Registration number: 02626613

G4S Monitoring Technologies Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

G4S Monitoring Technologies Limited

Contents

G4S Monitoring Technologies Limited

Company Information

Directors	D Byrne E Sharoni
Company secretary	R Y Bartlett
Registered office	46 Gillingham Street London SW1V 1HU
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

G4S Monitoring Technologies Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their report for the year ended 31 December 2021.

Fair review of the business

Principal activities
The principal activities of G4S Monitoring Technologies Limited ("the Company") include that of the design, development, manufacture, sale and rental of electronic monitoring systems in the UK and the Rest of the World.

The Company has a full range of hardware and software and can offer complete multilingual solutions for offender management to governments worldwide, with electronic tagging and tracking equipment, and the necessary central control room and asset management systems for their criminal justice programmes.

Financial performance
The Company has net assets of £26,244,000 (2020: £22,662,000). This represents a year-on-year increase of £3,582,000 (15.8%).

The Company recorded sales of £20,214,000 (2020: £19,680,000). This represents a year-on-year increase of £534,000 (2.7%). In comparison, the Company recorded cost of sales of £14,331,000 (2020: £12,804,000). This represents a year-on-year increase of £1,527,000 (11.9%). Overall, the Company recorded gross profit of £5,883,000 (2020: £6,876,000). This represents a year-on-year decrease of £993,000 (14.4%).

The Company made a profit for the financial year of £3,582,000 (2020: £5,128,000). This represents a year-on-year decrease of £1,546,000 (30.1%).

There has been a prior year restatement, for further details please see note 23.

The directors consider the result for the year to be satisfactory.

During the year, the G4S plc Group was acquired by Atlas UK Bidco Limited. Subsequently G4S plc re-registered as a private company limited by shares, changing its name to G4S Limited. G4S Limited is the parent of the G4S Limited Group ("the Group"). As a result of the acquisition, the Company is now a subsidiary of Atlas Ontario LP. Atlas Ontario LP is the ultimate parent of the Atlas Ontario LP Group ("the Enlarged Group"). Atlas Ontario LP is a limited partnership, formed on 24 November 2020 under the laws of the province of Ontario, Canada.

Future developments
The directors expect the general level of activity of the Company to remain consistent with the prior years and the Company's principal activity is not expected to change substantially.

On 1 August 2022 the Company acquired 100% of Attenti Electronic Monitoring Group Limited, a company registered in Israel, for a base purchase price of $240m.

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 using further 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 macroeconomic 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.

Principal risks and uncertainties (continued)

(1) *Major changes in market dynamics*

Such changes in dynamics could include new technologies, government legislation or customer consolidation and could, particularly if rapid or unpredictable, impact the Company's revenues and profitability.

Risk mitigation approach

So as to better understand and influence the market, the Company is committed to a policy of proactive engagement across its geographic range, with customers, industry associations, government regulators and employee representatives. We continue to invest in and develop our sales and business development systems. We are placing a renewed focus on customer satisfaction monitoring to improve measurement of our engagement with our clients and therefore making us more effective in driving stronger customer relationships.

(2) *Poor operational service delivery*

Should the Company fail to meet the operational requirements of its customers, including a major failure of service delivery, it could impact its reputation, contract retention and growth.

Risk mitigation approach

The Company, in conjunction with G4S Limited, performs 360° contract assurance reviews which focus on key aspects of contract management and performance.

Senior management perform monthly reviews of contracts where commercial and/or performance issues have been identified. Management also regularly review the top 25 contracts across the division in which the Company is included.

In 2021, group internal audit will continue to focus on major contracts in the UK business not covered by the 360° contract assurance reviews.

(3) *COVID - 19*

We have a large workforce, including many key workers delivering essential services, and therefore the risks of adverse health and safety, operational and financial impacts arising from the pandemic and the associated governmental responses in the markets where we operate could be significant.

The safety of our employees and those in our care is our first priority and is at the forefront of our response to the pandemic.

Given the essential nature of our services, our current ability to continue to deliver these and the latest discussions with our customers, we do not believe at this time that there is a significant financial risk to the Company as a result of the pandemic.

Risk mitigation approach

The Company has taken action across a wide range of fronts in mitigation of the risks presented by the pandemic. We have instituted protective measures for staff in the "frontline", which in some cases included wearing protective equipment and guidelines to follow in certain security situations.

The Company has rolled out agreed Business Continuity Plans to ensure we are actively managing the disruption presented by this pandemic. We provide essential services for our customers and the continuation of these services is a key priority. Contingency plans have been implemented in consultation with our customers on whose sites we operate and we are implementing a range of measures to mitigate operational and commercial risks as they emerge.

We are working closely with customers to understand their actions in response to the pandemic and are ensuring we understand, and engage, the help and support available from the government.

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 Board of directors.

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 thorough 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.

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 though local engagement programs, economic contributions as well as activity in the industry forums.

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

Community and environment

The Company plays an important role in society, providing decent employment opportunities and delivering essential services to help keep society safe and secure. The Group engages with various stakeholder groups and experts on Environmental, Social and Governance ('ESG') matters, including government, employee representatives, industry bodies, NGO's and ESG analysts. The Group undertakes a regular materiality assessment to determine its ESG priorities - (1) Employee health, safety and wellbeing, (2) Human rights, (3) Anti-bribery and corruption, (4) Culture, values and behaviour. The Group also recognises the growing importance of diversity and inclusion through our organisation and the impact of climate change.

The Group recognises that our business activities have a direct and indirect impact on the natural environment and are committed to proactively managing these in a responsible manner. The development of a sustainable business practice helps to increase the efficiency of operations and reduce the resource footprint. In 2021, G4S Group in the UK committed to achieving Net-Zero carbon emissions (as defined by the Net-Zero Standard) by 2050, at the latest. The plan sets the near-term targets of a 42% reduction in absolute Scope 1 and 2 emissions and a 25% absolute reduction in Scope 3 emissions, from a 2020 baseline. The targets have been submitted to the Science Based Targets Initiative (SBTi) for verification.

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 being Agile, Reliable, Innovative, with a Caring culture that puts Safety first, delivering through Teamwork and acting with Integrity.

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 subsidiary of Atlas Ontario LP and has no external shareholders. We maintain a continuous and open dialogue with our ultimate parent, Atlas Ontario LP, and ensure we stay aligned with the Enlarged Group's values and strategies.

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Approved by the Board on .... and signed on its behalf by:

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D Byrne
Director

G4S Monitoring Technologies Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

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:

D Byrne

O Keck (resigned 27 October 2022)

The following director was appointed after the year end:

E Sharoni (appointed 27 October 2022)

Results and dividends
The results for the year are set out on page 13. The directors do not recommend the payment of a dividend (2020: £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.

In 2019 a dividend of £5.8m was declared but not paid.

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.

Employee involvement
The Company is committed to inform and involve its staff in the business of the Company. Formal consultative committees exist to ensure that issues of mutual interest can be discussed and resolved. Company newsletters, employee magazines and other communications are used to keep staff informed of events within the Company.

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.

The Company considers its key other stakeholders to be its customers, its suppliers and the wider society in which it operates.

Through understanding our customers' needs we offer value-added, innovative, cost effective integrated security 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.

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 interests 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.

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.

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.

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.

Financial risk management
The Company operates under the financial risk management objectives and policies of its intermediate parent company, G4S Limited. G4S Limited's key objectives and policies include:

- Mitigating liquidity risk by ensuring there are sufficient undrawn committed facilities available to the G4S Limited 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.

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, 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:

Statement of directors' responsibilities in respect of the financial statements (continued)

- 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 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 also 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.

Disclosure of information to the auditors

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

- so far as the 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 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.

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Approved by the Board on .... and signed on its behalf by:

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D Byrne
Director

G4S Monitoring Technologies Limited

Independent Auditors' Report to the Members of G4S Monitoring Technologies Limited

Report on the audit of the financial statements

Opinion

In our opinion, G4S Monitoring Technologies Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2021; the Income Statement, and the 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

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.

G4S Monitoring Technologies Limited

Independent Auditors' Report to the Members of G4S Monitoring Technologies Limited (continued)

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 Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 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.

G4S Monitoring Technologies Limited

Independent Auditors' Report to the Members of G4S Monitoring Technologies Limited (continued)

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 tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 the posting of inappropriate journal entries to manipulate financial results and the potential for management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Review of Board minutes and discussions with management, internal audit and internal legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's control designed to prevent and detect fraudulent financial reporting;
- Challenging assumptions made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

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. This description forms part of our auditors' report.

G4S Monitoring Technologies Limited

Independent Auditors' Report to the Members of G4S Monitoring Technologies Limited (continued)

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.

S Miller
....
Stephen Miller (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

13 January 2023

G4S Monitoring Technologies Limited

Income Statement for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Revenue	4	20,214	19,680
Cost of sales		(14,331)	(12,804)
Gross profit		5,883	6,876
Administrative expenses		(1,917)	(1,959)
Other operating income	5	179	299
Loss on disposal of property, plant and equipment	6	(174)	-
Operating profit	6	3,971	5,216
Finance income	10	280	644
Finance costs	11	(242)	(106)
Profit before income tax		4,009	5,754
Income tax expense	12	(427)	(626)
Profit for the financial year		3,582	5,128

The above results were derived from continuing operations.

G4S Monitoring Technologies Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £ 000	2020 £ 000
Profit for the financial year	3,582	5,128
Total comprehensive income for the financial year	3,582	5,128

The notes on pages 17 to 38 form an integral part of these financial statements.

G4S Monitoring Technologies Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020 - previously stated	5,173	260	17,901	23,334
Prior period adjustment (note 23)	-	-	(5,800)	(5,800)
At 1 January 2020 (restated)	5,173	260	12,101	17,534
Comprehensive income:				
Profit for the financial year	-	-	5,128	5,128
Total comprehensive income for the financial year	-	-	5,128	5,128
At 31 December 2020 (restated)	5,173	260	17,229	22,662

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	5,173	260	17,229	22,662
Comprehensive income:				
Profit for the financial year	-	-	3,582	3,582
Total comprehensive income for the financial year	-	-	3,582	3,582
At 31 December 2021	5,173	260	20,811	26,244

G4S Monitoring Technologies Limited

(Registration number: 02626613)
Statement of Financial Position as at 31 December 2021

	Note	2021 £ 000	Restated 2020 £ 000
Non-current assets			
Property, plant and equipment	13	2,785	2,713
Intangible assets	14	1,699	4
Deferred tax assets	12	1,231	943
		5,715	3,660
Current assets			
Inventories	15	4,439	5,196
Trade and other receivables	16	23,124	24,254
Cash and cash equivalents		3,352	2,055
		30,915	31,505
Total assets		36,630	35,165
Current liabilities			
Trade and other payables	17	(9,861)	(10,247)
Bank overdrafts		-	(1,818)
Lease liabilities	18	(29)	(17)
Current tax liabilities		(476)	(389)
		(10,366)	(12,471)
Non-current liabilities			
Lease liabilities	18	(20)	(32)
Total liabilities		(10,386)	(12,503)
Net assets		26,244	22,662
Equity			
Share capital	19	5,173	5,173
Share premium		260	260
Retained earnings		20,811	17,229
Total shareholders' funds		26,244	22,662

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The financial statements on pages 13 to 38 were approved by the Board on .... and signed on its behalf by:

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D Byrne
Director

G4S Monitoring Technologies Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

G4S Monitoring Technologies 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: 46 Gillingham Street, London, SW1V 1HU.

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 Atlas Ontario LP. Copies of the consolidated financial statements of Atlas Ontario LP may be obtained from the G4S website (www.g4s.com).

These disclosure exemptions relate to:

- IAS 7 "Statement of cash flows";
- 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 (e) of IAS 16 "Property, Plant and Equipment" and paragraph 118 (e) of IAS 38 "Intangible Assets" (reconciliations between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, "Presentation of financial statements": 10(d) (statement of cash flows); 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements); 16 (statement of compliance with all IFRS); 38A (requirement for minimum of two primary statements, including cash flow statements); 38B-D (additional comparative information); 40A-D (requirements for a third statement of financial position); 111 (statement of cash flows information); and 134-136 (capital management disclosures);
- IFRS 7, "Financial Instruments: Disclosures";
- Paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);

G4S Monitoring Technologies Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (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, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 "Leases";
- Paragraphs 45 (b) and 46 to 52 of IFRS 2 "Share-based Payment" (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- Paragraph 17 of IAS 24 "Related Party Disclosures" (key management compensation); and
- The requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group.

New standards, amendments, IFRIC interpretations and new relevant disclosure requirements
There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that have a material impact on the Company's financial statements.

Revenue recognition
The Company's revenue arises from the design, development, manufacture, sale and rental of electronic monitoring systems in the UK, Europe and the Rest of the World.

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.

Revenue is recognised to reflect the period in which the service is provided. Revenue from the sale of goods is recognised when the amount of the revenue and associated costs can be measured reliably and the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Employee benefits - retirement benefit cost
The G4S Limited 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 a 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 the scheme's assets or liabilities.

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.

2 Accounting policies (continued)

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.

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.

2 Accounting policies (continued)

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 reassessed annually.

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

Asset class	Depreciation rate
Leasehold improvements	over the shorter of useful economic life and period of the lease
Assets held for rental	over the shorter of useful economic life and period of the lease
Right-of-use assets	over the period of the lease
Equipment	3 - 10 years

Intangible assets

Development expenditure
Development expenditure incurred in establishing new services and products of the Company. Such expenditure is recognised as an intangible asset only if the following can be demonstrated; that the expenditure creates an identifiable asset, its cost can be measured reliably, it is probable that it will generate future economic benefits, it is technically and commercially feasible and the Company has sufficient resources to complete development. In all other instances, the cost of such expenditure is taken directly to the income statement.

The directors review the capitalised development expenditure on an ongoing basis and, where appropriate, provide for any impairment in value. Research expenditure is written off in the year in which it is incurred.

Acquisition-related intangible assets
Intangible assets on acquisitions that are either separable or arising from contractual rights are recognised at fair value at the date of acquisition. Such acquisition-related intangible assets include trademarks, technology, customer contracts and customer relationships. The fair value of acquisition-related intangible assets is determined by reference to market prices of similar assets, where such information is available, or by the use of appropriate valuation techniques, including the royalty relief method and the excess earnings method.

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 reassessed annually.

Asset class	Amortisation rate
Software	2 - 8 years
Development expenditure	2 - 10 years

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 Enlarged 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.

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.

2 Accounting policies (continued)

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 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.

Leases

The Company leases a number of its office properties and vehicles. Rental contracts are typically made for fixed periods of around four to five years but may have extension options.

Contracts may contain both lease and non-lease components. The Company has elected to apply the practical expedients of IFRS 16 not to separate non-lease components from lease components (as permitted by paragraph 15 of IFRS 16) and instead accounts for `these as a single lease component.

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 payment 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.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

2 Accounting policies (continued)

Leases (continued)
To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company uses that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. 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.

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 premium
Share premium represents the excess of the issue price over the par value on share issues less transaction costs arising on issue.

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.

There are no significant accounting judgements in these financial statements. The estimates and assumptions which are of most significance in the preparation of the Company's financial statements are detailed 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.

Inventory provision
The Company designs, develops and manufactures electronic monitoring systems. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around the anticipated saleability of finished goods and future usage of raw materials. See note 15 for the net carrying amount of the inventory and associated provision.

Loss allowances against amounts owed by Group undertakings
The Company holds amounts owed by other G4S Limited group entities. The decision whether to recognise a loss allowance against such receivables requires judgement in respect of the underlying operational performance and economic risks faced by other Group companies.

If it is decided that the loss allowance should be computed, such computation involves estimation of the expected loss rate. 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 the counterparty to settle the receivables.

4 Revenue

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

	2021 £ 000	2020 £ 000
Sale of goods	14,538	15,675
Rendering of services	5,676	4,005
	20,214	19,680

Analysis of the Company's turnover by geographical area:

	2021 £ 000	2020 £ 000
- UK	9,930	8,960
- Rest of World	10,284	10,720
	20,214	19,680

In the opinion of the directors, further analysis of revenue by sale and rental of equipment would be seriously prejudicial to the business.

Assets and liabilities related to contracts with customers

	2021 £ 000	2020 £ 000
Current assets		
Trade receivables	1,970	2,255
Loss allowance	(4)	(16)
Accrued income	970	512
Total contract assets	2,936	2,751
Current liabilities		
Deferred income	-	(290)

During the year the Company recognised £284,000 of revenue that was held in deferred income as at 31 December 2020 (2020: £52,000 of revenue recognised was held in deferred income as at 31 December 2019), and £Nil (2020: £Nil) of revenue in relation to performance obligations satisfied in prior periods.

As at 31 December 2021, the Company recorded £Nil (2020: £Nil) of capitalised contract fulfilment costs on its statement of financial position. The Company did not incur any material contract acquisition costs during the current year (2020: none).

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Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

5 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2021 £ 000	2020 £ 000
Miscellaneous other operating income	179	299

6 Operating profit

Arrived at after charging/(crediting):

	2021 £ 000	2020 £ 000
Depreciation on property, plant and equipment	1,377	1,099
Depreciation on right of use assets - Property	46	52
Depreciation on right of use assets - Vehicles	11	13
Amortisation expense	3	2
Loss on disposal of property, plant and equipment	174	-
Cost of inventories recognised as an expense	6,825	6,061
Bad debt provision	(12)	(17)
Inventory impairment /(reversal) provision	50	(56)

7 Staff costs

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

	2021 £ 000	2020 £ 000
Wages and salaries	2,819	2,731
Social security costs	298	302
Pension costs, defined contribution scheme	229	214
Redundancy costs	-	5
	3,346	3,252

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

	2021 No.	2020 No.
Administration and management	74	69
	74	69

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £ 000	2020 £ 000
Remuneration *	216	335
Pension costs, defined contribution scheme	-	3
	216	338

During the year, no directors (2020: one director) accrued retirement benefits under defined contribution schemes and none (2020: none) accrued retirement benefits under defined benefit schemes. During the year, one director (2020: two directors) exercised share options.

The other one director (2020: one director) was remunerated by another Group company in respect of their services to the Company during the current or prior year. These were not recharged to the Company, consistent to prior years.

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

	2021 £ 000	2020 £ 000
Remuneration *	216	335
Pension costs, defined contribution scheme	-	3
	216	338

During the year the highest paid director exercised share options (2020: exercised share options).

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

9 Auditors' remuneration

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

	2021 £ 000	2020 £ 000
Audit of the financial statements	32	30

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

G4S Monitoring Technologies Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Finance income

	2021 £ 000	2020 £ 000
Interest receivable on amounts owed by Group undertakings	280	277
Foreign exchange gains	-	367
	280	644

11 Finance costs

	2021 £ 000	2020 £ 000
Interest on bank overdrafts	8	10
Foreign exchange losses	233	90
Interest expense on lease liabilities	1	3
Other finance costs	-	3
	242	106

12 Income tax expense

Tax expensed in the income statement is as follows:

	2021 £ 000	2020 £ 000
Current tax		
UK corporation tax	476	809
UK corporation tax adjustment to prior periods	239	(263)
Total current tax	715	546
Deferred tax		
Arising from origination and reversal of temporary differences	17	-
Arising from changes in tax rates and laws	(295)	(96)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(10)	176
Total deferred tax	(288)	80
Total income tax expense in the income statement	427	626

G4S Monitoring Technologies Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

12 Income tax expense (continued)

The tax charge on profit for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before income tax	4,009	5,754
Corporation tax at standard rate	762	1,093
Increase/(decrease) in current tax from adjustment for prior periods	239	(263)
Decrease from effect of income exempt from taxation	-	(26)
Increase from effect of expenses not deductible in determining taxable profit	1	9
Deferred tax (credit)/expense from unrecognised temporary difference from a prior period	(10)	176
Deferred tax credit relating to changes in tax rates or laws	(295)	(96)
Decrease from effect of patent box deduction	(270)	(267)
Total income tax expense	427	626

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

Deferred tax
Deferred tax assets are as follows:

2021	Asset £ 000
Accelerated tax depreciation	1,226
Provisions	5
Tax credits	-
	1,231

2020	Asset £ 000
Accelerated tax depreciation	909
Provisions	4
Tax credits	30
	943

12 Income tax expense (continued)

Deferred tax movement during the year is as follows:

	At 1 January 2021 £ 000	Recognised in income £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	909	317	1,226
Provisions	4	1	5
Tax credits	30	(30)	-
Net deferred tax assets	943	288	1,231

Deferred tax movement during the prior year was as follows:

	At 1 January 2020 £ 000	Recognised in income £ 000	At 31 December 2020 £ 000
Accelerated tax depreciation	1,003	(94)	909
Provisions	3	1	4
Tax credits	17	13	30
Net deferred tax assets	1,023	(80)	943

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.

In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate will increase to 25%. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Deferred tax assets and liabilities on temporary differences have been provided at 25% (2020: 19%).

The Company has a temporary difference on fixed assets of £4,904,000 at 31 December 2021 (£4,782,000 at 31 December 2020). The use of these in the future is very flexible in that the Company can choose whether to make a claim for them each year, and can then effectively shelter taxable profits in any other group company within the UK tax group with these tax deductions by surrendering losses as group relief, for which the Company receives payment. As a result the Company is recognising a full deferred tax asset of £1,226,000 on this at 31 December 2021 (£909,000 at 31 December 2020). This reflects the temporary difference being substantially recovered over the forthcoming 10 years against forecast profits of the UK tax group. While this is a longer recovery period than for tax losses, this is felt appropriate given the flexible nature of the capital allowances regime.

13 Property, plant and equipment

	Leasehold improvements £ 000	Assets held for rental £ 000	Equipment £ 000	Right of use assets (Property) £ 000	Right of use assets (Vehicles) £ 000	Total £ 000
Cost						
At 1 January 2021	200	5,894	979	379	17	7,469
Additions	-	1,640	102	-	26	1,768
Write-offs	-	(1,822)	-	-	-	(1,822)
Disposals	(11)	(266)	-	(156)	-	(433)
At 31 December 2021	189	5,446	1,081	223	43	6,982
Accumulated depreciation						
At 1 January 2021	177	3,414	849	311	2	4,753
Charge for the year	6	1,320	51	46	11	1,434
Eliminated on write-offs	-	(1,822)	-	-	-	(1,822)
Eliminated on disposal	(8)	(4)	-	(156)	-	(168)
At 31 December 2021	175	2,908	900	201	13	4,197
Carrying amount						
At 31 December 2021	14	2,538	181	22	30	2,785
At 31 December 2020	23	2,477	130	68	15	2,713

G4S Monitoring Technologies Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

13 Property, plant and equipment (continued)

During the year, a review of assets held for rental was undertaken. Assets with a cost of £1,822,000 and accumulated depreciation of £1,822,000 were identified as having £Nil net book value and were written off; as they did not exist or were not in good working condition.

Depreciation expenses of £1,475,000 are included within cost of sales (2020: £1,164,000).

14 Intangible assets

	Assets under construction £ 000	Software £ 000	Development expenditure £ 000	Total £ 000
Cost				
At 1 January 2021	-	14	570	584
Additions	1,692	-	6	1,698
At 31 December 2021	1,692	14	576	2,282
Accumulated amortisation				
At 1 January 2021	-	10	570	580
Amortisation charge	-	2	1	3
At 31 December 2021	-	12	571	583
Carrying amount				
At 31 December 2021	1,692	2	5	1,699
At 31 December 2020	-	4	-	4

Amortisation expenses of £3,000 are included within cost of sales (2020: £2,000).

Assets under construction relates to new product development costs.

15 Inventories

	2021 £ 000	2020 £ 000
Raw materials and consumables	3,550	4,365
Work in progress	80	80
Other inventories *	809	751
	4,439	5,196

Provision for impairment of inventories totalled £281,000 (2020: £231,000).

* Included in other inventories is £707,000 (2020: £539,000) of inventory which is held by a third party on behalf of the Company.

G4S Monitoring Technologies Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

16 Trade and other receivables

	2021 £ 000	2020 £ 000
Trade receivables	1,970	2,255
Loss allowance	(4)	(16)
Net trade receivables	1,966	2,239
Amounts owed by Group undertakings	19,884	20,895
Accrued income	970	512
Prepayments	53	309
Other receivables	251	299
	23,124	24,254

Included in amounts owed by Group undertakings are loans of £19,416,000 (2020: £19,283,000) which are unsecured and repayable on demand. Interest is charged on these loans at LIBOR + 1.5% (2020: LIBOR + 1.5%). All other amounts owed by Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

17 Trade and other payables

	2021 £ 000	Restated * 2020 £ 000
Trade payables	2,047	947
Accrued expenses	1,002	720
Amounts owed to Group undertakings	6,396	7,479
Social security and other taxes	372	757
Deferred income	-	290
Dilapidation provisions	44	54
	9,861	10,247

* See note 23 for details of prior period restatement.

Amounts owed to Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

18 Leases

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

	2021 £ 000	2020 £ 000
Property	22	68
Vehicles	31	15
	53	83

Carrying amount of right-of-use assets is included within property, plant and equipment (see note 13).

Additions to right-of-use assets during the year totalled £26,000 (2020: £17,000).

Lease liabilities

	2021 £ 000	2020 £ 000
Current lease liabilities	29	17
Non-current lease liabilities	20	32
	49	49

(ii) Amounts recognised in the Income Statement

The Income Statement includes the following amounts relating to leases:

Depreciation charge on right-of-use assets

	2021 £ 000	2020 £ 000
Property	46	52
Vehicles	10	13
	56	65

18 Leases (continued)

(ii) Amounts recognised in the Income Statement (continued)

Other income and expenses related to leases

	2021 £ 000	2020 £ 000
Income from leasing	5,676	4,005
Interest expense on lease liabilities	1	3
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets	-	-
Variable lease payments not included in lease liabilities	-	-
Gains/(losses) arising from sale and leaseback transactions	-	-

(iii) The Company's leasing activities

Nature of the Company's leasing activities as a lessee
The Company leases a number of its office properties and vehicles. Property leases are negotiated over an average term of around five 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.

Nature of the Company's leasing activities as a lessor
The Company leases out tracking equipment, such as ankle tags and receivers which detect offender location.

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
There have been no sale and leaseback transactions in the current year.

18 Leases (continued)

(iv) Maturity of payments received as a lessor

The following table presents the maturity analysis of Company's payments received as a lessor:

	2021 £ 000	2020 £ 000
Within 1 year	7,225	5,357
2 - 5 years	5,166	5,010
Over 5 years	-	-

Current year projection of payments received as a lessor is an estimate based on actual results in the first five months of 2022, as well as forecasts. Actual rental income could be either higher or lower than the estimate, depending on the volume of uptake.

19 Share capital

Allotted, called up and fully paid shares

	2021 No. 000	2021 £ 000	2020 No. 000	2020 £ 000
Ordinary shares of £0.10 each	51,727	5,173	51,727	5,173

20 Retirement benefit obligations

The G4S Limited 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 7.

Defined benefit pension schemes

The defined benefit scheme is comprised of three sections: GSL, Group 4 and Securicor. 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 Limited 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.

As there is no contractual agreement or stated policy for charging the net defined benefit cost of the defined benefit schemes to the Company, the pension charge recognised in the income statement represents the contributions payable for the year.

Further information on the defined benefit schemes has been disclosed in the financial statements of G4S Limited.

21 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is G4S Care and Justice Services (UK) Limited.

The Company's ultimate parent undertaking and ultimate controlling party is Atlas Ontario LP, a limited partnership formed under the laws of the Province of Ontario, Canada. The registered office of Atlas Ontario LP is 1551 N Tustin Ave # 650, Santa Ana, California 92705, USA. Atlas Ontario LP 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 Atlas Ontario LP are available from the G4S website (www.g4s.com).

22 Non adjusting events after the financial year

G4S Monitoring Technologies Limited acquired 100% of Attenti Electronic Monitoring Group Limited, a company registered in Israel, to increase its global presence. The purchase was completed on 1 August 2022 with a base purchase price of $240m.

23 Prior year restatement

During the year, management identified that a dividend declared by the Company to its immediate parent undertaking, G4S Care and Justice Services (UK) Limited, on 25 July 2019 of £5,800,000 was not recorded in the financial statements for the year ended 31 December 2019 or the year ended 31 December 2020. As a result, the prior year figures have been restated to reflect the payment of a dividend of £5,800,000 during 2019 and the recognition of a corresponding dividend payable within Amounts owed to Group undertakings. The dividend had not been paid as at 31 December 2021. This does not impact the profit or loss of the Company.

	As reported	**Correction**	**Restated**
	31 December 2020		**31 December 2020**
Statement of Financial Position (extract)	**£ 000**	**£ 000**	**£ 000**
Trade and other payables	(4,447)	(5,800)	(10,247)
Retained earnings	(23,029)	5,800	(17,229)

	As reported	**Correction**	**Restated**
	1 January 2020		**1 January 2020**
Statement of Financial Position (extract)	**£ 000**	**£ 000**	**£ 000**
Trade and other payables	(4,156)	(5,800)	(9,956)
Retained earnings	(17,901)	5,800	(12,101)

23 Prior year restatement (continued)

	As reported 31 December 2019	Correction	Restated 31 December 2019
Statement of Financial Position (extract)	**£ 000**	**£ 000**	**£ 000**
Trade and other payables	(4,156)	(5,800)	(9,956)
Retained earnings	(17,901)	5,800	(12,101)