Tax on items taken to equity	-	1	1
Total transactions with owners	-	28	28
<b>At 31 December 2020</b>	<b>116,000</b>	<b>(50,135)</b>	<b>65,865</b>

# G4S Cash Solutions (UK) Limited

(Registration number: 00354883)

## Statement of Financial Position as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
<b>Non-current assets</b>			
Property, plant and equipment	12	60,075	84,114
Right of use assets	13	17,464	18,339
Intangible assets	14	1,273	888
Investments	15	-	-
Deferred tax assets	11	11,813	11,691
Corporation tax assets		-	6,500
		<u>90,625</u>	<u>121,532</u>
<b>Current assets</b>			
Inventories	16	789	1,325
Trade and other receivables	17	61,014	72,370
Current tax assets		19,814	4,566
Cash and cash equivalents		750	1,809
		<u>82,367</u>	<u>80,070</u>
<b>Total assets</b>		<u>172,992</u>	<u>201,602</u>
<b>Current liabilities</b>			
Trade and other payables	18	(65,726)	(73,711)
Bank overdrafts		(60)	(187)
Lease liabilities	19	(4,059)	(3,564)
Provisions	20	(2,400)	(2,897)
		<u>(72,245)</u>	<u>(80,359)</u>
<b>Non-current liabilities</b>			
Lease liabilities	19	(22,292)	(24,138)
Provisions	20	(12,590)	(5,832)
		<u>(34,882)</u>	<u>(29,970)</u>
<b>Total liabilities</b>		<u>(107,127)</u>	<u>(110,329)</u>
<b>Net assets</b>		<u>65,865</u>	<u>91,273</u>
<b>Equity</b>			
Share capital	21	116,000	116,000
Accumulated losses		(50,135)	(24,727)
<b>Total shareholders' funds</b>		<u>65,865</u>	<u>91,273</u>

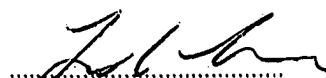
The notes on pages 20 to 46 form an integral part of these financial statements.

**G4S Cash Solutions (UK) Limited**

**(Registration number: 00354883)**

**Statement of Financial Position as at 31 December 2020 (continued)**

The financial statements on pages 15 to 46 were approved by the Board on 1 July 2021 and signed on its behalf by:



J.L. France  
Director

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 General information**

G4S Cash Solutions (UK) Limited is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the UK. It is a private company, limited by shares. The Company's registered office is: 2nd Floor, Chancery House, St. Nicholas Way, Sutton, Surrey, SM1 1JB.

The financial statements are presented in sterling, which is the Company's functional currency, and in thousands of pounds unless stated otherwise.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

##### **Summary of disclosure exemptions**

The Company has taken advantage of certain disclosure exemptions in FRS 101, in part because its financial statements are included in the publicly available consolidated financial statements of G4S plc. Copies of the consolidated financial statements of G4S plc may be obtained by writing to the Company Secretary, G4S plc, 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

These disclosure exemptions relate to:

- the requirements of IAS 7 "Statement of cash flows";
- new IFRSs that have been issued but are not yet effective and which have not been applied by the Company;
- the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of: paragraph 79 (a) (iv) of IAS 1, paragraph 73 (c) of IAS 16 "Property, Plant and Equipment" and paragraph 118 (e) of IAS 38 "Intangible Assets";
- financial instruments disclosures required by IFRS 7 "Financial Instruments: Disclosures";
- disclosures required by IFRS 13 "Fair Value Measurement";

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions (continued)**

- the requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a)-(c), 120-127 and 129 of IFRS 15 "Revenue from contracts with customers";
- the requirements of paragraphs 52, 58, 90, 91 and 93 of IFRS 16 "Leases";
- the requirements of paragraphs 45 (b) and 46 to 52 of IFRS 2 "Share-based Payment";
- the requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures" and the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more wholly-owned members of a group; and
- capital management disclosures required by paragraphs 134 of 136 of IAS 1 "Presentation of Financial Statements".

##### **New standards, interpretations and amendments effective for the first time**

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on the financial statements.

##### **Revenue recognition**

The Company's revenue arises from the provision of outsourced cash management solutions, cash consulting services, management of Automatic Teller Machines, cash transportation services as well as retail cash management solutions (so-called CASH 360<sup>TM</sup>).

In all these business areas revenue is measured at the fair value of consideration received or receivable, net of discounts, VAT and other sales-related taxes.

Where services provided to customers include more than one particular revenue source, particularly in cash technology services, such as the supply and installation of equipment together with on-going services and maintenance contracts, the fair value of each revenue source is separately identified and allocated to each element of the arrangement and recognised as the product is sold or the services are delivered.

Revenue is recognised to reflect the period in which the service is provided.

##### **Restructuring costs**

The income statement separately identifies results before restructuring costs. Restructuring costs are those that in management's judgement need to be disclosed separately in arriving at operating profit by virtue of their size, nature or incidence. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

All items that are reported as restructuring costs are evaluated and approved by the Company's management prior to being separately disclosed. The Company seeks to be balanced when reporting restructuring costs for both debits and credits, and any reversals of excess provisions previously created as restructuring costs are classified consistently as restructuring costs.

Restructuring costs may not be comparable to similarly-titled measures used by other companies.

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Employee benefits - retirement benefit cost**

The G4S plc group, which the Company is a member of, operates both defined contribution and defined benefit pension schemes.

Payments to the defined contribution schemes are charged as an expense as they fall due and represent contributions payable to the schemes for the year. Where the Company is a member of state managed or public sector schemes, payments are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefits scheme.

The Company makes no ongoing contribution to any of the defined benefit pension schemes, and there is no contractual agreement to charge any such contributions or deficit repayments to the Company. When contribution to defined benefit scheme is made, it is accounted for in line with defined contribution schemes as the defined benefit schemes are multi-employer schemes and it is not possible to accurately identify the Company's share of scheme's assets or liabilities.

##### **Other income**

Grants related to income are presented as part of profit or loss, either separately or under a general heading such as "Other income"; they are not deducted in reporting the related expense.

##### **Finance income and finance costs**

Finance income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount.

Finance costs are recognised as an expense in the income statement on the same basis.

##### **Foreign currencies**

These financial statements are presented in sterling, which is the Company's functional currency. Transactions in currencies other than the functional currency are translated at the rates of exchange prevailing on the date of the transactions. At each reporting date, monetary assets and liabilities which are denominated in other currencies are retranslated at the rates prevailing on that date. Non-monetary items measured at historical cost denominated in other currencies are not retranslated. Gains and losses arising on retranslation are included in the income statement.

##### **Income tax**

Tax is recognised in the income statement except to the extent that it relates to items recognised in equity, in which case it is recognised in equity or in other comprehensive income. The tax expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.



## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Income tax (continued)**

The carrying amount of potential deferred tax assets is re-assessed at each balance sheet date and recognised to the extent that it is probable that sufficient taxable profits will be available to allow those assets to be recovered.

Deferred tax is measured based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets on the basis of management judgement following consideration of the available relevant information.

##### **Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and any provision for impairment.

##### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than assets under construction, less any estimated residual value, over their estimated useful economic lives on a straight-line basis, as detailed below.

Where significant, the residual values and the useful economic lives of property, plant and equipment are re-assessed annually.

Assets held under leases are depreciated over the shorter of their expected useful economic lives and the terms of the relevant lease.

<b>Asset class</b>	<b>Depreciation rate</b>
Freehold property	50 years
Leasehold improvements	over the shorter of useful economic life and period of the lease
Equipment and vehicles	3 - 10 years
Right of use assets	over the period of the lease

##### **Intangible assets**

###### **Software**

Capitalised computer software is stated at cost, net of amortisation and any provision for impairment.

##### **Amortisation**

Amortisation is charged on intangible assets so as to write off the cost of assets, other than goodwill, less any estimated residual value, over their estimated useful economic lives on a straight-line basis, as detailed below.

Where significant, the residual values and the useful economic lives of intangible assets are re-assessed annually.

<b>Asset class</b>	<b>Amortisation rate</b>
Software	2 - 8 years

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Impairment of non-financial assets**

The carrying values of the Company's assets, with the exception of inventories, financial receivables and deferred tax assets, are reviewed on an ongoing basis for any indication of impairment and, if any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying value of an asset or its cash-generating unit exceeds its recoverable amount.

In respect of any asset other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine its recoverable amount. The amount of the reversal is limited such that the asset's carrying amount does not exceed that which would have been determined (after depreciation and amortisation) if no impairment loss had been recognised.

##### **Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost represents expenditure incurred in the ordinary course of business in bringing inventories to their present condition and location and includes appropriate overheads. Cost is calculated on a first-in, first out basis. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

##### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

##### *Trade and other receivables*

Trade and other receivables do not carry interest. They are initially recognised at fair value which represents the amount of consideration that is unconditional. They are subsequently carried at amortised cost using the effective interest method less loss allowances.

##### *Amounts owed by/to Group undertakings*

Amounts owed by/to Group undertakings (members of the G4S plc group) are recognised initially at fair value and are subsequently stated at amortised cost. Finance income and expense are recognised in the income statement on an accruals basis using the effective interest method.

##### *Accrued income*

Accrued income arises in relation to services provided that have not been invoiced at the year end.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

##### *Trade and other payables*

Trade and other payables do not carry interest. They are initially recognised at fair value and they are subsequently carried at amortised cost using the effective interest method.

##### *Deferred income*

Amounts received prior to the delivery of services are recorded as deferred income and released to the income statement as the services are provided.

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial instruments (continued)**

###### ***Bank overdrafts***

Bank overdrafts comprise cash balances in an overdrawn position. Interest expense on these balances is recognised in finance costs using effective-interest method. Bank overdrafts are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

###### **Impairment of financial assets**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, amounts owed by Group undertakings and other contract assets (being the unbilled work in progress). The expected loss rates are based on the payment profiles of sales over a period of at least 36 months before the end of the relevant reporting year and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that the Company considers would affect the ability of its customers to settle the receivables.

###### **Provisions**

Provisions are recognised when a present legal or constructive obligation exists for a future liability in respect of a past event and where the amount of the obligation can be estimated reliably. The amount recognised as a provision is the Company's best estimate of the likely outflows at the end of the reporting period.

The Company provides for anticipated costs where an outflow of resources is considered probable and a reasonable estimate can be made of the likely outcome. The ultimate liability may vary from the amounts provided and will be dependent upon the eventual outcome of any settlement. Management exercise judgement in measuring the Company's exposure through assessing the likelihood that a potential claim or liability will arise and in quantifying the possible range of financial outcomes.

Where the time value of money is material, provisions are stated at the present value of the expected expenditure using an appropriate discount rate.

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Leases**

From 1 January 2019, the Company adopted IFRS 16 "Leases" using the fully retrospective approach.

The Company applied the exemptions of paragraphs 22-49 of IFRS 16 "Leases" in respect of short-term leases and leases for which the underlying asset is of low value, as permitted by paragraph 5 of IFRS 16. Low-value leases have been defined by the Company as leases for an asset for which the present value of future lease payments is less than £2,500. Short-term leases have been defined as leases with a term of less than 1 year.

Additionally, the Company elected to apply practical expedients not to separate non-lease components from lease components (as permitted by paragraph 15 of IFRS 16) and not to apply IFRS 16 to contracts not previously identified as leases under IAS 7 or IFRIC 4 (as permitted by paragraph C3 of IFRS 16).

The Company recognises a right-of-use asset and a corresponding liability from the date when the leased asset is available for use. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Share-based payments**

The Company benefits from share-based payments issued by G4S plc, its ultimate parent, to certain employees. The Company does not have an obligation to settle the transaction with its employees, as this is the obligation of G4S plc. Therefore, the Company accounts for the share-based payments as equity settled, and recognises the corresponding increase in equity as a contribution from its parent.

The fair value of share-based payments is determined at the date of grant and expensed, with a corresponding increase in equity, on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest. These changes exclude those resulting from any market-related performance conditions.

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. These judgements, estimates and associated assumptions are based on historical experience, current and expected economic conditions, and in some cases, actuarial techniques as well as the various other factors that are believed to be reasonable under the circumstances.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ.

#### *Significant judgements*

Significant judgements are those made by management when applying its accounting policies that are considered to have the most significant impact on amounts recognised in the financial statements.

Those judgements that are considered to have the most significant impact on amounts recognised in the financial statements, apart from those involving estimations (which are disclosed separately below), are the following:

#### **Determination of lease term**

When the Company has the option to extend a lease or cancel it early, management uses judgement to determine whether or not an option would be reasonably certain to be exercised. In determining the lease term, management considers all facts and circumstances that create an economic incentive for the lessee to exercise or not exercise the option, including expected changes in facts and circumstances from the commencement date until the exercise date of that option. For further details, see note 19.

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **3 Critical accounting judgements and key sources of estimation uncertainty (continued)**

##### *Significant estimates and assumptions*

Significant estimates and associated assumptions are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates are made taking into account historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions, and, in some cases, actuarial techniques. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most significant estimates, assumptions and sources of uncertainty in preparing the Company's 2020 financial statements are set out below:

##### **Deferred tax assets**

Management judgement is required to determine the amount of deferred tax assets that can be recognised. Estimation is required to assess the likely timing and level of future taxable profits and assumptions are applied to determine the effect of future tax planning strategies. These judgements, estimates and assumptions may be affected by changes in legislation and in tax rates. For further details, see note 11.

##### **Determination of discount factor**

When the interest rate is not implicit in the lease, the Company uses the incremental borrowing rate to discount the lease liability to the present value. Management uses judgement to determine a rate which would be most similar to the rate of the lease. This involves assessing the appropriate type of security, borrowing term, amount of borrowing, payment profile as well as taking into account all relevant economic factors. For further details, see note 19.

##### **Unoccupied property provision**

Management judgement is required to determine the estimate of expected future net cash outflows relating to rent, rates, service charge and costs marketing the properties as well as the "make good" costs at the end of the lease. Additionally, management use judgement to assess the likelihood of sub-letting the property before the end of the lease. For further details, see note 20.

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 4 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020 £ 000	2019 £ 000
Rendering of services	<u>109,134</u>	<u>161,142</u>

Revenue arose from activities originating solely in the United Kingdom.

#### Assets and liabilities related to contracts with customers

	2020 £ 000	2019 £ 000
<b>Current assets</b>		
Trade receivables	19,169	23,324
Loss allowance	(1,300)	(830)
Accrued income	<u>1,085</u>	<u>2,069</u>
<b>Total contract assets</b>	<u>18,954</u>	<u>24,563</u>
<b>Current liabilities</b>		
Deferred income	<u>(2,455)</u>	<u>(4,028)</u>

During the year the Company recognised £16,000 of revenue that was held in deferred income as at 31 December 2019 (2019: £96,000 of revenue recognised was held in deferred income as at 31 December 2018), and £Nil (2019: £Nil) of revenue in relation to performance obligations satisfied in prior years.

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 5 Operating loss

Arrived at after charging/(crediting):

	2020	2019
	£ 000	£ 000
Depreciation expense	10,183	8,898
Depreciation on right of use assets - Vehicles	317	413
Depreciation on right of use assets - Property	2,778	2,501
Depreciation on right of use assets - Equipment	1,856	609
Amortisation expense	413	967
Loss/(profit) on disposal of property, plant and equipment	152	(470)
Cost of inventories recognised as an expense	1,045	1,935
Restructuring costs	24,579	13,991
Other income	<u>(16,211)</u>	<u>-</u>

#### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£ 000	£ 000
Wages and salaries	84,831	89,096
Social security costs	6,838	8,457
Pension costs, defined contribution scheme	2,783	3,171
Redundancy costs	20,823	56
Share-based payment expenses	<u>27</u>	<u>(33)</u>
	<u>115,302</u>	<u>100,747</u>

£20,770,000 of redundancy costs are reported within restructuring costs in note 5.

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

	2020	2019
	No.	No.
Operations	2,388	2,288
Administration and management	<u>371</u>	<u>398</u>
	<u>2,759</u>	<u>2,686</u>

There are 923 operations employees (2019: 1,301) who are legally employed by the Company, although they provide services solely to the fellow Group entity, G4S Cash Centres (UK) Limited. The Company makes a full recharge to G4S Cash Centres (UK) Limited. Consequently, the related staff numbers are disclosed in the financial statements of G4S Cash Centres (UK) Limited only.



## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **7 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Remuneration *	324	267
Pension costs, defined contribution scheme	36	17
	<u>360</u>	<u>284</u>

During the year, three directors (2019: two directors) accrued retirement benefits under defined contribution schemes and no directors (2019: no directors) accrued retirement benefits under defined benefit schemes. During the year, one director forfeited their right to the award (2019: one director exercised share options).

The remuneration of the highest paid director for the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Remuneration *	158	148
Pension costs, defined contribution scheme	18	17
	<u>176</u>	<u>165</u>

During the year the highest paid director did not exercise share options (2019: did not exercise share options).

\* Included within directors' remuneration are: base pay, benefits, annual bonus and cash pension allowance paid.

#### **8 Auditors' remuneration**

Fees payable to the Company's auditors were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Audit of the financial statements	<u>139</u>	<u>126</u>

The Company did not incur any non-audit fees in the current or prior year.

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 9 Finance income

	2020 £ 000	2019 £ 000
Interest income on cash and cash equivalents	1	-
Interest receivable on amounts owed by Group undertakings	715	553
Foreign exchange gains	-	2
Other finance income	-	2
	<u>716</u>	<u>557</u>

#### 10 Finance costs

	2020 £ 000	2019 £ 000
Interest on bank overdrafts	-	1
Foreign exchange losses	7	-
Unwinding of discount	2,172	208
Interest expense on lease liabilities	1,762	1,791
Other finance costs	130	115
	<u>4,071</u>	<u>2,115</u>

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 11 Income tax credit

Tax credited in the income statement is as follows:

	2020 £ 000	2019 £ 000
<b>Current tax</b>		
UK corporation tax	(13,185)	(8,219)
UK corporation tax adjustment to prior periods	<u>(896)</u>	<u>2,874</u>
	(14,081)	(5,345)
Foreign tax	<u>-</u>	<u>170</u>
Total current income tax	<u>(14,081)</u>	<u>(5,175)</u>
<b>Deferred tax</b>		
Arising from origination and reversal of temporary differences	1,563	1,509
Arising from changes in tax rates and laws	-	(157)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>(1,684)</u>	<u>(2,227)</u>
Total deferred tax	<u>(121)</u>	<u>(875)</u>
Total income tax credit in the income statement	<u>(14,202)</u>	<u>(6,050)</u>

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 11 Income tax credit (continued)

The tax credit on loss for the year is lower than (2019: lower than) the standard effective rate of corporation tax in the UK of 19% (2019: 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Loss before income tax	<u>(39,638)</u>	<u>(8,814)</u>
Corporation tax at standard rate	(7,531)	(1,675)
(Decrease)/increase in current tax from adjustment for prior periods	(896)	2,874
Decrease from effect of income exempt from taxation	-	(52)
Increase from effect of expenses not deductible in determining tax loss	1,659	400
Increase from effect of exercise employee share options	10	18
Decrease from transfer pricing adjustments	(5,760)	(5,585)
Increase arising from overseas tax suffered	-	170
Deferred tax credit from unrecognised temporary difference from a prior period	(1,684)	(2,227)
Deferred tax credit relating to changes in tax rates or laws	-	(157)
Increase from effect of rollover relief on profit on disposal of fixed assets	<u>-</u>	<u>184</u>
Total income tax credit	<u>(14,202)</u>	<u>(6,050)</u>

The standard rate of corporation tax for the current year is the same as the standard rate of corporation tax for the prior year.

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 11 Income tax credit (continued)

##### Deferred tax

Deferred tax assets are as follows:

	Asset £ 000	Liability £ 000	Net deferred tax £ 000
<b>2020</b>			
Accelerated tax depreciation	10,024	-	10,024
Provisions	276	-	276
Tax losses carry-forwards	-	-	-
Share-based payment	-	(7)	(7)
IFRS 16	1,520	-	1,520
	<u>11,820</u>	<u>(7)</u>	<u>11,813</u>
<b>2019</b>			Asset £ 000
Accelerated tax depreciation			10,003
Provisions			255
Tax losses carry-forwards			-
Share-based payment			3
IFRS 16			1,430
			<u>11,691</u>

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 11 Income tax credit (continued)

Deferred tax movement during the year is as follows:

	At 1 January 2020 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2020 £ 000
Accelerated tax depreciation	10,003	21	-	10,024
Provisions	255	21	-	276
Tax losses carry-forwards	-	-	-	-
Share-based payment	3	(11)	1	(7)
IFRS 16	1,430	90	-	1,520
Net tax assets/(liabilities)	<u>11,691</u>	<u>121</u>	<u>1</u>	<u>11,813</u>

Deferred tax movement during the prior year was as follows:

	At 1 January 2019 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2019 £ 000
Accelerated tax depreciation	9,058	945	-	10,003
Provisions	236	19	-	255
Tax losses carry-forwards	-	-	-	-
Share-based payment	23	(19)	(1)	3
IFRS 16	1,500	(70)	-	1,430
Net tax assets/(liabilities)	<u>10,817</u>	<u>875</u>	<u>(1)</u>	<u>11,691</u>

Deferred tax assets and liabilities on temporary differences have been calculated using the UK corporation tax rate which will apply in the period during which they are expected to reverse.

Deferred tax assets and liabilities on temporary differences have been provided at 19%.

At 31 December 2020 the Company had unutilised tax losses of approximately £19,870,000 potentially available for offset against future profits (2019: £19,870,000). A deferred tax asset of £3,775,000 arising on these losses has derecognised in the current year (2019: £3,378,000) as sufficient taxable profits to offset against these losses have not been forecasted.

In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate will increase to 25%. As the proposal to increase the tax rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £3,646,000 and increase the deferred tax asset by £3,646,000.

**G4S Cash Solutions (UK) Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

**12 Property, plant and equipment**

	<b>Freehold property £ 000</b>	<b>Long-term leasehold improvements £ 000</b>	<b>Short-term leasehold improvements £ 000</b>	<b>Equipment and vehicles £ 000</b>	<b>Assets under construction £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>						
At 1 January 2020	44,751	9,637	26,135	95,380	5,169	181,072
Additions	39	14	2,020	3,906	-	5,979
Disposals	(14,782)	(743)	(850)	(13,653)	(4,453)	(34,481)
At 31 December 2020	<u>30,008</u>	<u>8,908</u>	<u>27,305</u>	<u>85,633</u>	<u>716</u>	<u>152,570</u>
<b>Accumulated depreciation</b>						
At 1 January 2020	5,394	3,793	15,479	72,292	-	96,958
Charge for the year	639	2,022	1,688	5,834	-	10,183
Eliminated on disposal	(1,453)	(224)	(659)	(12,310)	-	(14,646)
At 31 December 2020	<u>4,580</u>	<u>5,591</u>	<u>16,508</u>	<u>65,816</u>	<u>-</u>	<u>92,495</u>
<b>Carrying amount</b>						
At 31 December 2020	<u>25,428</u>	<u>3,317</u>	<u>10,797</u>	<u>19,817</u>	<u>716</u>	<u>60,075</u>
At 31 December 2019	<u>39,357</u>	<u>5,844</u>	<u>10,656</u>	<u>23,088</u>	<u>5,169</u>	<u>84,114</u>

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 13 Right of use assets

	Property *	Vehicles	Equipment	Total
	£ 000	£ 000	£ 000	£ 000
<b>Cost</b>				
At 1 January 2020	45,653	13,688	3,412	62,753
Additions	35	753	2,093	2,881
Disposals	(6,417)	(13,004)	(8)	(19,429)
Remeasurement	2,816	(25)	122	2,913
Transfers	-	20	-	20
At 31 December 2020	<u>42,087</u>	<u>1,432</u>	<u>5,619</u>	<u>49,138</u>
<b>Accumulated depreciation &amp; impairment</b>				
At 1 January 2020	30,197	13,376	841	44,414
Charge for the year	2,778	317	1,856	4,951
Eliminated on disposal	(5,457)	(12,689)	(7)	(18,153)
Remeasurement	429	(24)	60	465
Transfers	-	(3)	-	(3)
At 31 December 2020	<u>27,947</u>	<u>977</u>	<u>2,750</u>	<u>31,674</u>
<b>Carrying amount</b>				
At 31 December 2020	<u>14,140</u>	<u>455</u>	<u>2,869</u>	<u>17,464</u>
At 31 December 2019	<u>15,456</u>	<u>312</u>	<u>2,571</u>	<u>18,339</u>

\* As a result of error, certain disposals that should have been accounted for in 2019, have been accounted for in 2020. Consequently, brought forward amounts for Right of use assets (Property) have decreased from 46,969,000 to 45,653,000 for cost and from 31,513,000 to 30,197,000 for accumulated depreciation & impairment.



## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 14 Intangible assets

	Goodwill £ 000	Software £ 000	Total £ 000
<b>Cost</b>			
At 1 January 2020	590	15,425	16,015
Additions	-	800	800
Disposals	(590)	(2,251)	(2,841)
At 31 December 2020	-	13,974	13,974
<b>Accumulated amortisation</b>			
At 1 January 2020	590	14,537	15,127
Amortisation charge	-	413	413
Amortisation eliminated on disposals	(590)	(2,249)	(2,839)
At 31 December 2020	-	12,701	12,701
<b>Carrying amount</b>			
At 31 December 2020	-	1,273	1,273
At 31 December 2019	-	888	888

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 15 Investments

£ 000

##### Cost

At 1 January 2020

-

At 31 December 2020

-

##### Provision

At 1 January 2020

-

At 31 December 2020

-

##### Carrying amount

At 31 December 2020

-

At 31 December 2019

-

Details of the subsidiary undertakings and other significant undertakings as at 31 December 2020, where the Company's holding is 20% or greater, are as follows:

Subsidiary undertakings	Class of holding	Ownership	Registered address
G4S Bullion Solutions (UK) Ltd *	Ordinary	100.00%	2nd Floor Chancery House, St. Nicholas Way, Sutton, England, SM1 1JB

\* Direct investment

#### 16 Inventories

	2020	2019
	£ 000	£ 000
Raw materials and consumables	219	315
Other inventories	570	1,010
	<u>789</u>	<u>1,325</u>

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 17 Trade and other receivables

	2020 £ 000	2019 £ 000
Trade receivables	19,169	23,324
Loss allowance	(1,300)	(830)
Net trade receivables	17,869	22,494
Amounts owed by Group undertakings	40,309	45,761
Accrued income	1,085	2,069
Prepayments	1,509	1,246
Other receivables	242	800
	<u>61,014</u>	<u>72,370</u>

Included in amounts owed by Group undertakings are loans of £34,900,000 (2019: £37,740,000) which are unsecured and repayable on demand. Interest is charged on these loans at LIBOR +1.5% (2019: LIBOR + 1.5%). All other amounts owed by Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

#### 18 Trade and other payables

	2020 £ 000	2019 £ 000
Trade payables	5,730	9,260
Accrued expenses	3,460	3,557
Amounts owed to Group undertakings	34,524	41,597
Social security and other taxes	12,851	6,097
Deferred income	2,455	4,028
Other payables	6,706	9,172
	<u>65,726</u>	<u>73,711</u>

Included in amounts owed to Group undertakings are loans of £38,176,000 (2019: £37,814,000) which are unsecured, interest-free and repayable on demand. All other amounts owed to Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 19 Lease liabilities

Information about leases for which the Company is a lessee is presented below.

##### *(i) Amounts recognised in the Statement of Financial Position*

The Statement of Financial Position includes the following amounts relating to leases:

##### Carrying amount of right-of-use assets

	2020 £ 000	2019 £ 000
Property *	14,141	15,456
Vehicles	455	312
Equipment	2,869	2,571
	<u>17,465</u>	<u>18,339</u>

\* As a result of error, certain disposals that should have been accounted for in 2019, have been accounted for in 2020. Consequently, brought forward amounts for Right of use assets (Property) have decreased from 46,969,000 to 45,653,000 for cost and from 31,513,000 to 30,197,000 for accumulated depreciation & impairment.

Additions to right-of-use assets during the year totalled £2,881,000 (2019: £3,011,000).

##### Lease liabilities

	2020 £ 000	2019 £ 000
Current lease liabilities	4,059	3,564
Non-current lease liabilities	22,292	24,138
	<u>26,351</u>	<u>27,702</u>

##### *(ii) Amounts recognised in the Income Statement*

The Income Statement includes the following amounts relating to leases:

##### Depreciation charge on right-of-use assets

	2020 £ 000	2019 £ 000
Property	2,778	2,501
Vehicles	317	413
Equipment	1,856	609
	<u>4,951</u>	<u>3,523</u>

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 19 Lease liabilities (continued)

##### Other income and expenses related to leases

	2020	2019
	£ 000	£ 000
Income from subleasing right-of-use assets	-	1,169
Interest expense on lease liabilities	1,762	1,791
Expenses relating to short-term leases	(1,077)	612
Expenses relating to leases of low-value assets	-	-
Variable lease payments not included in lease liabilities	-	-
Gains arising from sale and leaseback transactions	-	49

##### *(iii) The Company's leasing activities*

###### *Nature of the Company's leasing activities*

The Company leases a number of its office properties, vehicles and operating equipment. Property leases are negotiated over an average term of around forty nine years, at rates reflective of market rentals. Periodic rent reviews take place to bring lease rentals into line with prevailing market conditions. Some, but not all, lease agreements have an option to renew the lease at the end of the lease term. Leased vehicles and other operating equipment are negotiated over an average lease term of four years and five years, respectively.

###### *Exposure to future cash outflows not reflected in lease liabilities*

- Extension and termination options are included in a number of property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.
- The Company does not provide residual value guarantees in relation to its leases.
- There are no significant lease commitments for leases not commenced at year-end.
- None of the Company's leases contain variable lease payments.

###### *Restrictions or covenants imposed by the leases*

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. For leases of office buildings, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

###### *Sale and leaseback transactions*

The Company derived income from the sublease of its property, Sutton Park House, to fellow Group undertakings.

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 20 Provisions

	Unoccupied properties £ 000	Restructuring £ 000	Dilapidations £ 000	Total £ 000
At 1 January 2020	5,732	389	2,608	8,729
Additional provisions in the year	-	32,920	-	32,920
Utilisation of provision	(452)	(16,874)	-	(17,326)
Unused amounts reversed	(1,106)	(10,394)	-	(11,500)
Increase due to unwinding of discount	1,364	-	803	2,167
Increase/(decrease) from transfers and other changes	4,778	(4,737)	(41)	-
At 31 December 2020	<u>10,316</u>	<u>1,304</u>	<u>3,370</u>	<u>14,990</u>
Non-current liabilities	<u>9,770</u>	<u>-</u>	<u>2,820</u>	<u>12,590</u>
Current liabilities	<u>546</u>	<u>1,304</u>	<u>550</u>	<u>2,400</u>

#### *Unoccupied properties*

This provision is to determine the likely settlement of an unoccupied lease on the basis on the value of future net cash outflows relating to rates, service charge and costs marketing the properties and "make good" costs at the end of the lease. Including an assessment on 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 and updated to reflect changes in market conditions. The opening balance of the provision has been restated on adoption of IFRS 16.

#### *Restructuring*

This provision is based on best estimate of anticipated expenses related to the Company's restructuring.

#### *Dilapidations*

This provision is based on the discounted value of future net cash outflows to restore all leased properties in accordance with the conditions of the lease. The discount will unwind over the life of the lease.

## G4S Cash Solutions (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 21 Share capital

##### Allotted, called up and fully paid shares

	2020 No. 000	2020 £ 000	2019 No. 000	2019 £ 000
Ordinary shares of £1 each	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>

#### 22 Retirement benefit obligations

The G4S plc group operates both defined contribution and defined benefit pension schemes. Employer contributions to these schemes are fixed at a set level or set percentage of employees' pay.

##### *Defined contribution pension scheme*

The pension charge recognised in the income statement for the defined contribution scheme represents the contributions payable for the year. This has been detailed in note 6.

##### *Defined benefit pension schemes*

The UK defined benefit scheme is comprised of three sections: the Group 4 section which is the pension scheme de-merged from the former Group 4 Falck A/S, the Securicor section, for which the G4S plc group assumed responsibility on 20 July 2004 with the acquisition of Securicor plc, and the GSL section, for which the G4S plc group assumed responsibility on 12 May 2008 with the acquisition of GSL.

The UK scheme is closed to future accrual apart from some sub-sections of the GSL section, and for most members defines the pension based on final salary. Certain sub-sections of the GSL section have historically remained open to provide a facility to accept former public-sector employees who join the G4S plc group through outsourcings. In the Group 4 and Securicor sections, members retain their link to final salary where appropriate on their benefits accrued up to closure in 2011.

The Company makes no ongoing contribution to any of the schemes and there is no contractual agreement or stated policy for charging any such contributions or deficit repayments to the Company. When contribution to a defined benefit scheme is made, it is accounted for in line with the defined contribution scheme as the defined benefit schemes are multi-employer schemes and it is not possible to accurately identify the Company's share of the schemes' assets or liabilities.

The defined benefit schemes are multi-employer schemes and it is not possible to accurately identify the Company's share of scheme's assets or liabilities. The defined benefit liability is recognised in the financial statements of G4S plc.

As there is no contractual agreement or stated policy for charging the net defined benefit cost of the defined benefit schemes to the Company, any pension charge recognised in the income statement represents the contributions payable for the year. The Company made no payments to the defined benefit schemes in the current year (2019: £Nil).

Further information on the defined benefit schemes and defined benefit liability has been disclosed in the consolidated financial statements of G4S plc.

## **G4S Cash Solutions (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **23 Share-based payments**

The shares are allocated under the share performance plan by G4S plc. The shares vest after three years, to the extent that certain non-market performance conditions are met. The vesting occurs on the third anniversary of the date when the shares were allocated conditionally.

The weighted average remaining contractual life of conditional share allocations outstanding at 31 December 2020 was 20 months (2019: 10 months). The weighted-average share price at the date of allocation of shares allocated conditionally during the year was 97p (2019: 195p) and the contractual life of all conditional allocations was 3 years (2019: 3 years). The weighted-average share price at the date of exercise for the shares exercised during the year was 96p (2019: 196p).

#### **24 Contingent liabilities**

The Company is included within a group composite banking arrangement with certain fellow subsidiary undertakings. The details of the guarantee are disclosed in the consolidated financial statements of G4S plc.

#### **25 Parent and ultimate parent undertaking**

The Company's immediate parent undertaking is G4S UK Holdings Limited.

In April 2021, the majority of the share capital of G4S plc was acquired by Atlas UK Bidco Limited and the Company became a subsidiary of the Allied Universal group. The ultimate controlling party is now Atlas Ontario LP. G4S plc is also the parent undertaking of both the smallest and largest groups which include the results of the Company and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements of G4S plc are available upon request from the Company Secretary, 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

#### **26 Non adjusting events after the financial period**

On 8 December 2020, the Allied Universal Topco LLC ("Allied Universal") and the G4S Board announced that they had reached an agreement on the terms of a recommended cash offer to be made by Atlas UK Bidco Limited ("Atlas Bidco"), a newly incorporated entity that is indirectly controlled by Allied Universal, to acquire the entire issued and to be issued ordinary share capital of G4S at a price of 245 pence per G4S share. On 6 April 2021, the majority of the share capital of the Group was acquired by Atlas Bidco and the Group became a subsidiary of Allied Universal. The ultimate controlling party is now Atlas Ontario LP.