

Company Registration No. 03749819 (England and Wales)

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



G4S INVESTIGATION SOLUTIONS (UK) LIMITED

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G4S INVESTIGATION SOLUTIONS (UK) LIMITED

COMPANY INFORMATION

Directors	M Cantle A Cocks D B Faggart
Secretary	R Bartlett
Company number	03749819
Registered office	46 Gillingham Street, London SW1V 1HU
Independent Auditors	Deloitte LLP 1 New Street Square London EC4A 3HQ

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STRATEGIC REPORT

For the year ended 31 December 2021

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

Principal activities

The principal activity of the company continued to be that of a professional investigations agency.

Fair review of the business

During the year ended 31 December 2021, the business achieved revenue of £12,640,925 compared to £12,192,361 in the prior year. This represents an increase of 3.7% when comparing to the prior year. The increase comes from a partial recovery from the trading conditions experienced in lockdown. However, the increase was partially offset by the impact of reforms to the insurance market arising from the implementation of the Civil Liberty Act 2020.

Profit before tax was £679,994 which was 5.4% of revenue compared to £135,226 (1.1%) in the prior year. The increase in profitability was driven by the recovery from the impact of Covid on revenue in the year but also reflected the benefits arising from a restructure in the previous year which saw the loss of 21 roles, 39 vehicles and two offices. In addition, the company received additional support from government wage subsidy grants of £420,927 (2020 £1,363,841.)

The company's net assets at the year-end are £4,884,252 compared to £4,589,205 in the prior year being an increase of £295,047.

The company remains a leading investigation services supplier to the insurance industry. The company continues to deal with over 35 UK insurers.

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

Covid-19

In December 2020 the country again went into a further period of lockdown and the company's order book again fell by 30% of pre-Covid levels. In early 2021 the UK government announced a further extension to the Coronavirus Job Retention Scheme. The company furloughed around 25% of the workforce in the first quarter of 2021 but those staff returned to work at a steady rate until the end of the scheme in September 2021.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STRATEGIC REPORT

For the year ended 31 December 2021

Covid-19 - continued

The Directors consider the business has evolved to a post Covid “new normal” which, although on a reduced scale, provides steady and sustainable levels of profitability and cashflow. Should the country see a resurgence of Covid in the future, the business interruption protocols are well rehearsed. Normal business planning processes have been enhanced to predict and manage a range of scenarios. Measures have been taken to increase the proportion of variable costs and decrease fixed costs to enable the business to flex with volatile volumes of business. On the basis of the financial modelling of these scenarios, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Future developments

The business expects to continue its focus on providing investigative services to the insurance industry. Together with the accumulation of new customers for traditional services, the business’s strategy includes diversification into wider insurance claims services and the development and deployment of technology based solutions in these areas.

The directors have reviewed future forecasts for the company and post balance sheet events. In doing so, the directors have not identified any factors which would have a material impact on the true and fair view of the company’s financial position.

Key performance indicators

The company utilises a wide range of operational performance measures across its business activities. However, these are all activity or contract specific. The company’s directors do not believe that further key performance indicators are necessary or appropriate for an understanding of the development, performance or position of the business as a whole.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

For the year ended 31 December 2021

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 and these risks are listed below (including Financial Risks). This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others currently considered immaterial become material.

The principal market in which the company operates is the UK insurance industry. Risks can therefore arise from changes in regulations and laws impacting the industry, affecting the volume of claims investigation work and therefore, our revenue.

The changing market has forced insurers to re-think their own strategy and more acquisitions or mergers cannot be ruled out. This could potentially place the company at risk but with revenue placed across 35 insurers, we consider the risk is minimized.

2021 saw reforms to the insurance market arising from the implementation of the Civil Liberty Act 2020. It is likely that volumes of motor accident investigations will be impacted and in particular in relation to claims involving whiplash. The risks have been mitigated by pursuit of a diversification of investigation services and the cross skilling of investigative staff.

All developing situations are monitored through close dialogue with the company's wider customer base.

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.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

For the year ended 31 December 2021

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

The following paragraphs summarise how directors fulfil their duties:

Long-term view

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

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

Our employees

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

Business relationships

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

Our suppliers help us to deliver our values. We have a responsible purchasing policy consistent with our business ethics and all our suppliers sign up to our Supplier Code of Conduct.

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

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

For the year ended 31 December 2021

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

Community and environment

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

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

Our reputation

Strong brand and reputation differentiate us in the competitive marketplace. 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.

Culture and values

The Board recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals in the right way, so we look after the best interests of our clients, people and other stakeholders. Through the use of employee and management workshops, we have identified six core values that govern how we act as a business and these include customer focus, expertise, best people, innovation, integrity, and performance.

Acting fairly

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

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

For the year ended 31 December 2021

Financial Risk Management

Liquidity and cash flow

Management of this risk is primarily aimed at ensuring that the company always has a liquidity buffer that can in the short term absorb the net effect of transactions made and expected changes in liquidity under both normal and stressed conditions. The directors manage this liquidity risk through monitoring cash requirements and forecasting the company's cash position against the available capital.

The company's forecasts take account of possible changes in trading performance and show that the company is capable of operating well within its current financing facilities. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

Credit risk

The company considers credit risk to be a financial loss to the company arising if a customer fails to meet its contractual obligations and arises mainly from trade debtors. The directors consider there to be little concentration of credit risk in respect of trade debtors as the company's customers are diverse. The directors have in place credit checking procedures and continue to monitor and react to changes in customers' own circumstances.

Approved by the Board and signed on its behalf by

Andrew Cocks

A Cocks

Director

December 2022

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2021

Results and dividends

The results for the year are set out in the income statement on page 17. Future developments and financial risk management are set out in the strategic report on pages 3 to 8. The directors do not recommend the payment of a dividend (2020: £Nil).

Directors

The directors of the company during the year ended 31 December 2021 and subsequently, were:

M Cantle
A Cocks
D B Faggart

Payment to suppliers

The policy of payment of suppliers of the company is disclosed in the Financial Review of the ultimate parent company's financial statements which are publicly available. Details can be found in note 16 to the financial statements.

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.

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

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

Employee involvement

The company is committed to inform and involve its staff in the business of the company. A formal consultative committee exists to ensure that issues of mutual interest can be discussed and resolved. Regular communications are used to keep staff informed of events within the company.

Financial Risks

Details of financial risk management policies and risks are included in the strategic report.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2021

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 Ltd as detailed in the group's annual report.

Directors' Indemnity

Allied Universal Topco LLC has granted indemnities to each of the Company's directors to the extent permitted by law. Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 December 2021 and remain in force in relation to certain losses and liabilities which the directors may incur to third parties in the course of acting as directors. Allied Universal Topco LLC has maintained a directors' and officers' liability insurance policy throughout the year under review.

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditors

A resolution was passed at the annual general meeting of G4S Ltd to reappoint Deloitte LLP as the company's auditors.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2021

Going concern

The directors have considered the impact of evolving political, economic, environmental and commercial issues which have the potential to impact the business. These include pandemics, price inflation and volatility, conflict between Ukraine and Russia, climate change and changes to the insurance sector. The company produces regular financial model updates that forecast the company cashflows on a rolling five year basis. This financial model indicates that the company will be able to operate within its current finance facilities and that no additional funding will be required in the next 12 months.

Approved by the Board and signed on its behalf by:

Andrew Cocks

A Cocks
Director
December 2022

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 2021

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditor's report to the members of G4S Investigation Solutions (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of G4S Investigation Solutions (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Companies Act 2006 and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include payroll and health and safety laws and regulations and tax laws.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- manual adjustments to revenue. In addressing this risk we have tested design and implementation of controls over the recording of manual adjustments to revenue; and tested the appropriateness of manual adjustments to revenue.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the design and implementation of controls over prevention and detection of fraud; tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Piechoczek, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditors
London, United Kingdom
Date: 15 December 2022

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

INCOME STATEMENT

For the year ended 31 December 2021

		2021	2020
		£	£
	Notes		
Revenue	2	12,640,925	12,192,361
Cost of sales		<u>(9,987,738)</u>	<u>(10,879,117)</u>
Gross profit		2,653,187	1,313,244
Administrative expenses		(2,459,375)	(2,606,877)
Other operating income	3	<u>420,927</u>	<u>1,363,841</u>
Operating profit	2 4,5	614,739	70,208
Net finance income		<u>65,255</u>	<u>65,018</u>
Profit before taxation		679,994	135,226
Tax on profit	8	<u>(384,947)</u>	<u>(21,484)</u>
Profit for the financial year		<u>295,047</u>	<u>113,742</u>

Revenue and operating profit are all derived from continuing operations.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021	2020
	£	£
Profit for the financial year	<u>295,047</u>	<u>113,742</u>
Total comprehensive income for the year	<u>295,047</u>	<u>113,742</u>

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		2021	2020
	Note	£	£
Non-current assets			
Intangible assets	9	67,577	104,084
Property, plant and equipment	10	163,081	331,826
Deferred tax assets	11	31,445	210,111
Trade and other receivables	12	<u>133,200</u>	-
		395,303	646,021
Current assets			
Trade and other receivables	13	6,525,940	6,839,629
Inventory		38,644	-
Cash and cash equivalents		<u>227,441</u>	<u>169,029</u>
		6,792,025	7,008,658
Total Assets		<u>7,187,328</u>	<u>7,654,679</u>
Current liabilities			
Trade and other payables	14	(2,243,635)	(2,839,972)
Lease liabilities	15	<u>(41,856)</u>	<u>(145,313)</u>
		(2,285,491)	(2,985,285)
Non-current liabilities			
Lease liabilities	15	(17,585)	(80,189)
Total Liabilities		<u>(2,303,076)</u>	<u>(3,065,474)</u>
Net assets		<u>4,884,252</u>	<u>4,589,205</u>
Equity			
Called up share capital	16	100,000	100,000
Retained earnings		<u>4,784,252</u>	<u>4,489,205</u>
Total equity		<u>4,884,252</u>	<u>4,589,205</u>

The notes on pages 21 to 41 form an integral part of these financial statements.

The financial statements were approved by the Board and Directors on December 2022 and were signed on their behalf by:

A Cocks *Andrew Cocks*
Director

Company registered number 3749819

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share Capital	Retained Earnings	Total Equity
	£	£	£
As at 1 January 2021	100,000	4,489,205	4,589,205
Profit for the financial year	-	295,047	295,047
Total comprehensive income for the year	-	<u>295,047</u>	<u>295,047</u>
As at 31 December 2021	<u>100,000</u>	<u>4,784,252</u>	<u>4,884,252</u>

	Share Capital	Retained Earnings	Total Equity
	£	£	£
As at 1 January 2020	100,000	4,375,463	4,475,463
Profit for the financial year	-	113,742	113,742
Total comprehensive income for the year	-	<u>113,742</u>	<u>113,742</u>
As at 31 December 2020	<u>100,000</u>	<u>4,489,205</u>	<u>4,589,205</u>

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. Significant accounting policies.

General Information

G4S Investigation Solutions (UK) Limited (the 'company') is incorporated in the United Kingdom, under the Companies Act 2006, registered in England and Wales, and domiciled in the UK. It is a private company, limited by shares. The company's registered office is 46 Gillingham Street, London SW1V 1HU. The principal activity of the company continued to be that of a professional investigations agency.

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

Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard ('FRS') 101 'Reduced Disclosure Framework'. The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council.

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 1.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

1. Significant accounting policies (continued)

Exemptions

The Company has taken advantage of certain disclosure exemptions in FRS 101, in part because its financial statements are included in the publicly available consolidated financial statements of Atlas Ontario LP. Copies of the consolidated financial statements of Atlas Ontario LP may be obtained from the G4S website (www.g4s.com).

These disclosure exemptions relate to:

- IAS 7 “Statement of cash flows”;
- The requirement of 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”;
- IFRS 7 “Financial Instruments: Disclosures”;
- Paragraphs 91 to 99 of IFRS 13 “Fair Value Measurement” (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a)-(c), 120-127 and 129 of IFRS 15 “Revenue from contracts with customers”;
- The requirements of paragraphs 52, 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 “Leases”;
- Paragraphs 45 (b) and 46 to 52 of IFRS 2 “Share-based Payment” (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- Paragraph 17 of IAS 24 “Related Party Disclosures” (key management compensation); and
- The requirements in IAS 24 “Related Party Disclosures” to disclose related party transactions entered into between two or more members of a group.

New standards, amendments, IFRIC interpretations and new relevant disclosure requirements.

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

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

1. Significant accounting policies (continued)

Revenue

The company has no revenue other than that arising from contracts with customers. For the majority of the company's services, the company's right to consideration from its customers equates to the value of services supplied to the customer. Where that is the case, the practical expedient has been applied under IFRS 15 to recognise revenue when the services are provided for the amount that the company has a right to invoice for those services.

For the majority of the company's contracts, invoices are raised in the month or months after the delivery of services. Accrued income arises in relation to services provided that have not been invoiced at the year end. For some contracts, payments are received in advance of the performance of the related services and are recognised within deferred income until the related services are delivered.

Employee benefits

Retirement benefit costs

Payments to defined contribution schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefits scheme.

Government grants

The company has taken advantage of government support made available to businesses to help mitigate the impact of COVID-19. In recognising this support in the financial statements, the company has applied IAS 20 Government Grants. Grant income is recognised only when it is reasonably certain that the cash will be received, and that all eligibility criteria have been met. To the extent that there are ongoing eligibility or performance criteria, grant income is spread over the relevant period of measurement.

Finance income and expense

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

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

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

1. Significant accounting policies (continued)

Foreign currencies

The 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 dates of the transactions. At each balance sheet date, monetary assets and liabilities which are denominated in other currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items measured at historical cost denominated in other currencies are not retranslated. Gains and losses arising on retranslation are included in the income statement.

Income taxes

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment other than freehold land. Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold land and buildings	Period of lease
IT and hardware	3 to 15 years
Fixtures, fittings and equipment	3 to 15 years

Assets under construction are not depreciated until they are ready for use.

Assets held under finance leases are depreciated over the shorter of the expected useful economic life and the term of the relevant lease. Where significant, the residual values and the useful economic lives of property, plant and equipment are re-assessed annually.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

1. Significant accounting policies (continued)

Intangible assets

Capitalised computer software is stated at cost, net of amortisation and any provision for impairment. Amortisation is charged on software so as to write off the cost of the assets to their estimated residual values by equal annual instalments over their expected useful economic lives up to a maximum of eight years.

Trade receivables

Trade receivables are initially recognised at fair value which, unless there is a significant financing component, represents the amount of consideration that is unconditional. These are subsequently carried at amortised cost using the effective interest method less loss allowances. Loss allowances are determined using expected loss rates which are calculated taking into account payment profiles over a period of 36 months before the balance sheet date and the corresponding historical credit losses experienced within this period. The expected loss rates are adjusted for current and forward-looking local economic and market conditions.

Inventory

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Estimated selling price less costs to complete and sell is based on the estimated selling price of the goods less any estimated completion or selling costs likely to be incurred on the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term call deposits.

The Company is included within a group composite banking arrangement with certain fellow subsidiary undertakings. The details of the guarantee are disclosed in the consolidated financial statements of Atlas Ontario LP.

Trade payables

Trade payables are not interest-bearing, are stated initially at fair value and are subsequently measured at amortised cost using the effective interest method.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

1. Significant accounting policies (continued)

Leases

The company leases a number of its vehicles. Rental contracts are typically made for fixed periods of three to five years but may have extension options.

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

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the company under residual value guarantees;
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

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

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

2. Significant accounting policies (continued)

Leases (continued)

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value leases have been defined by the Company as leases for an asset for which the present value of future lease payments is less than £2,500.

Lease liabilities are measured at the present value of the future lease payments including fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. The Company applies the practical expedient to include non-lease components in the measurement of lease liabilities. Lease liabilities also take into account amounts payable under residual value guarantees and payments to exercise options to the extent that it is reasonably certain that such payments will be made. The payments are discounted at the rate implicit in the lease or, where that cannot be measured, at an incremental borrowing rate determined based on publicly available data for liabilities with matching start dates, terms and currencies, adjusted for the country-specific risk of the lessee. No adjustment is made to reflect the nature of the leased assets on the basis that a lender would not make a material adjustment to the borrowing rate to reflect the nature of the underlying assets.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

1. Significant accounting policies (continued)

Leases – continued

Lease assets are measured based on the value of the associated lease liability, adjusted for any payments made before inception and initial direct costs. Subsequent to initial recognition, the company records and interest charge in respect of the lease liability. The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life of the leased asset unless it is reasonably certain that the Company will acquire the asset at the end of the lease in which case it is recognised over the asset's useful economic life. Lease liabilities are adjusted for changes to the future cash flows due to the lease (for example, changes based on movements in indexes or rates) with a corresponding adjustment typically made to the associated asset.

Impairment

The carrying value of the company's assets, with the exception of 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.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

1. Significant 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.

Financial instruments

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

Trade receivables

Trade receivables do not carry interest and are stated initially at their fair value. The company applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Amounts owed by/to group undertakings

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Bank overdrafts and loans

Interest-bearing bank overdrafts and loans are recognised at the value of proceeds received, net of direct issue costs.

Trade payables

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

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.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

1. Significant accounting policies (continued)

Critical accounting estimates and judgements

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.

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

Critical accounting estimates and assumptions.

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.

The estimates and assumptions which are of most significance in preparing the company's financial statements are detailed below:

Trade receivables

Trade receivables are initially recognised at fair value which, unless there is a significant financing component, represents the amount of consideration that is unconditional. These are subsequently carried at amortised cost using the effective interest method less loss allowances. Loss allowances are determined using expected loss rates which are calculated taking into account payment profiles over a period of 36 months before the balance sheet date and the corresponding historical credit losses experienced within this period. The expected loss rates are adjusted for current and forward-looking local economic and market conditions. At the year end trade receivables were £1,503,894 (2020 £1,002,911) against which a provision of £131,548 was made (2020 £76,839.) The provision in 2021 represents 8.7% of trade receivables (2020 7.7%.) A 1% change to the loss rate would impact the company's results and net worth by £15,039 (2020 £10,029.)

Fixed asset useful economic lives

Fixed assets are depreciated by reference to their useful economic lives. Each is determined by reference to historical experience. Asset lives are reviewed annually and at any point where a material change in circumstances is identified. No such changes were identified in the current year.

Critical judgements in applying the entity's accounting policies

There are no judgements which are of significance in the preparation of the company's financial statements.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

2. Revenue

Revenue arose from the company's principal activity, investigation services, and originated in the United Kingdom, Europe and the rest of the world. The amount of turnover by region is as follows:

	2021 £	2020 £
UK	12,468,238	12,038,268
Europe	142,247	127,174
Rest of world	<u>30,440</u>	<u>26,919</u>
	<u>12,640,925</u>	<u>12,192,361</u>

Operating profit

Arrived at after charging:

	2021 £	2020 £
Depreciation expense	172,249	513,795
Amortisation expense (included in administrative expenses)	36,507	51,024

3. Other Operating Income

	2021 £	2020 £
Government grants	<u>420,927</u>	<u>1,363,841</u>

In response to the COVID-19, in March 2021 the UK government introduced a wage subsidy programme for companies adversely impacted by the coronavirus pandemic. Under the initial programme, an eligible company could apply for the subsidy in an amount of up to 80% of each employee's salary to continue paying monthly salaries to its furloughed employees.

The company's application for the programme was approved in March 2021 and it was entitled to the wage subsidy on a monthly basis conditional on the employees continuing to be on furlough and the company continuing paying their salary. The company benefited from the programme from April to December 2021.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

4. Finance Income

	2021 £	2020 £
Interest received from group undertakings	<u>67,833</u>	<u>76,735</u>

5. Finance Expense

	2021 £	2020 £
On bank loans and overdrafts	-	1,803
On leases	<u>2,578</u>	<u>9,914</u>
	<u>2,578</u>	<u>11,717</u>

6. Staff Costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Wages and salaries	7,601,253	8,131,073
Social security costs	766,257	821,411
Other pension costs	330,786	323,147
Redundancy costs	<u>16,971</u>	<u>268,798</u>
	<u>8,715,267</u>	<u>9,544,429</u>

The average monthly number of persons (including directors) employed by the company, analysed by category were as follows:

	2021 Number	2020 Number
Directors	3	3
Administration	18	16
Direct	<u>210</u>	<u>248</u>
	<u>231</u>	<u>267</u>

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

6. Staff Costs (continued)

Directors' emoluments

	2021 £	2020 £
Emoluments for qualifying services	<u>£292,829</u>	<u>£273,636</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	<u>£167,200</u>	<u>£160,861</u>

There were no directors with pension benefits accruing under a defined benefit pension scheme at year end (2020: none).

7. Auditors remuneration

	2021 £	2020 £
Audit of the financial statements	<u>18,000</u>	<u>18,000</u>

There were no non-audit fees paid to the auditors.

8. Tax on profit

Tax charged in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	172,178	75,669
Adjustment in respect of prior periods	<u>34,103</u>	<u>1,324</u>
Current tax charge	<u>206,281</u>	<u>76,993</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(10,395)	(35,997)
Arising from changes in tax rates and laws	196,608	(19,512)
Arising from previously unrecognised tax loss, tax credit or temporary differences	<u>(7,547)</u>	<u>-</u>
Total deferred taxation	<u>178,666</u>	<u>(55,509)</u>
Tax charge in the income statement	<u>384,947</u>	<u>21,484</u>

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

8. Tax on profit on ordinary activities (continued)

The tax rate applied on profit before tax is the standard effective rate of corporation tax in the UK of 19.0% (2020: 19.0%).

The differences are reconciled below:

	2021 £	2020 £
Profit before taxation	<u>679,994</u>	<u>135,226</u>
Corporation Tax of 19.0% at standard rate (2020:19.0%)	<u>129,199</u>	<u>25,693</u>
Adjustments in respect of prior periods	230,711	139
Increase in current tax due to permanent differences	10,732	13,980
Arising from previously unrecognised tax loss, tax credit or temporary differences		
Deferred tax credit following a change in tax rates	(7,547)	(18,328)
Amounts not recognised		
	<u>21,852</u>	=
Total tax charge	<u>384,947</u>	<u>21,484</u>

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

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

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

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

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

9. Intangible assets

	Software £
Cost	
At 1 January 2021	606,888
Additions	0
Disposals	(96,975)
At 31 December 2021	<u>509,913</u>
Accumulated amortisation	
At 1 January 2021	502,804
On disposals	(96,975)
Amortisation charge	<u>36,507</u>
At 31 December 2021	<u>442,336</u>
Carrying amount	
At 31 December 2021	<u>67,577</u>
At 31 December 2020	<u>104,084</u>

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

10. Property, plant and equipment

	Land and buildings	Land and buildings	Equipment and vehicles	Equipment and vehicles	Total
	purchased	leased (RoU assets)	purchased	leased (RoU assets)	
	£	£	£	£	£
Cost					
At 1 January 2021	<u>46,474</u>	<u>121,198</u>	<u>467,844</u>	<u>971,611</u>	<u>1,607,127</u>
Additions	-	-	13,272	74,338	87,610
Disposals	-	(121,198)	(213,214)	(812,248)	(1,146,660)
At 31 December 2021	<u>46,474</u>	=	<u>267,902</u>	<u>233,701</u>	<u>548,077</u>
Accumulated Depreciation					
At 1 January 2021	<u>15,104</u>	<u>121,198</u>	<u>332,986</u>	<u>806,013</u>	<u>1,275,301</u>
On disposals	-	(121,198)	(213,214)	(728,142)	(1,062,554)
Charge for the year	<u>4,647</u>	=	<u>71,603</u>	<u>95,999</u>	<u>172,249</u>
At 31 December 2021	<u>19,751</u>	=	<u>191,375</u>	<u>173,870</u>	<u>384,996</u>
Carrying amount					
At 31 December 2021	<u>26,723</u>	=	<u>76,527</u>	<u>59,831</u>	<u>163,081</u>
At 31 December 2020	<u>31,370</u>	=	<u>134,858</u>	<u>165,598</u>	<u>331,826</u>

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

10. Property, plant and equipment – continued

	Land and buildings — purchased £	Land and buildings — leased (RoU assets) £	Equipment and vehicles — purchased £	Equipment and vehicles — leased (RoU assets) £	Total £
Cost					
At 1 January 2020	<u>46,474</u>	<u>121,198</u>	<u>373,836</u>	<u>1,879,658</u>	<u>2,421,166</u>
Additions	-	-	110,347	32,933	143,280
Disposals	-	-	(16,339)	(940,980)	(957,319)
At 31 December 2020	<u>46,474</u>	<u>121,198</u>	<u>467,844</u>	<u>971,611</u>	<u>1,607,127</u>
Accumulated Depreciation					
At 1 January 2020	<u>10,457</u>	<u>39,762</u>	<u>257,556</u>	<u>1,273,681</u>	<u>1,581,456</u>
On disposals	-	-	(16,339)	(860,807)	(877,146)
Charge for the year	-	57,196	-	-	57,196
At 31 December 2020	<u>4,647</u>	<u>24,240</u>	<u>91,769</u>	<u>393,139</u>	<u>513,795</u>
	<u>15,104</u>	<u>121,198</u>	<u>332,986</u>	<u>806,013</u>	<u>1,275,301</u>
Carrying amount					
At 31 December 2020	<u>31,370</u>	-	<u>134,858</u>	<u>165,598</u>	<u>331,826</u>
At 31 December 2019	<u>36,017</u>	<u>81,436</u>	<u>116,280</u>	<u>605,977</u>	<u>839,710</u>

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

11. Deferred tax assets

	2021 £	2020 £
Accelerated tax depreciation	-	196,608
Provisions	<u>31,445</u>	<u>13,503</u>
Net tax assets	<u>31,445</u>	<u>210,111</u>

Deferred tax movements during the year:

	At 1 January 2021 £	Recognised in income statement £	Recognised in other comprehensive income £	At 31 December 2021 £
Accelerated tax depreciation	196,608	(196,608)	-	-
Provisions	<u>13,503</u>	<u>17,942</u>	-	<u>31,445</u>
Net Tax Assets	<u>210,111</u>	<u>(178,666)</u>	-	<u>31,445</u>

Deferred tax movements during the prior year:

	At 1 January 2020 £	Recognised in income statement £	Recognised in other comprehensive income £	At 31 December 2020 £
Accelerated tax depreciation	149,042	47,566	-	196,608
Provisions	<u>5,560</u>	<u>7,943</u>	-	<u>13,503</u>
Net Tax Assets	<u>154,602</u>	<u>55,509</u>	-	<u>210,111</u>

Deferred tax assets and liabilities on temporary differences have been calculated using the UK corporation tax rate which will apply in the period during which they are expected to reverse. In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate will increase to 25%. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

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

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

12. Trade and other receivables

Amounts falling due between one and three years

	2021	2020
	£	£
Amounts due from group undertakings	<u>133,200</u>	=
	<u>133,200</u>	=

13. Trade and other receivables

Amounts falling due within one year

	2021	2020
	£	£
Trade receivables	1,445,698	1,002,911
Provision for impairment of trade receivables	<u>(131,548)</u>	<u>(76,839)</u>
Net trade receivables	1,314,150	926,072
Amounts due from group undertakings	4,727,880	5,288,039
Accrued income	363,750	329,094
Prepayments	<u>120,160</u>	<u>296,424</u>
	<u>6,525,940</u>	<u>6,839,629</u>

Included in the amounts due from group undertakings is £4,351,549 (2020 £4,735,623) relating to a loan agreement. Interest accrues at a rate equal to the three month GBP interbank offered rate plus 1.5%.

14. Trade and other payables

Amounts falling due within one year

	2021	2020
	£	£
Trade payables	346,541	463,344
Accrued expenses	529,369	675,070
Amounts owed to group undertakings	600,634	543,053
Social security and other taxes	<u>767,091</u>	<u>1,158,505</u>
	<u>2,243,635</u>	<u>2,839,972</u>

Amounts owed to group undertakings are trading in nature and attract no interest and are repayable on demand.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

15. Leases

Lessee arrangements

The company has a number of leases. The company's lease liabilities relate to properties, vehicles and equipment. The company's leases have a lease term between 1 and 5 years.

	2021 £	2020 £
Current	41,856	145,313
Non-current	<u>17,585</u>	<u>80,189</u>
Total	<u>59,441</u>	<u>225,502</u>

Maturity profile of loans and borrowings	Within 1 year £	Between 1 and 3 years £	Between 3 and 5 years £	Total £
2021	<u>41,856</u>	<u>17,585</u>	=	<u>59,441</u>
2020	<u>145,313</u>	<u>80,189</u>	=	<u>225,502</u>

The analysis of right-of-use assets including additions and depreciation is set out in note 10. The interest expense in relation to lease liabilities is disclosed in note 5.

16. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
70,000 (2020 70,000) Ordinary Shares "A" of £1 each	70,000	70,000
30,000 (2020 30,000) Ordinary Shares "B" of £1 each	<u>30,000</u>	<u>30,000</u>
	<u>100,000</u>	<u>100,000</u>

The "A" and "B" shares rank pari passu.

G4S INVESTIGATION SOLUTIONS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

17. Parent undertaking

The Company's immediate parent undertaking is G4S Government and Outsourcing Services (UK) Limited. The Company's ultimate parent undertaking and ultimate controlling party is Atlas Ontario LP, a limited partnership formed under the laws of the Province of Ontario, Canada. The registered office of Atlas Ontario LP is 1551 N Tustin Ave # 650, Santa Ana, California 92705, USA. Atlas Ontario LP is also the parent undertaking of both the smallest and largest groups which include the results of the Company and for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Atlas Ontario LP are available from the G4S website (www.g4s.com).