

Registration number: 01541457

G4S Defence Systems International Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



G4S Defence Systems International Limited

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G4S Defence Systems International Limited

Company Information

Directors	P V David
	S Lundsberg-Nielsen
	T P Weller
Company secretary	W A Hayes
Registered office	5th floor
	Southside
	105 Victoria Street
	London
	SW1E 6QT
Auditors	PricewaterhouseCoopers LLP
	Central Square
	29 Wellington Street
	Leeds
	LS1 4DL

G4S Defence Systems International Limited

Strategic Report for the Year Ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

Fair review of the business

The principal activity of the company is that of a holding company.

The company has net asset US\$1,288,000 of which remain largely unchanged from the prior year (2014: US\$1,357,000). The company made a loss for the financial year of US\$69,000 (2014: US\$66,000).

The company did not trade during the year and will continue to act as a holding company in the future.

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

As an investment holding company the principal risks and uncertainties are in respect of the underlying operational performance and economic risks faced by its investments or other group companies which it holds amounts receivable from. A full explanation of these risks is contained in the consolidated financial statements of G4S plc, please see note 1 to the company's financial statements for details of where a copy of these accounts can be obtained.

Transition to FRS 101

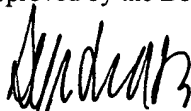
Between 2012 and 2015 the Financial Reporting Council revised financial reporting standards for the United Kingdom and Republic of Ireland. The revision fundamentally reformed financial reporting, replacing all previous accounting standards with Financial Reporting Standard ('FRS') 100 'Application of Financial Reporting Requirements' and other related standards, which are applicable from 1 January 2015.

Under FRS 100, the company has elected to apply FRS 101 'Reduced Disclosure Framework' in its annual financial statements for the year ended 31 December 2015. FRS 101 sets out a reduced disclosure framework which addresses the financial reporting requirements and disclosure exemptions for the individual financial statements of subsidiaries and ultimate parents that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards adopted by the European Union ('adopted IFRSs').

The date of transition from the previous accounting standards to FRS 101 was 1 January 2014. Comparable historical financial information has therefore been provided in accordance with FRS 101 as at 1 January 2014 and as at, and for the year ended, 31 December 2014. FRS 101 grants elections and certain exemptions from its full requirements when preparing the first financial statements that conform to FRS 101. An explanation of these and how the transition affected the previously reported financial position and financial performance of the company has been disclosed in note 14 to the financial statements.

The company has also early-adopted The Companies, Partnerships, and Groups (Accounts and Reports) Regulations 2015 ('SI 2015/980') from 1 January 2015. SI 2015/980 allowed, among other items, the format of the financial statements to be presented in accordance with adopted IFRSs instead of the Companies Act 2006.

Approved by the Board on ~~28/12/2015~~ and signed on its behalf by:


.....
S Lundsberg-Nielsen
Director

G4S Defence Systems International Limited

Directors' Report for the Year Ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Directors of the company

The directors who held office during the year were:

P V David

S Lundsberg-Nielsen

H Raja (resigned 1 October)

The following director was appointed after the year end:

T P Weller (appointed 24 October 2016)

Results and dividends

The results for the year are set out on page 9. The directors do not recommend the payment of a final dividend (2014: \$nil).

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

Environmental matters

The company's business is not one that has a significant direct impact on the environment. However, the company recognises the importance of its responsibilities to reduce environmental impact in such areas as energy usage, recycling, environmentally-friendly products and paper products, where it operates in accordance with the policies of G4S plc as detailed in the group'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.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

G4S Defence Systems International Limited

Directors' Report for the Year Ended 31 December 2015

Auditors

During the year KPMG Audit Plc resigned as the company's auditors. A resolution was passed by the company to appoint PricewaterhouseCoopers LLP as the company's auditors. Pursuant to the provisions of section 485 of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to be reappointed following the period set out in section 485 and in accordance with section 487 of the Companies Act 2006.

Approved by the Board on ~~25/12/2016~~ and signed on its behalf by:



.....
S Lundsberg-Nielsen
Director

G4S Defence Systems International Limited

Statement of Directors' Responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

G4S Defence Systems International Limited

Independent Auditors' Report

Report on the financial statements

Our opinion

In our opinion, G4S Defence Systems International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- Statement of Financial Position as at 31 December 2015;
- The Income Statement and Statement of Comprehensive Income for the year then ended;
- Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

G4S Defence Systems International Limited

Independent Auditors' Report

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

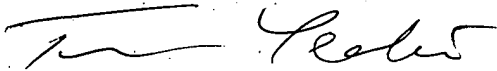
G4S Defence Systems International Limited

Independent Auditors' Report

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Tom Yeates (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors

Central Square
29 Wellington Street
Leeds
LS1 4DL

Date: 28/10/16

G4S Defence Systems International Limited

Income Statement for the Year Ended 31 December 2015

	Note	2015 US\$ 000	2014 US\$ 000
Operating profit/(loss)		-	-
Net finance expense	5	<u>(74)</u>	<u>(84)</u>
Loss before tax		(74)	(84)
Tax on loss	8	<u>5</u>	<u>18</u>
Loss for the year		<u><u>(69)</u></u>	<u><u>(66)</u></u>

The notes on pages 13 to 21 form an integral part of these financial statements.

G4S Defence Systems International Limited

Statement of Comprehensive Income for the Year Ended 31 December 2015

	2015 US\$ 000	2014 US\$ 000
Loss for the year	<u>(69)</u>	<u>(66)</u>
Total comprehensive loss for the year	<u><u>(69)</u></u>	<u><u>(66)</u></u>

The notes on pages 13 to 21 form an integral part of these financial statements.

G4S Defence Systems International Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital US\$ 000	Retained earnings US\$ 000	Total US\$ 000
At 1 January 2015	690	667	1,357
Comprehensive income:			
Loss for the year	-	(69)	(69)
Total comprehensive loss	-	(69)	(69)
At 31 December 2015	690	598	1,288
	Share capital US\$ 000	Retained earnings US\$ 000	Total US\$ 000
At 1 January 2014	690	733	1,423
Loss for the year	-	(66)	(66)
Total comprehensive loss	-	(66)	(66)
At 31 December 2014	690	667	1,357

The notes on pages 13 to 21 form an integral part of these financial statements.


G4S Defence Systems International Limited

(Registration number: 01541457)

Statement of Financial Position as at 31 December 2015

	Note	2015 US\$ 000	2014 US\$ 000
Non-current assets			
Investments	9	-	2
Current assets			
Trade and other receivables	10	1,273	1,345
Income tax asset	8	23	18
		<u>1,296</u>	<u>1,363</u>
Total assets		<u>1,296</u>	<u>1,365</u>
Current liabilities			
Trade and other payables	11	(8)	(8)
Total liabilities		<u>(8)</u>	<u>(8)</u>
Net assets		<u>1,288</u>	<u>1,357</u>
Equity			
Share capital	12	690	690
Retained earnings		<u>598</u>	<u>667</u>
Total equity		<u>1,288</u>	<u>1,357</u>

The financial statements on pages 8-20 were approved by the Board on 28/12/2015 and signed on its behalf by:



 S Lundsberg-Nielsen
 Director

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

G4S Defence Systems International Limited (the 'company') 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 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare and deliver consolidated financial statements as it is a wholly-owned subsidiary of a company established in the EU and it is included in the audited consolidated financial statements of its EU-established ultimate parent, G4S plc. The registered office of G4S plc is 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT. These financial statements therefore present information about the company as an individual entity only and not as a group.

The financial statements are presented in US dollars, which is the company's functional currency, and in thousands, unless otherwise stated.

2 Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard ('FRS') 101 'Reduced Disclosure Framework'.

3 Significant accounting policies

Basis of preparation

The financial statements have been prepared under the going concern basis and using the historical cost convention in accordance with Companies Act 2006 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice ('UK GAAP')). The principal accounting policies and measurement bases adopted are set out below and have been applied consistently to all the years presented, unless stated otherwise. Judgements made by the directors in the application of these accounting policies which have a significant effect on the financial statements, and estimates with a significant risk of material adjustment, have been disclosed in note 4.

The company has early-adopted certain amendments to FRS 100 'Application of Financial Reporting Requirements' and to FRS 101 issued in July 2015 by the Financial Reporting Council. These amendments related to changes made to the Companies Act 2006 to maintain consistency with company law and the early-adoption of The Companies, Partnerships, and Groups (Accounts and Reports) Regulations 2015 ('SI 2015/980'). SI 2015/980 allowed, among other items, the format of the financial statements to be presented in accordance with International Financial Reporting Standards adopted by the European Union ('adopted IFRSs') instead of the Companies Act 2006.

Transition to FRS 101

These financial statements were prepared by the directors in accordance with FRS 101 for the first time. FRS 101 grants elections and certain exemptions from its full requirements when preparing the first financial statements that conform to FRS 101. An explanation of these and how the transition affected the previously reported financial position and financial performance of the company has been disclosed in note 14 to the financial statements. Prior year errors identified during the transition to FRS 101 have also been disclosed in note 14. The date of transition from the previous accounting standards to FRS 101 was 1 January 2014. Comparable historical financial information has therefore been provided in accordance with FRS 101 as at 1 January 2014 and as at, and for the year ended, 31 December 2014.

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

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 at the registered address disclosed in note 1 above. The directors have notified the company's shareholders in writing about the use of these disclosure exemptions.

These disclosure exemptions relate to:

- the presentation of a third or opening statement of financial position at the date of transition to FRS 101 and related notes;
- requirements of IAS 7 'the statement of cash flows';
- the statement of compliance with adopted IFRSs;
- disclosures required by IFRS 13 'Fair Value Measurement';
- certain related party disclosures on key management compensation and transactions entered into between two or more wholly-owned members of a group; and;
- capital management disclosures;

Finance income and expense

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.

Income taxes

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Financial instruments

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

Amount owed to/by group undertakings

Amount owed to/by group undertakings are recognised initially at fair value and subsequently stated at amortised cost.

Trade receivables

Trade receivables do not carry interest and are stated initially at their fair value. The carrying amount of trade receivables is reduced through the use of a bad debt allowance account. The company provides for bad debts based upon an analysis of those that are past due, in accordance with local conditions and past default experience.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Trade payables

Trade payables are not interest-bearing and are stated initially at fair value.

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.

Amounts owed to/by group undertakings

Amounts owed to/by group undertakings are recognised initially at fair value and subsequently stated at amortised cost.

Foreign currencies

Functional and presentational currency

Transactions included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States Dollars ("US\$") which is the company's functional and presentation currency. At 31 December 2015 the closing exchange rate to sterling was £1/ \$1.4734 (31 December 2014: £1/\$1.5593 and the average exchange rate to sterling for the year ended 31 December 2015 was £1/\$1.5282 (31 December 2014: £1/\$1.6506).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange differences on loan relationships between subsidiary undertakings are charges/credited to the income statement.

4 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 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.

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

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.

5 Finance expense

	2015 US\$ 000	2014 US\$ 000
Foreign exchange losses	<u>74</u>	<u>84</u>

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

6 Staff costs

There were no employees employed directly by the company in the current and prior year.

The directors received no remuneration or accrued pension benefits in respect of their services to the company during both the current and prior year.

7 Auditors' remuneration

Auditors' remuneration for the year ended 31 December 2015 of US\$1,000 (2014: \$1,000) was borne another group company. The company did not incur any non-audit fees in the current and prior year.

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

8 Income tax

Tax charged/(credited) in the income statement

	2015 US\$ 000	2014 US\$ 000
Current taxation		
UK corporation tax	(11)	(18)
UK corporation tax adjustment to prior periods	<u>6</u>	<u>-</u>
	<u>(5)</u>	<u>(18)</u>

The tax rate applied on profit before tax is the standard effective rate of corporation tax in the UK of 20.25% (2014: 21.5%).

The standard effective rate of corporation tax in the UK reduced from 21.5% in 2014 to 20.25% for 2015 in accordance with legislation enacted by the UK Government during 2013.

The differences are reconciled below:

	2015 US\$ 000	2014 US\$ 000
Loss before tax	<u>(74)</u>	<u>(84)</u>
Corporation tax at standard rate	(15)	(18)
Increase in current tax relating to adjustments in respect of prior periods	6	-
Increase in current tax due to imputed interest receivable from fellow subsidiary	<u>4</u>	<u>-</u>
Total tax credit	<u>(5)</u>	<u>(18)</u>

The UK corporation tax rate reduced from 21% to 20% with effect from 1 April 2015. Further reductions in the UK corporation tax rate will apply from 1 April 2017 when the rate reduces to 19% and from 1 April 2020 when the rate reduces to 18%. All of these rate changes were enacted at the balance sheet date.

Deferred tax assets and liabilities on timing 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 timing differences expected to reverse in the period from 1 January 2016 to 31 March 2017 have been provided at 20%. Deferred tax assets and liabilities on timing differences expected to reverse in the period from 1 April 2017 to 31 March 2020 have been provided at 19%. Deferred tax assets and liabilities on timing differences expected to reverse on or after 1 April 2020 have been provided at 18%.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

9 Investments

Subsidiaries	US\$ 000
Cost	
At 1 January 2015	2
Disposals	(2)
At 31 December 2015	-
Carrying amount	
At 31 December 2015	-
At 31 December 2014	2

10 Trade and other receivables

	2015 US\$ 000	2014 US\$ 000
Amounts owed from group undertakings (members of the G4S plc group)	1,273	1,345

11 Trade and other payables

	2015 US\$ 000	2014 US\$ 000
Preference shares	8	8

The called up, issued and fully paid preference shares comprise of 50,000 (2014: 50,000) 5% cumulative redeemable preference shares, which equates to US\$8,000.

The preference shares are redeemable at one month's notice.

No liability is accrued as the company holding the preference shares have waived their right to a dividend in the current and preceding year.

12 Share capital

The called up, issued and fully paid share capital comprises 5,000 (2014: 5,000) 'A' ordinary shares of £1 each (2014: £1), which equates to US\$8,000, and 415,882 (2014: 415,882) 'B' ordinary shares of £1 each (2014: £1), which equates to US\$682,000, all of which have been allotted, called up and fully paid. This gives a total shares capital of US\$690,000 (2014: US\$690,000)

The issued 'B' ordinary shares rank pari passu in all respects with the issued 'A' ordinary shares.

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

13 Parent and ultimate parent undertaking

In the opinion of the directors, the company's ultimate parent company and ultimate controlling party is G4S plc, a company incorporated in the United Kingdom.

The parent undertaking of both the largest and smallest group, which included the company and for which group financial statements are prepared is G4S plc. G4S DSL Holdings Limited is the company's immediate controlling parent, a company incorporated in the United Kingdom.

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

14 Transition to FRS 101

As stated in the Significant accounting policies note, these are the company's first financial statements prepared in accordance with FRS 101. The transition date from the legacy UK GAAP to FRS 101 was 1 January 2014.

The policies disclosed in the Significant accounting policies note have been applied in preparing these financial statements for each of the years ended, and as at, 31 December 2015 and 31 December 2014, and in the preparation of an opening FRS 101 statement of financial position as at 1 January 2014.

In preparing its opening FRS 101 statement of financial position the company has adjusted amounts reported in its previous statutory annual report and financial statements. An explanation of how the transition to FRS 101 has affected the company's financial position and financial performance has been provided below.

Reconciliation of equity

A reconciliation of the company's equity reported in accordance with legacy UK GAAP to its equity in accordance with FRS 101 as at 1 January 2014 and as at 31 December 2014 has been presented below

Reconciliation of profit or loss

A reconciliation of the company's profit or loss reported in accordance with legacy UK GAAP to its profit or loss in accordance with FRS 101 for the year ended 31 December 2014 has not been presented as no adjustments were required on transition to FRS 101.

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Balance sheet at 1 January 2014

	As originally reported US\$ 000	Reclassification US\$ 000	As restated US\$ 000
Non-current assets			
Investments	2	-	2
Current assets			
Trade and other receivables	1,429	-	1,429
Current liabilities			
Trade and other payables	-	(8)	(8)
Preference shares	(8)	8	-
	<u>(8)</u>	<u>-</u>	<u>(8)</u>
Net current assets/(liabilities)	<u>1,421</u>	<u>-</u>	<u>1,421</u>
Net assets/(liabilities)	<u>1,423</u>	<u>-</u>	<u>1,423</u>
Equity			
Share capital	690	-	690
Retained earnings	<u>733</u>	<u>-</u>	<u>733</u>
Total equity	<u>1,423</u>	<u>-</u>	<u>1,423</u>

G4S Defence Systems International Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Balance sheet at 31 December 2014

	As originally reported US\$ 000	Reclassification US\$ 000	As restated US\$ 000
Non-current assets			
Investments	2	-	2
Current assets			
Trade and other receivables	1,345	-	1,345
Current income tax asset	18	-	18
	<u>1,363</u>	<u>-</u>	<u>1,363</u>
Current liabilities			
Trade and other payables	-	(8)	(8)
Preference shares	(8)	8	-
	<u>(8)</u>	<u>-</u>	<u>(8)</u>
Net current assets/(liabilities)	<u>1,355</u>	<u>-</u>	<u>1,355</u>
Net assets/(liabilities)	<u>1,357</u>	<u>-</u>	<u>1,357</u>
Equity			
Share capital	690	-	690
Retained earnings	667	-	667
Total equity	<u>1,357</u>	<u>-</u>	<u>1,357</u>