

Registration number: 00354883

G4S Cash Solutions (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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G4S Cash Solutions (UK) Limited

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G4S Cash Solutions (UK) Limited

Company Information

Directors J W V Apthorpe
J L France

Company secretary R Y Bartlett

Registered office 2nd Floor, Chancery House
St. Nicholas Way
Sutton
Surrey
SM1 1JB

Independent auditors PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

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

Financial performance

The Company has net assets of £66,340,000 (2020: £65,865,000). This represents a year-on-year increase of £475,000 (0.7%).

The Company recorded sales of £96,132,000 (2020: £109,134,000). This represents a year-on-year decrease of £13,002,000 (11.9%). In comparison, the Company recorded cost of sales of £87,670,000 (2020: £108,889,000). This represents a year-on-year decrease of £21,219,000 (19.5%). Overall, the Company recorded gross profit of £8,462,000 (2020: £245,000). This represents a year-on-year increase of £8,217,000 (3353.9%).

The Company made a profit for the financial year of £357,000 (2020: loss of £25,436,000). This represents a year-on-year increase of £25,793,000 (101.4%) after accounting for restructuring and includes £6,021,000 (2020: £16,211,000) income from the government's job retention scheme.

The impact of Covid-19 pandemic continued to impact the business in 2021 with a lockdown in Q1 2021 and gradual return of volumes through the year. With the continued assistance of the government job retention scheme we were able to protect jobs for many of our key workers and to provide our customers with flexibility in line with the changes in government guidelines. Despite the difficult trading conditions we have achieved a positive EBITDA of £679,000 excluding restructure costs and have maintained a positive net asset position.

In order to right size our network for post Covid-19, we took the decision to close 2 operational sites during the year ensuring that we are able to continue to provide our customers with a competitive model to enable cash to continue to be a widely available payment choice.

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

Following the end of COVID restrictions across the UK, the business has continued to experience a gradual increase in the return of cash volumes and the number of businesses that are now accepting cash as a payment method. Multiple economic and social demographic issues, such as stability of employment, age, habit and mobility, will all play a part in the 'new normal' state and we welcome the introduction of the proposed new laws announced on the 10th May 2022 to ensure the continued availability of withdrawal and deposit facilities across the UK, and that the country's cash infrastructure is sustainable for the long term.

G4S Cash Solutions (UK) Limited continues to build diversity to support its total business model with the continued development of G4S Pay, which provides access to merchant services and builds our customer conversations beyond focusing solely on Cash, to a fully consultative discussion around all payment types. These conversations not only open the door to new opportunities regarding merchant services, they also give us insight to influence customer retention where they may otherwise consider reducing or even stopping accepting cash completely. The G4S Pay approach is not just about merchant services, it is also creating new opportunities around our broader capability for new and existing cash solutions, including our Cash360 Cash Technology offerings. Supporting all market sectors with solutions tailored to supporting total payment needs.

G4S Cash Solutions (UK) Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Fair review of the business (continued)

Future developments (continued)

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

Key performance indicators

The directors utilise a wide range of operational performance measures to monitor the Company's business activities. However, the operational performance measures are all specific to a particular activity or contract. The Company's directors do not believe that presenting consolidated operational key performance indicators would be necessary or appropriate for an understanding of the development, performance or position of the business as a whole.

Principal risks and uncertainties

All businesses are subject to risk. Many individual risks are macro-economic or social in nature and thus they are common to many businesses. Below, the risks considered key to the Company have been listed. The key risks are those which would materially damage the Company's strategy, reputation, business, profitability or assets. This list is in no particular order and it is not an exhaustive list of all potential risks. Some risks may be unknown at present and it may transpire that risks currently considered immaterial become material in the future.

(1) Major changes in market dynamics

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

Risk mitigation approach

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

(2) Financial institution in-sourcing

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

Risk mitigation approach

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

G4S Cash Solutions (UK) Limited.

Strategic Report for the Year Ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

(3) Cash losses

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

Risk mitigation approach

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

(4) Deterioration in labour relations

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

Risk mitigation approach

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

G4S Cash Solutions (UK) Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

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

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

The following paragraphs summarise how directors fulfil their duties:

Long-term view

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

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

Our employees

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

Business relationships

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

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

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

G4S Cash Solutions (UK) Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

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.

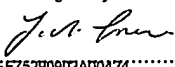
We build and maintain our reputation in our day-to-day activities, engaging proactively with our customers, suppliers, employees and other stakeholders, anticipating potential issues and proceeding to a timely resolution. We deliver on our promises and we lead by example.

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.

28-Sep-22 | 06:03 PDT

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

DocuSigned by:

.....F752909072A004Z4.....
J L France
Director

G4S Cash Solutions (UK) 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:

J W V Apthorpe

J L France

Results and dividends

The results for the year are set out on page 19. No dividends were paid or declared by the Company in the financial year (2020: £Nil) and no dividends have been declared prior to the approval of these financial statements.

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

Employment of disabled persons

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

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

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

G4S Cash Solutions (UK) Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Employee engagement

The Board's engagement with the Company's employees is facilitated through a variety of initiatives and channels.

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

- The 2021 employee engagement survey was completed, with results of the survey being reviewed and discussed by the Board, and action plans developed.
- Formal consultative committees and focus groups have been used to ensure that issues of mutual interest can be discussed and resolved.
- Onboarding, induction and refresher training have continued to be a priority. The Company offers all employees the opportunity to increase their skills and knowledge at work. Employees are encouraged to take responsibility for their own learning on an on-going basis using the extensive range of materials available, and using technology platforms to share training and learning paths more effectively.
- Company newsletters, employees magazines and other communications have been used on a regular basis to keep staff informed of events and performance within the Company.
- Specific campaigns on health and safety, our values and Speak Out whistleblowing arrangements have been conducted, linking to the Company's and wider Group's Corporate Social Responsibility focus.
- Values recognition schemes, aligned with the Company's values, have been utilised to encourage the involvement of employees in the Company's performance and to ensure that the Company's values are promoted in everything we do.

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 cash handling solutions and we build enduring relationships. This understanding comes from strong engagement with customers. Key areas of interest for customers include quality and price of service delivery, expertise in innovation, health and safety and business ethics.

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.

G4S Cash Solutions (UK) Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Other stakeholder engagement (continued)

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.

Environmental matters

The Company continues to focus on ways to improve its environmental impact baselining our property network to set goals for reduction in energy usage, working with our waste contractors to maintain a very high majority of waste not going to landfill - on average 73.76% of plastic goes to Energy Recovery and 26.24% is achieved through recycling.

We have already introduced two electric vehicles as part of our Fleet, and have established a 2, 5 and 10 year plan to strive to achieve zero emissions by 2030. The Company recognises the importance of its responsibilities to reduce environmental impact in energy usage, recycling or environmentally-friendly products.

Greenhouse gas emissions

G4S recognises that the threat from climate change to the natural environment and social infrastructure is an important and ongoing concern for our organisation, our customers, our employees and communities. COP26 further underlined the need for business to act on climate change.

G4S Cash Solutions (UK) Ltd is a privately-owned company incorporated in the UK, registered in England (Company number 2380900). The Company's registered address is 2nd Floor, Chancery House, St Nicholas Way, Sutton, Surrey, SM1 1JB.

The key activities of the Company are the provision of cash and valuables transportation services, retail cash management solutions, outsourced cash management solutions, cash consulting services and management of automatic teller machines. The key material environmental impact arises from fleet activities. There are additional impacts from building occupation.

We have used the financial control approach to identify the GHG emissions for which we have responsibility. The operational boundaries are the geographical delivery within the United Kingdom.

G4S follows the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) GHG Protocols to measure our scope 1 and 2 emissions for business over which the company has financial control. In addition G4S has measured Scope 3 emissions from Air Travel. Radiative Forcing has not been included in air travel calculations.

Emission factors are taken from UK Government GHG Conversion Factors for Company Reporting for relevant year.

G4S Cash Solutions (UK) Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Greenhouse gas emissions (continued)

2021 Emissions

Emission type	Scope	Consumption	Emission (tCO ₂ e)
Natural Gas for buildings	1	3,856,662.92 kWh	706.39
Diesel used in building based generators	1	None	None
Burning Oil for heating buildings	1	1,452 litres	4.01
LPG for Buildings	1	None	None
Vehicle Fuel (Diesel) in Operational Vehicles	1	3,578,987.77 litres	8,991.60
Vehicle Fuel (Petrol) in Operational Vehicles	1	14,807.57 litres	32.48
Vehicles Fuel (Diesel) in Freight Vehicles	1	1,172,590 litres	2,945.93
Fugitive Emissions from Building Air-Conditioning	1	R407C 12.15kg; R410A 13.2kg	49.12
Fugitive Emissions from Vehicles	1	None	None
Electricity for Buildings	2	10,048,654.1 kWh	2,133.63
Electricity (Transmission and Distribution)	3	For above value	188.81
Air travel	3	63,033 miles	12.05
Scope 1 Total			<u>12,729.5</u>
Scope 2 Total			<u>2,133.63</u>
Scope 3 Total			<u>200.9</u>
Grand Total			<u><u>15,064</u></u>

The emissions from Company funded business travel in vehicles such as company cars and expensed travel have not been captured in 2021 as there was no requirement for this reporting at the start of 2021 as at that time the Company was a subsidiary of a listed public limited company. Protocols are being put in place to capture this data for 2022.

G4S Cash Solutions (UK) Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Greenhouse gas emissions (continued)

2020 Emissions

Emission type	Scope	Consumption	Emission (tCO ₂ e)
Natural Gas for buildings	1	2,652,613 kWh	487.74
Diesel used in building based generators	1	None	None
Burning Oil for heating buildings	1	1,658 litres	4.66
LPG for Buildings	1	None	None
Vehicle Fuel (Diesel) in Operational Vehicles	1	4,187,195.85 litres	10,660.73
Vehicle Fuel (Petrol) in Operational Vehicles	1	7,788.25 litres	16.89
Vehicles Fuel (Diesel) in Freight Vehicles	1	1,110,398 litres	2,827.11
Fugitive Emissions from Building Air-Conditioning	1	R410A 12kg; R407C 2.2kg	28.96
Fugitive Emissions from Vehicles	1	38.73kg HFC-134a; 12.91kg R1234yf	55.4
Electricity for Buildings	2	10,968,948.6 kWh	2,557.30
Electricity (Transmission and Distribution)	3	For above value	219.93
Air travel	3	117,984 miles	20.45
Scope 1 Total			<u>14,081.5</u>
Scope 2 Total			<u>2,557.3</u>
Scope 3 Total			<u>240.4</u>
Grand Total			<u><u>16,879</u></u>

Revenue 2020: £109,134,000

Revenue 2021: £96,132,000

Emissions intensity ratio

t/CO₂e per £m turnover

2021: 156.7

2020: 154.7

2021 had a specific carbon emission improvement from reduced air transport. This was mainly due to COVID air travel restrictions. For 2022 the objective is to remain with essential only air travel.

The G4S Cash Solutions (UK) Limited Property Team objectives for improving natural gas and electricity usage will be sourced through a recognised green energy supplier.

An electricity LED lighting improvement plan to upgrade all lighting in our operational locations commenced in 2022 and will be completed early 2023. The total carbon improvement and true reflective figures will be confirmed in 2023.

G4S Cash Solutions (UK) Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Greenhouse gas emissions (continued)

Air conditioning within the office environment is low and typically relates to key areas within IT server rooms or where operational equipment necessitates. The increase in IT outsourcing to data centres and a lower physical presence of servers in buildings will enable the business to conduct air conditioning monitoring throughout 2022/23 with the aim to identify carbon improvements.

Further improvement related to burning oil, emergency generator usage and efficiency of heating is currently being planned for 2023, in addition to a review of the use of solar panel technology.

42% of buildings currently have an energy efficiency rating score. The target for 2023 is 100% completion of energy efficiency rating scores for each building and to create target objectives for each individual building to improve energy performance and energy efficiency scores.

70% of operational buildings have automated meter readings and the Company aims to achieve 100% in 2023.

Operational fleet and freight have established a 1 year to 5 year continuous improvement plan to increase ULEZ compliance for the fleet and to increase the use and range of electric vehicles.

Fleet fuel efficiency monitoring (for example, running idle and trip efficiency planning) is monitored monthly with targeted sites for improvement and sharing of best practice. Further reviews for alternative fuel methods, for example Hydrogen efficiency and development for future vehicles, continues in parallel with the fleet supply chain.

We are committed to reduction in waste but in addition have zero waste in landfill. In addition to our recycling activities we want to reduce waste and in particular the level of single use plastic. Cash transportation requires high use of plastics and we continue to work with our customers and our supply chain to find alternative materials and to identify ways to create reusable plastics with pilots commencing in 2022.

Financial risk management

The Company operates under the financial risk management objectives and policies of its intermediate parent, 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 private company governance arrangements

On 6 April 2021, the G4S plc Group was acquired by Allied Universal. Prior to the takeover by Allied Universal, the Company's (then ultimate) parent, G4S plc, took steps to ensure adherence to the 2018 UK Corporate Governance Code. The governance framework was applied throughout the Group, overseen by the G4S plc board.

Following the takeover by Allied Universal, G4S plc re-registered as a private company limited by shares, changing its name to G4S Limited on 21 June 2021. The Group has remained committed to achieving high standards of governance.

G4S Cash Solutions (UK) Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Statement of private company governance arrangements (continued)

Since the takeover, the Company, although not applying a corporate governance code, operated under the corporate governance requirements applied across the Group's UK & Ireland Region and in a manner consistent with the COSO Framework of Internal Control, including:

- A clear set of values
- Risk management - identification, management and mitigation of risks, under the oversight of the Regional Risk Committee
- Financial reporting and controls, under the oversight of the Regional Audit Committee
- Group strategy and policy on ethical matters, including the business ethics policy and whistleblowing arrangements, under the oversight of the Regional Ethics Committee;
- Tax and treasury policies
- Delegation of authority
- Contract approvals: where required under the Group's contract approval matrix, customer contracts are referred to regional or international management for approval
- Stakeholder relationships and engagement (see above).

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue to operate in the foreseeable future. The directors have considered the trading forecasts for the Company for a period of a year from the date of these financial statements and have received an undertaking from its ultimate parent company, Atlas Ontario LP, that it will continue to provide financial support as is required to meet its obligations as they fall due for at least one year from the date the financial statements are approved. In concluding that the financial statements should be prepared on a going concern basis the directors have considered the ability of Atlas Ontario LP to provide support should it be required.

Statement of directors' responsibilities in respect of the financial statements

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

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

G4S Cash Solutions (UK) Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Directors' confirmations

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

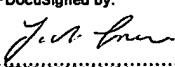
- So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's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

Independent auditors

During the year PricewaterhouseCoopers LLP resigned as the Company's auditors. A resolution was passed by the Company to appoint Deloitte LLP as the Company's auditors. Pursuant to the provisions of section 485 of the Companies Act 2006, Deloitte 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.

28-Sep-22 | 06:03 PDT

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

DocuSigned by:

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J L France
Director

G4S Cash Solutions (UK) Limited

Independent Auditors' Report to the Members of G4S Cash Solutions (UK) Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 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, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2021, the Income Statement, 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 Cash Solutions (UK) Limited

Independent Auditors' Report to the Members of G4S Cash Solutions (UK) 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 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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

G4S Cash Solutions (UK) Limited

Independent Auditors' Report to the Members of G4S Cash Solutions (UK) Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to but were not limited to compliance with payroll laws and regulations, tax laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We 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 (1) posting inappropriate journal entries to manipulate financial results; (2) management bias in accounting estimates and (3) inappropriately including or excluding transactions from the Company's underlying performance metrics. Audit procedures performed by the engagement team included:

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

G4S Cash Solutions (UK) Limited

**Independent Auditors' Report to the Members of G4S Cash Solutions (UK) Limited
(continued)**



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

Date:..... 29 September 2022

G4S Cash Solutions (UK) Limited

Income Statement for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Revenue	4	96,132	109,134
Cost of sales		<u>(87,670)</u>	<u>(108,889)</u>
Gross profit		8,462	245
Administrative expenses		(25,201)	(28,160)
Restructuring costs	5	(1,439)	(24,579)
Other operating income	5	<u>6,021</u>	<u>16,211</u>
Operating loss	5	(12,157)	(36,283)
Finance income	9	485	716
Finance costs	10	<u>(2,045)</u>	<u>(4,071)</u>
Loss before income tax		(13,717)	(39,638)
Income tax credit	11	<u>14,074</u>	<u>14,202</u>
Profit/(loss) for the financial year		<u><u>357</u></u>	<u><u>(25,436)</u></u>

The above results were derived from continuing operations.

G4S Cash Solutions (UK) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021	2020
	£ 000	£ 000
Profit/(loss) for the financial year	<u>357</u>	<u>(25,436)</u>
Total comprehensive income/(expense) for the financial year	<u><u>357</u></u>	<u><u>(25,436)</u></u>

The notes on pages 24 to 50 form an integral part of these financial statements.

G4S Cash Solutions (UK) Limited

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

	Share capital £ 000	Accumulated losses £ 000	Total £ 000
At 1 January 2020	116,000	(24,727)	91,273
Comprehensive expense:			
Loss for the financial year	-	(25,436)	(25,436)
Total comprehensive expense for the financial year	-	(25,436)	(25,436)
Transactions with owners:			
Share based payment transactions	-	27	27
Tax on items taken to equity	-	1	1
Total transactions with owners	-	28	28
At 31 December 2020	116,000	(50,135)	65,865
At 1 January 2021	116,000	(50,135)	65,865
Comprehensive income:			
Profit for the financial year	-	357	357
Total comprehensive income for the financial year	-	357	357
Transactions with owners:			
Share based payment transactions	-	119	119
Tax on items taken to equity	-	(1)	(1)
Total transactions with owners	-	118	118
At 31 December 2021	116,000	(49,660)	66,340

The notes on pages 24 to 50 form an integral part of these financial statements.

G4S Cash Solutions (UK) Limited**(Registration number: 00354883)****Statement of Financial Position as at 31 December 2021**

	Note	2021 £ 000	2020 £ 000
Non-current assets			
Property, plant and equipment	12	55,107	60,075
Right of use assets	13	15,861	17,464
Intangible assets	14	1,280	1,273
Investments	15	-	-
Deferred tax assets	11	17,589	11,813
		<u>89,837</u>	<u>90,625</u>
Current assets			
Inventories	16	888	789
Trade and other receivables	17	56,819	61,014
Current tax assets		15,866	19,814
Cash and cash equivalents		1,584	750
		<u>75,157</u>	<u>82,367</u>
Total assets		<u>164,994</u>	<u>172,992</u>
Current liabilities			
Trade and other payables	18	(61,743)	(65,726)
Bank overdrafts		(18)	(60)
Lease liabilities	19	(4,655)	(4,059)
Provisions	20	(1,710)	(2,400)
		<u>(68,126)</u>	<u>(72,245)</u>
Non-current liabilities			
Lease liabilities	19	(19,818)	(22,292)
Provisions	20	(10,710)	(12,590)
		<u>(30,528)</u>	<u>(34,882)</u>
Total liabilities		<u>(98,654)</u>	<u>(107,127)</u>
Net assets		<u>66,340</u>	<u>65,865</u>
Equity			
Share capital	21	116,000	116,000
Accumulated losses		(49,660)	(50,135)
Total shareholders' funds		<u>66,340</u>	<u>65,865</u>

The notes on pages 24 to 50 form an integral part of these financial statements.

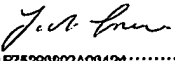
G4S Cash Solutions (UK) Limited

(Registration number: 00354883)

Statement of Financial Position as at 31 December 2021 (continued)

28-Sep-22 | 06:03 PDT

The financial statements on pages 19 to 50 were approved by the Board on and signed on its behalf by:

DocuSigned by:

P75290902A00424.....
J L France
Director

G4S Cash Solutions (UK) Limited

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

1 General information

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

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

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

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

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue to operate in the foreseeable future. The Directors have considered the trading forecasts for the company for a period of a year from the date of these accounts and have received an undertaking from its ultimate parent company, Atlas Ontario LP, that it will continue to provide financial support as is required to meet its obligations as they fall due for at least one year from the date the financial statements are approved. In concluding that the accounts should be prepared on a going concern basis the directors have considered the ability of Atlas Ontario LP to provide support should it be required.

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);

G4S Cash Solutions (UK) Limited

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

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

- The following paragraphs of IAS 1, "Presentation of financial statements": 10(d) (statement of cash flows); 16 (statement of compliance with all IFRS); 38A (requirement for minimum of two primary statements, including cash flow statements); 38B-D (additional comparative information); 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);
- 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 provision of outsourced cash management solutions, cash consulting services, management of Automatic Teller Machines, cash transportation services as well as retail cash management solutions (so-called CASH 360TM).

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

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

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

G4S Cash Solutions (UK) Limited

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

2 Accounting policies (continued)

Restructuring costs

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

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

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

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 defined benefit scheme is made, it is accounted for in line with defined contribution schemes as the defined benefit schemes are multi-employer schemes and it is not possible to accurately identify the Company's share of scheme's assets or liabilities.

Other income

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

Finance income and finance costs

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

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

Foreign currencies

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

G4S Cash Solutions (UK) Limited

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

2 Accounting policies (continued)

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.

Depreciation

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

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

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

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

Intangible assets

Software

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

G4S Cash Solutions (UK) Limited

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

2 Accounting policies (continued)

Amortisation

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

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

Asset class	Amortisation rate
Software	2 - 8 years

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.

G4S Cash Solutions (UK) Limited

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

2 Accounting policies (continued)

Financial instruments (continued)

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.

Impairment of financial assets

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

Provisions

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

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

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

G4S Cash Solutions (UK) Limited

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

2 Accounting policies (continued)

Leases

The Company leases a number of its office properties, vehicles and operating equipment. Rental contracts for property leases are typically made for an average term of forty nine years. Rental contracts for vehicles and operating equipment are typically made for an average term of four to five years. Lease terms 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.

G4S Cash Solutions (UK) Limited

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

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-based payments

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

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

G4S Cash Solutions (UK) Limited

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Significant judgements

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

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

Determination of lease term

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

Significant estimates and assumptions

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

The most significant estimates, assumptions and sources of uncertainty in preparing the Company's 2021 financial statements are set out below:

Deferred tax assets

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

G4S Cash Solutions (UK) Limited

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

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

Determination of discount factor

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

Unoccupied property provision

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

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance, which are uncertain by nature.

G4S Cash Solutions (UK) Limited

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

4 Revenue

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

	2021	2020
	£ 000	£ 000
Rendering of services	96,132	109,134

Revenue arose from activities originating solely in the United Kingdom.

Assets and liabilities related to contracts with customers

	2021	2020
	£ 000	£ 000
Current assets		
Trade receivables	18,391	19,169
Loss allowance	(1,369)	(1,300)
Accrued income	1,303	1,085
Total receivables	18,325	18,954
Current liabilities		
Deferred income	(629)	(2,455)

During the year the Company recognised £436,000 of revenue that was held in deferred income as at 31 December 2020 (2020: £16,000 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 years.

G4S Cash Solutions (UK) Limited

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

5 Operating loss

Arrived at after charging/(crediting):

	2021	2020
	£ 000	£ 000
Depreciation expense	7,082	10,183
Depreciation on right of use assets - Vehicles	257	317
Depreciation on right of use assets - Property	2,389	2,778
Depreciation on right of use assets - Equipment	1,139	1,856
Amortisation expense	411	413
Loss on disposal of property, plant and equipment	14	152
Cost of inventories recognised as an expense	894	1,045
Restructuring costs	1,439	24,579
Other income	<u>(6,021)</u>	<u>(16,211)</u>

6 Staff costs

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

	2021	2020
	£ 000	£ 000
Wages and salaries	63,969	84,831
Social security costs	5,995	6,838
Pension costs, defined contribution scheme	2,524	2,783
Redundancy costs	475	20,823
Share-based payment expenses	<u>119</u>	<u>27</u>
	<u>73,082</u>	<u>115,302</u>

£449,000 (2020: £20,770,000) of redundancy costs are reported within restructuring costs in note 5.

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

	2021	2020
	No.	No.
Operations	1,608	2,388
Administration and management	<u>297</u>	<u>371</u>
	<u>1,905</u>	<u>2,759</u>

There are 697 employees (2020: 923) who are legally employed by the Company, although they provide services solely to the fellow Group entity, G4S Cash Centres (UK) Limited. The Company makes a full recharge to G4S Cash Centres (UK) Limited. Consequently, the related staff numbers are disclosed in the financial statements of G4S Cash Centres (UK) Limited only.

G4S Cash Solutions (UK) Limited

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

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£ 000	£ 000
Remuneration *	334	324
Pension costs, defined contribution scheme	36	36
	370	360

During the year, two directors (2020: three directors) accrued retirement benefits under defined contribution schemes and no directors (2020: no directors) accrued retirement benefits under defined benefit schemes. During the year, no directors exercised share options (2020: one director forfeited their right to the award).

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

	2021	2020
	£ 000	£ 000
Remuneration *	178	158
Pension costs, defined contribution scheme	18	18
	196	176

During the year the highest paid director did not exercise share options (2020: did not exercise share options).

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

8 Auditors' remuneration

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

	2021	2020
	£ 000	£ 000
Audit of the financial statements	131	139

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

G4S Cash Solutions (UK) Limited

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

9 Finance income

	2021	2020
	£ 000	£ 000
Interest income on cash and cash equivalents	-	1
Interest receivable on amounts owed by Group undertakings	485	715
	485	716
	485	716

10 Finance costs

	2021	2020
	£ 000	£ 000
Foreign exchange losses	2	7
Unwinding of discount	394	2,172
Interest expense on lease liabilities	1,595	1,762
Other finance costs	54	130
	2,045	4,071
	2,045	4,071

11 Income tax credit

Tax credited in the income statement is as follows:

	2021	2020
	£ 000	£ 000
Current tax		
UK corporation tax	(12,226)	(13,185)
UK corporation tax adjustment to prior periods	3,929	(896)
Total current tax	(8,297)	(14,081)
Deferred tax		
Arising from origination and reversal of temporary differences	(583)	1,563
Arising from changes in tax rates and laws	(4,222)	-
Arising from unrecognised temporary difference from a prior period	(972)	(1,684)
Total deferred tax	(5,777)	(121)
Total income tax credit in the income statement	(14,074)	(14,202)

G4S Cash Solutions (UK) Limited

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

11 Income tax credit (continued)

The income tax credit on loss for the year is higher than (2020: higher than) the standard effective rate of corporation tax in the UK of 19% (2020: 19%).

The differences are reconciled below:

	2021	2020
	£ 000	£ 000
Loss before income tax	<u>(13,717)</u>	<u>(39,638)</u>
Corporation tax at standard rate	(2,606)	(7,531)
Increase/(decrease) in current tax from adjustment for prior periods	3,929	(896)
Decrease from effect of income exempt from taxation	(89)	-
Increase from effect of expenses not deductible in determining tax loss	480	1,659
Increase from effect of exercise employee share options	7	10
Decrease from transfer pricing adjustments	(10,601)	(5,760)
Deferred tax credit from unrecognised temporary difference from a prior period	(972)	(1,684)
Deferred tax credit relating to changes in tax rates or laws	<u>(4,222)</u>	<u>-</u>
Total income tax credit	<u>(14,074)</u>	<u>(14,202)</u>

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

Deferred tax

Deferred tax assets are as follows:

	Asset		
2021	£ 000		
Accelerated tax depreciation			15,233
Provisions			457
Share-based payment			-
IFRS 16			<u>1,899</u>
			<u>17,589</u>
	Asset	Liability	Net deferred
2020	£ 000	£ 000	tax
			£ 000
Accelerated tax depreciation	10,024	-	10,024
Provisions	276	-	276
Share-based payment	-	(7)	(7)
IFRS 16	<u>1,520</u>	<u>-</u>	<u>1,520</u>
	<u>11,820</u>	<u>(7)</u>	<u>11,813</u>

G4S Cash Solutions (UK) Limited

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

11 Income tax credit (continued)

Deferred tax movement during the year is as follows:

	At 1 January 2021 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	10,024	5,209	-	15,233
Provisions	276	181	-	457
Share-based payment IFRS 16	(7)	8	(1)	-
	<u>1,520</u>	<u>379</u>	<u>-</u>	<u>1,899</u>
Net tax assets/(liabilities)	<u>11,813</u>	<u>5,777</u>	<u>(1)</u>	<u>17,589</u>

Deferred tax movement during the prior year was as follows:

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

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

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.

On 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled. This was not substantively enacted at the balance sheet date and therefore the impact of this change is not reflected in the measurement of deferred tax. If the rate change had been substantively enacted prior to 31 December 2021, the impact would have been to reduce the deferred tax asset by £4,112,000 with a corresponding credit to the income statement.

Deferred tax assets and liabilities on temporary differences have been provided at 25%.

At 31 December 2021 the Company had unutilised tax losses of approximately £19,870,000 potentially available for offset against future profits (2020: £19,870,000). A deferred tax asset of £4,968,000 arising on these losses has not been recognised (2020: £3,775,000) as sufficient taxable profits to offset against these losses have not been forecasted.

G4S Cash Solutions (UK) Limited

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

11 Income tax credit (continued)

In addition, the Company has a temporary difference on fixed assets of £60,932,000 at 31 December 2021 (£52,758,000 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 £15,233,000 on this at 31 December 2021 (£10,024,000 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.

G4S Cash Solutions (UK) Limited

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

12 Property, plant and equipment

	Freehold property £ 000	Long-term leasehold improvements £ 000	Short-term leasehold improvements £ 000	Equipment and vehicles £ 000	Assets under construction £ 000	Total £ 000
Cost						
At 1 January 2021	30,008	8,908	27,305	85,633	716	152,570
Additions	35	3	537	1,334	385	2,294
Disposals	(39)	(1,214)	(434)	(7,802)	-	(9,489)
Transfers	-	-	-	10	-	10
At 31 December 2021	30,004	7,697	27,408	79,175	1,101	145,385
Accumulated depreciation						
At 1 January 2021	4,580	5,591	16,508	65,816	-	92,495
Charge for the year	492	134	1,590	4,866	-	7,082
Eliminated on disposal	(39)	(1,213)	(293)	(7,764)	-	(9,309)
Transfers	-	-	-	10	-	10
At 31 December 2021	5,033	4,512	17,805	62,928	-	90,278
Carrying amount						
At 31 December 2021	24,971	3,185	9,603	16,247	1,101	55,107
At 31 December 2020	25,428	3,317	10,797	19,817	716	60,075

G4S Cash Solutions (UK) Limited

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

12 Property, plant and equipment (continued)

Transfers relate to movements between Equipment and vehicles and Software (note 14).

13 Right of use assets

	Property £ 000	Vehicles £ 000	Equipment £ 000	Total £ 000
Cost				
At 1 January 2021	42,087	1,432	5,619	49,138
Additions	534	462	810	1,806
Disposals	-	(799)	(176)	(975)
Remeasurement	1,332	(71)	(24)	1,237
At 31 December 2021	<u>43,953</u>	<u>1,024</u>	<u>6,229</u>	<u>51,206</u>
Accumulated depreciation & impairment				
At 1 January 2021	27,947	977	2,750	31,674
Charge for the year	2,389	257	1,139	3,785
Impairment	769	-	-	769
Eliminated on disposal	-	(738)	(147)	(885)
Remeasurement	-	2	-	2
At 31 December 2021	<u>31,105</u>	<u>498</u>	<u>3,742</u>	<u>35,345</u>
Carrying amount				
At 31 December 2021	<u>12,848</u>	<u>526</u>	<u>2,487</u>	<u>15,861</u>
At 31 December 2020	<u>14,140</u>	<u>455</u>	<u>2,869</u>	<u>17,464</u>

G4S Cash Solutions (UK) Limited

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

14 Intangible assets

	Software £ 000
Cost	
At 1 January 2021	13,974
Additions	417
Disposals	(113)
Transfers	(10)
At 31 December 2021	14,268
Accumulated amortisation	
At 1 January 2021	12,701
Amortisation charge	411
Amortisation eliminated on disposals	(114)
Transfers	(10)
At 31 December 2021	12,988
Carrying amount	
At 31 December 2021	1,280
At 31 December 2020	1,273

Transfers relate to movements between Software and Equipment and vehicles (note 12).

G4S Cash Solutions (UK) Limited

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

15 Investments

	£ 000
Cost	
At 1 January 2021	-
At 31 December 2021	-
Provision	
At 1 January 2021	-
At 31 December 2021	-
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

Details of the subsidiary undertakings and other significant undertakings as at 31 December 2021, where the Company's holding is 20% or greater, are as follows:

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

* Direct investment

16 Inventories

	2021	2020
	£ 000	£ 000
Raw materials and consumables	238	219
Other inventories	650	570
	888	789

G4S Cash Solutions (UK) Limited

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

17 Trade and other receivables

	2021	2020
	£ 000	£ 000
Trade receivables	18,391	19,169
Loss allowance	<u>(1,369)</u>	<u>(1,300)</u>
Net trade receivables	17,022	17,869
Amounts owed by Group undertakings	36,931	40,309
Accrued income	1,303	1,085
Prepayments	1,351	1,509
Other receivables	<u>212</u>	<u>242</u>
	<u><u>56,819</u></u>	<u><u>61,014</u></u>

Included in amounts owed by Group undertakings are loans of £24,562,000 (2020: £34,923,000) 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.

18 Trade and other payables

	2021	2020
	£ 000	£ 000
Trade payables	7,100	5,730
Accrued expenses	2,602	3,460
Amounts owed to Group undertakings	39,093	34,524
Social security and other taxes	6,032	12,851
Deferred income	629	2,455
Other payables	<u>6,287</u>	<u>6,706</u>
	<u><u>61,743</u></u>	<u><u>65,726</u></u>

Included in amounts owed to Group undertakings are loans of £38,744,000 (2020: £38,176,000) which are unsecured, interest-free and repayable on demand. All other amounts owed to Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

G4S Cash Solutions (UK) Limited

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

19 Lease liabilities

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

(i) Amounts recognised in the Statement of Financial Position

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

Carrying amount of right-of-use assets

	2021 £ 000	2020 £ 000
Property	12,848	14,140
Vehicles	526	455
Equipment	2,487	2,869
	<u>15,861</u>	<u>17,464</u>

Additions to right-of-use assets during the year totalled £1,806,000 (2020: £2,881,000).

Lease liabilities

	2021 £ 000	2020 £ 000
Current lease liabilities	4,655	4,059
Non-current lease liabilities	19,818	22,292
	<u>24,473</u>	<u>26,351</u>

(ii) Amounts recognised in the Income Statement

The Income Statement includes the following amounts relating to leases:

Depreciation charge on right-of-use assets

	2021 £ 000	2020 £ 000
Property	2,389	2,778
Vehicles	257	317
Equipment	1,139	1,856
	<u>3,785</u>	<u>4,951</u>

G4S Cash Solutions (UK) Limited

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

19 Lease liabilities (continued)

Other income and expenses related to leases

	2021	2020
	£ 000	£ 000
Income from subleasing right-of-use assets	(2,477)	-
Interest expense on lease liabilities	1,595	1,762
Expenses relating to short-term leases	64	(1,077)
Expenses relating to leases of low-value assets	59	-
Variable lease payments not included in lease liabilities	-	-
Gains/(losses) arising from sale and leaseback transactions	-	-

The total cash outflow for leases was £5,495,000 (2020: £6,241,000).

(iii) The Company's leasing activities

Nature of the Company's leasing activities

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

Exposure to future cash outflows not reflected in lease liabilities

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

Restrictions or covenants imposed by the leases

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

Sale and leaseback transactions

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

G4S Cash Solutions (UK) Limited

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

20 Provisions

	Unoccupied properties £ 000	Restructuring £ 000	Dilapidations £ 000	Total £ 000
At 1 January 2021	10,316	1,304	3,370	14,990
Additional provisions in the year	780	1,439	-	2,219
Utilisation of provision	(898)	(2,352)	-	(3,250)
Increase due to unwinding of discount	175	-	105	280
Decrease due to change in discount rate	(790)	-	-	(790)
(Decrease)/increase from transfers and other changes	(1,205)	344	(168)	(1,029)
At 31 December 2021	<u>8,378</u>	<u>735</u>	<u>3,307</u>	<u>12,420</u>
Non-current liabilities	<u>7,403</u>	<u>-</u>	<u>3,307</u>	<u>10,710</u>
Current liabilities	<u>975</u>	<u>735</u>	<u>-</u>	<u>1,710</u>

Unoccupied properties

This provision is to determine the likely settlement of an unoccupied lease on the basis on the value of future net cash outflows relating to rates, service charge and costs of marketing the properties and to "make good" costs at the end of the lease. It includes an assessment on the likelihood of sub-letting the property before the end of the lease and the provision is made up to this date. Each provision is reviewed annually and updated to reflect changes in market conditions.

Restructuring

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

Dilapidations

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

21 Share capital

Allotted, called up and fully paid shares

	2021 No. 000	2021 £ 000	2020 No. 000	2020 £ 000
Ordinary shares of £1 each	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>

G4S Cash Solutions (UK) Limited

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

22 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 6.

Defined benefit pension schemes

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

The UK scheme is closed to future accrual apart from some sub-sections of the GSL section, and for most members defines the pension based on final salary. Certain sub-sections of the GSL section have historically remained open to provide a facility to accept former public-sector employees who join the G4S 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.

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

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

As there is no contractual agreement or stated policy for charging the net defined benefit cost of the defined benefit schemes to the Company, any pension charge recognised in the income statement represents the contributions payable for the year. The Company made no payments to the defined benefit schemes in the current year (2020: £Nil).

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

23 Share-based payments

All shares allocated to key management of the Company, under the G4S plc performance share plan, vested in full in April 2021 as the Company was de-listed from the London stock exchange upon the takeover by Allied Universal. Any new incentive units issued subsequently were issued by Atlas Ontario LP and included in the consolidated accounts of that limited partnership.

The weighted average remaining contractual life of conditional share allocations outstanding at 31 December 2021 was nil months (2020: 20 months). The weighted average share price at the date of allocation of shares allocated conditionally during the year was nil (2020: 97p). The weighted average share price at the date of exercise for the shares exercised during the year was 245p (2020: 96p).

G4S Cash Solutions (UK) Limited

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

24 Contingent liabilities

The Company is included within a group composite banking arrangement with certain fellow subsidiary undertakings.

25 Parent and ultimate parent undertaking

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