

Registration number: 03474991

G4S Holdings 305 (UK) Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2015

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G4S Holdings 305 (UK) Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors Report	4 to 5
Statement of Directors' Responsibilities	6
Independent Auditors' Report	7 to 9
Income Statement	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	11
Statement of Financial Position	12
Notes to the Financial Statements	13 to 19

G4S Holdings 305 (UK) Limited

Company Information

Directors	J M Hartley V J Patel
Company secretary	V J Patel
Registered office	Southside 105 Victoria Street London SW1E 6QT
Auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL

G4S Holdings 305 (UK) Limited

Strategic Report for the Year Ended 31 December 2015

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

Fair review of the business

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

During the period there was minimal activity in the company. The company has net assets of £577,000 (2014: £1,078,000). The reduction in the net assets during the year being due to the impairment of the company's investments.

The Directors consider the results for the year to be satisfactory.

Transition to FRS 101

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

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

The date of transition from the previous accounting standards to FRS 101 was 1 January 2014. Comparable historical financial information has therefore been provided in accordance with FRS 101 as at 1 January 2014 and as at, and for the year ended, 31 December 2014. FRS 101 grants elections and certain exemptions from its full requirements when preparing the first financial statements that conform to FRS 101. An explanation of these and how the transition affected the previously reported financial position and financial performance of the company has been disclosed in note 12 to the financial statements. Prior year errors identified during the transition to FRS 101 have also been disclosed in note 12.

The company has early-adopted certain amendments to FRS 100 and FRS 101, and early-adopted The Companies, Partnerships, and Groups (Accounts and Reports) Regulations 2015 ('SI 2015/980') from 1 January 2015. SI 2015/980 allowed, among other items, the format of the financial statements to be presented in accordance with adopted IFRSs instead of the Companies Act 2006.

Key performance indicators

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

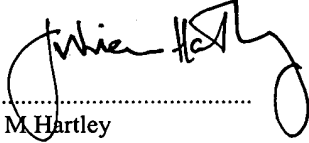
G4S Holdings 305 (UK) Limited

Strategic Report for the Year Ended 31 December 2015

Principal risks and uncertainties

All businesses are subject to risk and many individual risks are macro-economic or social and common across many businesses. The key risks are those which would materially damage the company's strategy, reputation, business, profitability or assets.

Approved by the Board on 20 January 2017 and signed on its behalf by:



J M Hartley
Director

G4S Holdings 305 (UK) Limited

Directors Report for the Year Ended 31 December 2015

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

Directors of the company

The directors who held office during the year were as follows:

J M Hartley

V J Patel

Results and dividends

The results for the year are set out on page 10. The directors do not recommend the payment of a final dividend (2014: £nil).

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

Environmental matters

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

Financial Risk Management

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

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

Further details of the financial risk management objectives and policies of the G4S plc group, of which the company is a member, are included in Note 31 of the consolidated financial statements of G4S plc (www.g4s.com).

Disclosure of information to the auditors

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

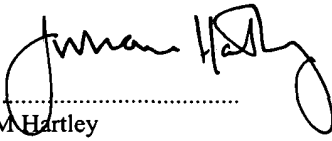
G4S Holdings 305 (UK) Limited

Directors Report for the Year Ended 31 December 2015

Auditors

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

Approved by the Board on 20 January 2017 and signed on its behalf by:


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J M Hartley
Director

G4S Holdings 305 (UK) Limited

Statement of Directors' Responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions; if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

G4S Holdings 305 (UK) Limited

Independent Auditors' Report to the members of G4S Holdings 305 (UK) Limited

Report on the financial statements

Our opinion

In our opinion, G4S Holdings 305 (UK) Limited's financial statements (the "financial statements"):

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

What we have audited

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

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

G4S Holdings 305 (UK) Limited

Independent Auditors' Report to the members of G4S Holdings 305 (UK) Limited

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

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

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

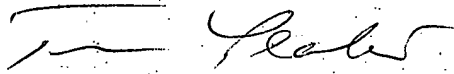
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

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

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

G4S Holdings 305 (UK) Limited

Independent Auditors' Report to the members of G4S Holdings 305 (UK) Limited



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

Central Square
29 Wellington Street
Leeds
LS1 4DL

Date: 20 January 2017

G4S Holdings 305 (UK) Limited

Income Statement for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Impairment of subsidiary undertakings	7	(501)	-
Loss before tax		(501)	-
Loss for the year		(501)	-

All results are derived from continuing operations.

G4S Holdings 305 (UK) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2015

	2015 £ 000	2014 £ 000
Loss for the year	(501)	-
Total comprehensive expense for the year	(501)	-

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

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015 (as restated*)	1,100	(22)	1,078
Loss for the year	-	(501)	(501)
Total comprehensive income	-	(501)	(501)
At 31 December 2015	1,100	(523)	577
At 1 January 2014 (as restated*)	1,100	(22)	1,078
At 31 December 2014 (as restated*)	1,100	(22)	1,078

* See note 12 for an explanation of prior year adjustments.

G4S Holdings 305 (UK) Limited

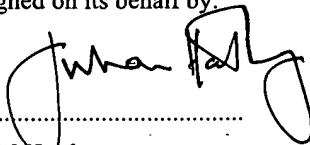
(Registration number: 03474991)

Statement of Financial Position as at 31 December 2015

	Note	2015 £ 000	(as restated*) 2014 £ 000
ASSETS			
Non-current assets			
Investments	7	-	501
Current assets			
Trade and other receivables	8	4,049	4,049
Total assets		<u>4,049</u>	<u>4,550</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	(3,472)	(3,472)
Total liabilities		<u>(3,472)</u>	<u>(3,472)</u>
Net assets		<u>577</u>	<u>1,078</u>
EQUITY			
Share capital	10	1,100	1,100
Retained earnings		(523)	(22)
Total equity		<u>577</u>	<u>1,078</u>

* See note 12 for an explanation of prior year adjustments.

The financial statements on pages 10 to 19 were approved by the Board of Directors on 20 January 2017 and signed on its behalf by:



 J M Hartley
 Director

G4S Holdings 305 (UK) Limited

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

1 General information

G4S Holdings 305 (UK) Limited (the 'company') is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the UK. It is a private company, limited by shares. The company's registered office is Southside, 105 Victoria Street, London, SW1E 6QT.

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

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

2 Statement of compliance

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

3 Significant accounting policies

Basis of preparation

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

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

Transition to FRS 101

These financial statements were prepared by the directors in accordance with FRS 101 for the first time. FRS 101 grants elections and certain exemptions from its full requirements when preparing the first financial statements that conform to FRS 101. An explanation of these and how the transition affected the previously reported financial position and financial performance of the company has been disclosed in note 12 to the financial statements. Prior year errors identified during the transition to FRS 101 have also been disclosed in note 12. The date of transition from the previous accounting standards to FRS 101 was 1 January 2014. Comparable historical financial information has therefore been provided in accordance with FRS 101 as at 1 January 2014 and as at, and for the year ended, 31 December 2014.

G4S Holdings 305 (UK) Limited

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

Exemptions

The company has taken advantage of certain disclosure exemptions in FRS 101, in part because its financial statements are included in the publicly available consolidated financial statements of G4S plc. Copies of the consolidated financial statements of G4S plc may be obtained by writing to the Company Secretary at the registered address disclosed in note 1 above. The directors have notified the company's shareholders in writing about the use of these disclosure exemptions.

These disclosure exemptions relate to:

- the presentation of a third or opening statement of financial position at the date of transition to FRS 101 and related notes;
- the requirements of IAS 7 'Statement of Cash Flows';
- the statement of compliance with adopted IFRSs;
- new IFRSs that have been issued but are not yet effective and which have not been applied by the company;
- comparative information for the movements from the beginning to the end of the year in respect of the number of shares, and certain other additional comparative information;
- financial instruments disclosures required by IFRS 7 'Financial Instruments: Disclosures';
- disclosures required by IFRS 13 'Fair Value Measurement';
- certain related party disclosures on key management compensation and transactions entered into between two or more wholly-owned members of a group; and
- capital management disclosures.

Other separately disclosed items

In order to provide further clarity in the income statement, the company discloses separately items such as profits or losses on dissolution of subsidiaries.

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

Impairment

The carrying value of the company's assets, with the exception of inventories and deferred tax assets, is 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.

An impairment loss in respect of goodwill is not reversed. In respect of any other asset, 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.

The company provides for impairments in financial assets when there is objective evidence of impairment as a result of one or more events that impact the estimated future cash flows of the financial assets.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial instruments

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

Amount owed to/by group undertakings

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

G4S Holdings 305 (UK) Limited

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

Trade receivables

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

Trade payables

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

Equity instruments

Equity instruments and financial liabilities are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that provides a residual interest in the assets of a business after deducting all other liabilities. Shares issued by the company classified as equity instruments are recorded at the value of proceeds received, net of direct issue costs.

4 Accounting estimates, judgements and assumptions

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

Despite the non complex nature of the company, there are accounting estimates, judgements and assumptions made in the preparation of its accounts in including:

Despite the non complex nature of the company, there are accounting estimates, judgements and assumptions made in the preparation of its accounts in including:

Collectability of amounts due from group undertakings

The company's holds amounts due from other G4S plc group entities, whether to recognise a provision against such debtors requires judgement in respect of the underlying operational performance and economic risks faced by other G4S plc group companies. An impairment provision has not been recognised against such balances in the current year.

Impairment of investments

Investments are tested for impairment where there are financial or non financial indicators the carrying value maybe greater than expected future cashflows. Judgement is required to determine whether such indicators exist. Where a test is determined to be required inputs into the impairment model such as growth, future cashflows and discount rates are estimates and can have significant impact on the result of the calculation and whether an impairment is recognised.

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

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

G4S Holdings 305 (UK) Limited

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

5 Staff costs

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

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

6 Auditors' remuneration

The company did not incur any non-audit fees in the current and prior year.

7 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2015	501
At 31 December 2015	501
Provision	
Impairment charge	501
At 31 December 2015	501
Carrying amount	
At 31 December 2015	-
At 31 December 2014	501

An impairment of £501,002 was recognised in the income statement in relation to the company's investments. The impairment charge in the current year relates to the following investments:

Subsidiary undertakings	Impairment value £	Reason for impairment
G4S Prison And Court Services (UK) Limited	500,000	The entity was dissolved on 23 February 2016 with no distribution on wind up.
GSL Limited	2	The entity was dissolved on 23 February 2016 with no distribution on wind up.
GSL UK Limited	1,000	The entity was dissolved on 9 June 2015 with no distribution on wind up.

8 Trade and other receivables

	2015 £ 000	2014 £ 000
Amounts owed from group undertakings (members of the G4S plc group)	4,049	4,049

Amounts owed from group undertakings are interest free, unsecured and repayable on demand.

G4S Holdings 305 (UK) Limited

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

9 Trade and other payables

	2015 £ 000	(as restated*) 2014 £ 000
Amounts owed to group undertakings (members of the G4S plc group)	922	922
Preference shares	2,550	2,550
	<u>3,472</u>	<u>3,472</u>

* See note 12 for an explanation of prior year adjustments.

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

The preference shares are redeemable at any time, at the option of either the company or the shareholder, provided prior notice of not less than one month is given. The amount paid on redemption will be the nominal value of the shares.

10 Share capital

Allotted, called up and fully paid shares (2014 as restated*)

	2015		2014	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>

* See note 12 for an explanation of prior year adjustments.

11 Parent and ultimate parent undertaking

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

The parent undertaking of both the largest and smallest group, which included the company and for which group accounts are prepared is G4S Regional Management (UK&I) Limited, a company incorporated in the United Kingdom. G4S Regional Management (UK&I) Limited is also the company's immediate controlling parent.

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

G4S Holdings 305 (UK) Limited

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

12 Transition to FRS 101

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

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

In preparing its opening FRS 101 statement of financial position the company has adjusted amounts reported in its previous financial statements. An explanation of how the transition to FRS 101 has affected the company's financial position and financial performance has been provided below. Prior year errors identified during the transition have also been explained.

First-time adoption of FRS 101

FRS 101 grants elections and certain exemptions from its full requirements when preparing the first financial statements that conform to FRS 101.

Investments

The carrying amount of the company's investments has been unaffected by the transition to FRS 101.

Reconciliation of equity

The only adjustments to the statement of financial position on transition to FRS 101 related to the company's redeemable preference shares as at 1 January 2014 and as at 31 December 2014.

The company has in issue 2,550,000 redeemable preference shares of £1 each. Both the shareholder and the company have the right to redeem these shares at any time giving prior notice of not less than one month. The amount to be paid on redemption is the nominal value of the shares. In the legacy UK GAAP financial statements these shares were recognised within equity.

However, in accordance with the legacy UK GAAP standard FRS 25 (IAS 32) 'Financial Instruments: Presentation' ('FRS 25'), and its FRS 101 equivalent IAS 32 'Financial Instruments: Presentation' ('IAS 32'), the substance of the contractual terms of the redeemable preference shares determines the accounting for these shares. As the company has an obligation to deliver cash to the shareholder, under both FRS 25 and IAS 32 the redeemable preference shares should have been recognised in financial liabilities instead of equity.

To correct the above, as at 1 January 2014 and as at 31 December 2014, the £2,550,000 redeemable preference shares were reclassified from equity to current trade and other payables. As at 1 January 2014 and as at 31 December 2014, share capital therefore fell from £3,650,002 to £1,100,002, and current trade and other payables increased from £922,000 to £3,472,000. Overall, net assets fell from £3,628,000 to £1,078,000.

Reconciliation of profit or loss

No adjustments were required to the income statement for the year ended 31 December 2014 on transition to FRS 101.

G4S Holdings 305 (UK) Limited

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

Statement of comprehensive income and statement of changes in equity

Under the previous accounting standards, the financial statements included a statement of total recognised gains and losses as a primary statement, if required, and a reconciliation of movements in shareholders' funds as a note to the financial statements.

Under FRS 101, these have been replaced by the statement of comprehensive income and the statement of changes in equity, respectively. In addition, the statement of changes in equity is now presented as a primary statement instead of a note to the financial statements and it analyses in more detail the changes in equity during the year.