

Registration number: 01485104

G4S Cash Centres (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



G4S Cash Centres (UK) Limited

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G4S Cash Centres (UK) Limited

Company Information

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

G4S Cash Centres (UK) Limited

Strategic Report for the Year Ended 31 December 2020

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

Fair review of the business

Principal activity

The principal activity of G4S Cash Centres (UK) Limited ("the Company") is the provision of cash processing and cash management services.

Financial performance

The Company has net assets of £22,867,000 (2019: £25,685,000). This represents a year-on-year decrease of £2,818,000 (11%).

The Company recorded sales of £43,821,000 (2019: £58,077,000). This represents a year-on-year decrease of £14,256,000 (24.5%). In comparison, the Company recorded cost of sales of £23,644,000 (2019: £34,405,000). This represents a year-on-year decrease of £10,761,000 (31.3%). Overall, the Company recorded gross profit of £20,177,000 (2019: £23,672,000). This represents a year-on-year decrease of £3,495,000 (14.8%).

The Company made a loss for the financial year of £2,818,000 (2019: profit of £2,146,000). This represents a year-on-year decrease of £4,964,000 (231.3%) after accounting for restructuring.

In line with our expectations at the time of the 2019 strategic report the impact of Covid-19 saw volumes reduce by an average 24% with significant fluctuations across the different industry sectors. Excluding restructuring the company would have delivered a profit for the year despite the difficult trading conditions.

In order to right size our network for post-Covid we took the decision to reduce our operational resources within the network and to ensure that we are able to continue to provide our customers with a competitive model for ensuring cash continues to be a widely available payment choice. In view of the pandemic and our ability to deliver on our customers contractual requirements throughout the directors consider the result for the year to be satisfactory.

Future developments

The historical decline in cash is likely to have been accelerated by Covid-19 responses, while there will be a bounce back the level of its return cannot be known. Multiple economic and social demographic issues, such as stability of employment, age, habit and mobility, will all play a part in the 'new normal' state. In addition retail banks and their customers will continue to drive demand for highly efficient cash management solutions, favouring suppliers offering integrated solutions of cash counting, sorting, storing and re-distribution. In the medium term, the decline of the cash volumes use is expected to accelerate as the fully-integrated cash management solutions are being adopted more widely among the retailers and banks alike.

The directors believe that the Company is well placed to secure new cash handling opportunities, particularly due to its expertise in handling complex cash infrastructure, regulatory frameworks and its continual investment in cash technology. The Company continues to work closely with the wholesale cash industry and the Bank of England to support cash as a payment choice in the UK.

Key performance indicators

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

G4S Cash Centres (UK) Limited

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

Principal risks and uncertainties

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

(1) *Major changes in market dynamics*

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

Risk mitigation approach

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

(2) *Financial institution in-sourcing*

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

Risk mitigation approach

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

(3) *Failure of the Company's IT systems*

The Company makes widespread use of information technology systems both in its day-to-day operations and for the purposes of financial management. Failure in these systems, for example physical damage or inaccessibility, could result in reputational damage, payments of compensation to the stakeholders and consequently, the loss of Company's revenue and profitability.

Risk mitigation approach

The Company developed business continuity procedures, in line with the policies of G4S plc group. Should failure in information technology systems occur, these procedures would be triggered, minimising adverse impact on the Company and its stakeholders.

G4S Cash Centres (UK) Limited

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

Principal risks and uncertainties (continued)

(4) *Cash losses*

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

Risk mitigation approach

The Company developed robust internal controls to ensure that the customers' cash is correctly accounted for at all times. Furthermore, the Company continues to invest in technologies which prevent and deter the loss of cash in criminal attacks.

(5) *Deterioration in labour relations*

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

Risk mitigation approach

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

G4S Cash Centres (UK) Limited

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

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

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

The following paragraphs summarise how directors fulfil their duties:

Long-term view

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

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

Our employees

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

Business relationships

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

Our suppliers help us deliver our values. We have a responsible purchasing policy consistent with our business ethics and all our suppliers sign up to our Supplier Code of Conduct. 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 though local engagement programs, economic contributions as well as activity in the industry forums.

G4S Cash Centres (UK) Limited

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

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

Community and environment

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

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

Our reputation

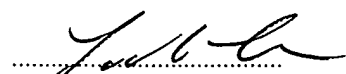
Strong brand and reputation differentiate us in the competitive market place. We hold ourselves, our employees and our business partners to high standards, embodied in the set of our corporate values. These values promote a culture and business interactions based on Integrity, Respect, Safety, Security,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

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

Acting fairly

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

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



J L France
Director

G4S Cash Centres (UK) Limited

Directors' Report for the Year Ended 31 December 2020

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

Directors of the Company

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

J L France

J W Lennox (resigned 2 January 2020)

J W V Apthorpe (appointed 2 January 2020)

Results and dividends

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

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

Employment of disabled persons

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

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

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

Employee engagement

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

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

- The 2019 employee engagement survey was completed, with results of the survey being reviewed and discussed by the Board, and action plans implemented.
- 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.

G4S Cash Centres (UK) Limited

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

Employee engagement (continued)

- 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.

Other stakeholder engagement

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

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

Key other stakeholders

How the Board engages

Customers

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 interest are not well served in the long term by our proposals, we will make this clear even if it impacts negatively on our business. Being open and honest with our customers also means that we will raise concerns with them if we become aware of any business practices or processes in their business which we believe are contrary to their values or may compromise our own values. The Board also reviews customers' changing expectations or needs as part of its strategy session every year.

Suppliers

The Company has a responsible purchasing policy consistent with its' business ethics. Engagement with suppliers takes place in many different ways.

One of the main ways in which the Board considers key suppliers is as part of large contract bid or renewal approvals. We set high standards for our suppliers in the context of our own ethical policy. These standards are explained in our Supplier Code of Conduct. All suppliers are expected to comply with the Code or ensure that there is a clear time frame for full implementation of the Code within their own organisation and their associated suppliers and subcontractors.

The Company recognises that receiving timely reimbursements is of high interest to suppliers. It is our policy to pay suppliers in accordance with agreed terms of trade. What is more, the Company is committed to the UK Prompt Payment Code.

G4S Cash Centres (UK) Limited

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

Other stakeholder engagement (continued)

Key other stakeholders	How the Board engages
Society	Our employees touch the lives of others every day, providing crucial services to help keep society safe and secure. The specialist security services delivered by the Company mitigate the risk or impact of criminal behaviour and help to create safer communities. As part of its decision making process, the Board takes into consideration a broad range of societal issues which are reported to the Board through a variety of means. During the year under review, the Board received regular updates on corporate governance reform and broader societal issues that were considered by the Financial Reporting Council and UK government.

Environmental matters

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

The Company recognises the importance of its responsibilities to reduce environmental impact in energy usage, recycling or environmentally-friendly products. In these areas the Company operates in accordance with the policies of G4S plc which are detailed in the G4S plc's annual report.

Greenhouse gas emissions

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

Financial risk management

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

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

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

Events after the balance sheet date

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

G4S Cash Centres (UK) Limited

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

Going concern

The Company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty, particularly over the level of demand for the Company's products. The Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continued to adopt the going concern basis in preparing its financial statements.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

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

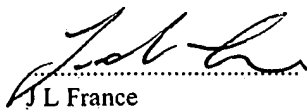
G4S Cash Centres (UK) Limited

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

Independent auditors

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

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



J L France
Director

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

Report on the audit of the financial statements

Opinion

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

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does

not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and the Directors' report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to but were not limited to compliance with payroll laws and regulations, tax laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated

management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to:

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

Audit procedures performed by the engagement team included:

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

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

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

Use of this report

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


Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

G4S Cash Centres (UK) Limited

Income Statement for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Revenue	4	43,821	58,077
Cost of sales		<u>(23,644)</u>	<u>(34,405)</u>
Gross profit		20,177	23,672
Administrative expenses		(18,445)	(20,687)
Restructuring costs	5	<u>(5,173)</u>	-
Operating (loss)/profit	5	(3,441)	2,985
Finance income	9	-	37
Finance costs	10	<u>(232)</u>	<u>(321)</u>
(Loss)/profit before income tax		(3,673)	2,701
Income tax credit/(expense)	11	<u>855</u>	<u>(555)</u>
(Loss)/profit for the financial year		<u><u>(2,818)</u></u>	<u><u>2,146</u></u>

The above results were derived from continuing operations.

G4S Cash Centres (UK) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£ 000	£ 000
(Loss)/profit for the financial year	<u>(2,818)</u>	<u>2,146</u>
Total comprehensive (expense)/income for the financial year	<u>(2,818)</u>	<u>2,146</u>

G4S Cash Centres (UK) Limited

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

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	10	23,529	23,539
Comprehensive income:			
Profit for the financial year	-	2,146	2,146
Total comprehensive income for the financial year	-	2,146	2,146
At 31 December 2019	10	25,675	25,685
At 1 January 2020	10	25,675	25,685
Comprehensive expense:			
Loss for the financial year	-	(2,818)	(2,818)
Total comprehensive expense for the financial year	-	(2,818)	(2,818)
At 31 December 2020	10	22,857	22,867

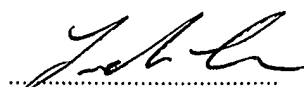
G4S Cash Centres (UK) Limited

(Registration number: 01485104)

Statement of Financial Position as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Non-current assets			
Property, plant and equipment	12	8,059	8,681
Intangible assets	13	129	19
Deferred tax assets	11	1,504	1,100
		<u>9,692</u>	<u>9,800</u>
Current assets			
Inventories	14	141	156
Trade and other receivables	15	30,507	32,181
Cash and cash equivalents		76	133
		<u>30,724</u>	<u>32,470</u>
Total assets		<u>40,416</u>	<u>42,270</u>
Current liabilities			
Trade and other payables	16	(16,471)	(15,225)
Lease liabilities	17	(47)	(202)
Current tax liabilities		(3)	(1,158)
Provisions	18	(927)	-
		<u>(17,448)</u>	<u>(16,585)</u>
Non-current liabilities			
Lease liabilities	17	(101)	-
Total liabilities		<u>(17,549)</u>	<u>(16,585)</u>
Net assets		<u>22,867</u>	<u>25,685</u>
Equity			
Share capital	19	10	10
Retained earnings		22,857	25,675
Total shareholders' funds		<u>22,867</u>	<u>25,685</u>

The financial statements on pages 15 to 38 were approved by the Board on 1 July 2021 and signed on its behalf by:


 J L France
 Director

G4S Cash Centres (UK) Limited

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

1 General information

G4S Cash Centres (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 Company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty, particularly over the level of demand for the Company's products. The Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continued to adopt the going concern basis in preparing its financial statements.

G4S Cash Centres (UK) Limited

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

2 Accounting policies (continued)

Summary of disclosure exemptions

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

These disclosure exemptions relate to:

- the requirements of IAS 7 “Statement of cash flows”;
- new IFRSs that have been issued but are not yet effective and which have not been applied by the Company;
- the requirement in paragraph 38 of IAS 1 “Presentation of Financial Statements” to present comparative information in respect of: paragraph 79 (a) (iv) of IAS 1, paragraph 73 (e) of IAS 16 “Property, Plant and Equipment” and paragraph 118 (e) of IAS 38 “Intangible Assets”;
- financial instruments disclosures required by IFRS 7 “Financial Instruments: Disclosures”;
- disclosures required by IFRS 13 “Fair Value Measurement”;
- the requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a)-(c), 120-127 and 129 of IFRS 15 “Revenue from contracts with customers”;
- the requirements of paragraphs 52, 58, 90, 91 and 93 of IFRS 16 “Leases”;
- the requirements of paragraphs 45 (b) and 46 to 52 of IFRS 2 “Share-based Payment”;
- the requirements of paragraphs 17 and 18A of IAS 24 “Related Party Disclosures” and the requirements in IAS 24 “Related Party Disclosures” to disclose related party transactions entered into between two or more wholly-owned members of a group; and
- capital management disclosures required by paragraphs 134 of 136 of IAS 1 “Presentation of Financial Statements”.

New standards, interpretations and amendments effective for the first time

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

Revenue recognition

The Company’s revenue arises from the provision of cash processing and cash management services.

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 Centres (UK) Limited

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

2 Accounting policies (continued)

Restructuring costs

The income statement separately identifies results before specific items, such as restructuring costs. Specific items 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 specific items are evaluated and approved by the Company's management prior to being separately disclosed. The Company seeks to be balanced when reporting specific items for both debits and credits, and any reversals of excess provisions previously created as specific items are classified consistently as specific items.

Specific items may not be comparable to similarly-titled measures used by other companies.

Employee benefits - retirement benefit cost

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

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

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

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 Centres (UK) Limited

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

Leasehold improvements

Equipment

Right of use assets

Depreciation rate

over the shorter of useful economic life and period of the lease

3 - 10 years

over the period of the lease

G4S Cash Centres (UK) Limited

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

2 Accounting policies (continued)

Intangible assets

Software

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

Amortisation

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

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

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.

G4S Cash Centres (UK) Limited

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

2 Accounting policies (continued)

Financial instruments

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

Trade and other receivables

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

Amounts owed by/to Group undertakings

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

Accrued income

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Trade and other payables

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

Deferred income

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

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.

G4S Cash Centres (UK) Limited

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

2 Accounting policies (continued)

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.

Leases

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

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

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

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease 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.

G4S Cash Centres (UK) Limited

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

2 Accounting policies (continued)

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.

3 Critical accounting judgements and key sources of estimation uncertainty

Significant estimates and assumptions

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

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

Deferred tax assets

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

G4S Cash Centres (UK) Limited

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

4 Revenue

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

	2020	2019
	£ 000	£ 000
Rendering of services	<u>43,821</u>	<u>58,077</u>

Revenue arose from activities originating solely in the United Kingdom.

Assets and liabilities related to contracts with customers

	2020	2019
	£ 000	£ 000
Current assets		
Trade receivables	3,511	4,391
Accrued income	<u>393</u>	<u>2,106</u>
Total contract assets	<u>3,904</u>	<u>6,497</u>
Current liabilities		
Deferred income	<u>(1,464)</u>	<u>(1,751)</u>

During the year the Company recognised £1,279,000 of revenue that was held in deferred income as at 31 December 2019 (2019: £195,000 of revenue recognised was held in deferred income as at 31 December 2018), and £Nil (2019: £Nil) of revenue in relation to performance obligations satisfied in prior years.

As at 31 December 2020, the Company recorded £Nil (2019: £Nil) of capitalised contract fulfilment costs on its statement of financial position. The Company did not incur any material contract acquisition costs during the current year (2019: none).

G4S Cash Centres (UK) Limited

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

5 Operating (loss)/profit

Arrived at after charging:

	2020	2019
	£ 000	£ 000
Depreciation expense	1,708	1,839
Depreciation on right of use assets - Equipment	44	36
Amortisation expense	16	4
Loss on disposal of property, plant and equipment	11	8
Cost of inventories recognised as an expense	453	736
Restructuring costs	<u>5,173</u>	<u>-</u>

6 Staff costs

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

	2020	2019
	£ 000	£ 000
Wages and salaries	17,342	28,612
Social security costs	1,384	2,211
Pension costs, defined contribution scheme	683	916
Redundancy costs	<u>4,270</u>	<u>10</u>
	<u>23,679</u>	<u>31,749</u>

£4,246,000 of redundancy costs are reported within restructuring costs in note 5.

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

	2020	2019
	No.	No.
Operations	1,078	1,301
Administration and management	<u>56</u>	<u>69</u>
	<u>1,134</u>	<u>1,370</u>

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

7 Directors' remuneration

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

G4S Cash Centres (UK) Limited

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

8 Auditors' remuneration

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

	2020 £ 000	2019 £ 000
Audit of the financial statements	56	52
Other assurance services	134	152
	<u>190</u>	<u>204</u>

9 Finance income

	2020 £ 000	2019 £ 000
Other finance income	<u>-</u>	<u>37</u>

10 Finance costs

	2020 £ 000	2019 £ 000
Interest payable on amounts owed to Group undertakings	228	317
Interest expense on lease liabilities	4	4
	<u>232</u>	<u>321</u>

G4S Cash Centres (UK) Limited

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

11 Income tax (credit)/expense

Tax (credited)/expensed in the income statement is as follows:

	2020 £ 000	2019 £ 000
Current tax		
UK corporation tax	(448)	708
UK corporation tax adjustment to prior periods	(3)	456
Total current tax	<u>(451)</u>	<u>1,164</u>
Deferred tax		
Arising from origination and reversal of temporary differences	(273)	(232)
Arising from changes in tax rates and laws	-	24
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(131)	(401)
Total deferred tax	<u>(404)</u>	<u>(609)</u>
Total income tax (credit)/expense in the	<u>(855)</u>	<u>555</u>

The tax charge on (loss)/profit for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
(Loss)/profit before income tax	<u>(3,673)</u>	<u>2,701</u>
Corporation tax at standard rate	(698)	513
(Decrease)/increase in current tax from adjustment for prior periods	(3)	456
Increase from effect of non-qualifying assets	3	-
Increase from effect of expenses not deductible in determining (tax loss)/taxable profit	55	42
Decrease from transfer pricing adjustments	(82)	(79)
Deferred tax credit from unrecognised temporary difference from a prior period	-	(401)
Deferred tax (credit)/expense relating to changes in tax rates or laws	(130)	24
Total income tax (credit)/expense	<u>(855)</u>	<u>555</u>

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

G4S Cash Centres (UK) Limited

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

11 Income tax (credit)/expense (continued)

Deferred tax

Deferred tax assets are as follows:

	Asset £ 000
2020	
Accelerated tax depreciation	<u>1,504</u>
2019	Asset £ 000
Accelerated tax depreciation	<u>1,100</u>

Deferred tax movement during the year is as follows:

	At 1 January 2020 £ 000	Recognised in income £ 000	At 31 December 2020 £ 000
Accelerated tax depreciation	<u>1,100</u>	<u>404</u>	<u>1,504</u>

Deferred tax movement during the prior year was as follows:

	At 1 January 2019 £ 000	Recognised in income £ 000	At 31 December 2019 £ 000
Accelerated tax depreciation	<u>491</u>	<u>609</u>	<u>1,100</u>

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

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

In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate will increase to 25%. As the proposal to increase the tax rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £475,000 and increase the deferred tax asset by £475,000.

G4S Cash Centres (UK) Limited

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

12 Property, plant and equipment

	Leasehold improvements £ 000	Equipment £ 000	Assets under construction £ 000	Right of use assets (Equipment) £ 000	Total £ 000
Cost					
At 1 January 2020	5,823	15,029	324	235	21,411
Additions	645	854	-	-	1,499
Disposals	(634)	(1,154)	(246)	-	(2,034)
Remeasurements	-	-	-	(8)	(8)
At 31 December 2020	<u>5,834</u>	<u>14,729</u>	<u>78</u>	<u>227</u>	<u>20,868</u>
Accumulated depreciation					
At 1 January 2020	3,169	9,525	-	36	12,730
Charge for the year	269	1,439	-	44	1,752
Eliminated on disposal	(563)	(1,110)	-	-	(1,673)
At 31 December 2020	<u>2,875</u>	<u>9,854</u>	<u>-</u>	<u>80</u>	<u>12,809</u>
Carrying amount					
At 31 December 2020	<u>2,959</u>	<u>4,875</u>	<u>78</u>	<u>147</u>	<u>8,059</u>
At 31 December 2019	<u>2,654</u>	<u>5,504</u>	<u>324</u>	<u>199</u>	<u>8,681</u>

G4S Cash Centres (UK) Limited

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

13 Intangible assets

	Software £ 000
Cost	
At 1 January 2020	1,039
Additions	126
Disposals	(8)
At 31 December 2020	<u>1,157</u>
Accumulated amortisation	
At 1 January 2020	1,020
Amortisation charge	16
Amortisation eliminated on disposals	(8)
At 31 December 2020	<u>1,028</u>
Carrying amount	
At 31 December 2020	<u><u>129</u></u>
At 31 December 2019	<u><u>19</u></u>

14 Inventories

	2020 £ 000	2019 £ 000
Raw materials and consumables	<u><u>141</u></u>	<u><u>156</u></u>

G4S Cash Centres (UK) Limited

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

15 Trade and other receivables

	2020 £ 000	2019 £ 000
Trade receivables	3,511	4,391
Amounts owed by Group undertakings	25,328	24,950
Accrued income	393	2,106
Prepayments	363	734
Other receivables	912	-
	<u>30,507</u>	<u>32,181</u>

Included in amounts owed by Group undertakings are loans of £25,328,000 (2019: £24,950,000) which are unsecured, interest-free and repayable on demand. All other amounts owed by Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

16 Trade and other payables

	2020 £ 000	2019 £ 000
Trade payables	646	985
Accrued expenses	139	154
Amounts owed to Group undertakings	12,997	10,147
Social security and other taxes	-	58
Deferred income	1,464	1,751
Other payables	1,225	2,130
	<u>16,471</u>	<u>15,225</u>

Included in amounts owed to Group undertakings are loans of £8,063,000 (2019: £9,486,000) which are unsecured and repayable on demand. Interest is charged on these loans at LIBOR + 2.25% (2019: LIBOR + 2.25%). All other amounts owed to Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

G4S Cash Centres (UK) Limited

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

17 Lease liabilities

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

(i) Amounts recognised in the Statement of Financial Position

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

Carrying amount of right-of-use assets

	2020 £ 000	2019 £ 000
Equipment	147	199

Carrying amount of right-of-use assets is included within property, plant and equipment (see note 12).

Additions to right-of-use assets during the year totalled £Nil (2019: £1,916,000).

Lease liabilities

	2020 £ 000	2019 £ 000
Current lease liabilities	47	202
Non-current lease liabilities	101	-
	148	202

(ii) Amounts recognised in the Income Statement

The Income Statement includes the following amounts relating to leases:

Depreciation charge on right-of-use assets

	2020 £ 000	2019 £ 000
Equipment	44	36

Interest expense on lease liabilities

	2020 £ 000	2019 £ 000
Equipment	4	4

G4S Cash Centres (UK) Limited

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

17 Lease liabilities (continued)

Other income and expenses related to leases

	2020 £ 000	2019 £ 000
Income from subleasing right-of-use assets	-	-
Expenses relating to short-term leases	509	-
Expenses relating to leases of low-value assets	-	-
Variable lease payments not included in lease liabilities	-	-
Gains/(losses) arising from sale and leaseback transactions	-	-

(iii) The Company's leasing activities

Nature of the Company's leasing activities

The Company leases a number of its operating equipment. Leases of operating equipment are negotiated over an average lease term of five years.

Exposure to future cash outflows not reflected in lease liabilities

- Extension and termination options are included in a the Company's 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 equipment, the Company must keep the equipment in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Sale and leaseback transactions

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

G4S Cash Centres (UK) Limited

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

18 Provisions

	Redundancy provision £ 000	Total £ 000
At 1 January 2020	-	-
Additional provisions in the year	5,129	5,129
Utilisation of provision	<u>(4,202)</u>	<u>(4,202)</u>
At 31 December 2020	<u>927</u>	<u>927</u>
Current liabilities	<u>927</u>	<u>927</u>

Redundancy

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

19 Share capital

Allotted, called up and fully paid shares

	2020 No. 000	2020 £ 000	2019 No. 000	2019 £ 000
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

20 Retirement benefit obligations

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

Defined contribution pension scheme

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

Defined benefit pension schemes

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

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

G4S Cash Centres (UK) Limited

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

20 Retirement benefit obligations (continued)

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

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

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

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

21 Parent and ultimate parent undertaking

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

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

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

22 Non adjusting events after the financial period

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