

Registration number: 04969936

G4S Holdings UK (AG) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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G4S Holdings UK (AG) Limited

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G4S Holdings UK (AG) Limited

Company Information

Directors	S Lundsberg-Nielsen C A V Barroche T P Weller
Company secretary	V J Patel
Registered office	5th Floor, Southside 105 Victoria Street London SW1E 6QT
Independent auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL

G4S Holdings UK (AG) Limited

Strategic Report for the Year Ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Fair review of the business

The principal activity of G4S Holdings UK (AG) Limited ("the Company") is that of an investment holding company.

The Company has net liabilities of US\$2,558,000 (2016: US\$2,422,000) and made a loss in the financial year of US\$136,000 (2016: US\$4,309,000).

The directors consider the results for the year to be satisfactory and future activities will be of a similar nature, and results are expected to remain similar overall.

Future developments

The Company does not expect any changes to its principal activity in the foreseeable future.

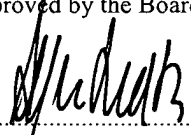
Key performance indicators

Given the straight forward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or performance of the business.

Principal risks and uncertainties

As an investment holding company the principal risks and uncertainties affecting the Company are managed as part of the wider G4S plc group. A full explanation of these risks is contained in the consolidated financial statements of G4S plc. Copies of the group financial statements for G4S plc are available upon request from the Company Secretary, 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

Approved by the Board on 4 July 2018 and signed on its behalf by:


.....
S Lundsberg-Nielsen
Director

G4S Holdings UK (AG) Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Directors of the Company

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

S Lundsberg-Nielsen

C A V Barroche (appointed 1 January 2017)

T P Weller

Results and dividends

The results for the year are set out on page 8. The directors do not recommend the payment of a dividend (2016: £Nil).

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

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the Company's net current liabilities, which the directors believe to be appropriate for the following reasons. The Company received a financial support letter from its parent company to provide sufficient financial assistance to the Company if and when it is needed to enable the Company to continue its operations and fulfil its currently anticipated financial obligations now and in the future. This undertaking is provided for a period of at least 12 months provided the Company remains a member of its parent company's group.

This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on its parent undertaking for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

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 within the financial risk management objective and policies of G4S plc which are disclosed within the group's annual report.

G4S Holdings UK (AG) Limited

Directors' Report for the Year Ended 31 December 2017 (continued)

Statement of directors' responsibilities

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

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

The directors are responsible for 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.

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

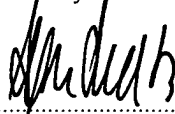
In the case of each director in office at the date of the Directors' Report is approved:

- 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 auditors

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

Approved by the Board on 4 July 2018 and signed on its behalf by:


.....
S Lundsberg-Nielsen
Director

G4S Holdings UK (AG) Limited

Independent Auditors' Report to the Members of G4S Holdings UK (AG) Limited

Report on the financial statements

Our opinion

In our opinion, G4S Holdings UK (AG) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise; the statement of financial position as at 31 December 2017; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis of opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

G4S Holdings UK (AG) Limited

Independent Auditors' Report to the Members of G4S Holdings UK (AG) Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

G4S Holdings UK (AG) Limited

Independent Auditors' Report to the Members of G4S Holdings UK (AG) Limited (continued)

Responsibilities for the financial statements and the audit (continued)

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

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

Use of this report

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

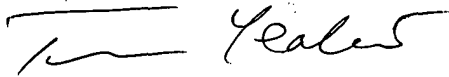
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility:



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

Central Square
29 Wellington Street
Leeds
LS1 4DL

Date: 4/7/2018

G4S Holdings UK (AG) Limited

Income Statement for the Year Ended 31 December 2017

	Note	2017 US\$ 000	2016 US\$ 000
Administrative expenses		<u>1</u>	<u>(4,340)</u>
Operating profit/(loss)		1	(4,340)
Finance income	8	15	-
Finance costs	9	<u>(135)</u>	<u>(110)</u>
Loss before income taxation		(119)	(4,450)
Income tax on loss	10	<u>(17)</u>	<u>141</u>
Loss for the financial year		<u><u>(136)</u></u>	<u><u>(4,309)</u></u>

The above results were derived from continuing operations.

G4S Holdings UK (AG) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2017

	2017 US\$ 000	2016 US\$ 000
Loss for the financial year	<u>(136)</u>	<u>(4,309)</u>
Total comprehensive expense for the financial year	<u><u>(136)</u></u>	<u><u>(4,309)</u></u>

G4S Holdings UK (AG) Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Called up share capital US\$ 000	Share premium US\$ 000	Accumulated losses US\$ 000	Total equity US\$ 000
At 1 January 2016	-	3,788	(1,901)	1,887
Comprehensive expense:				
Loss for the financial year	-	-	(4,309)	(4,309)
Total comprehensive expense	-	-	(4,309)	(4,309)
At 31 December 2016	-	3,788	(6,210)	(2,422)
At 1 January 2017	-	3,788	(6,210)	(2,422)
Comprehensive expense:				
Loss for the financial year	-	-	(136)	(136)
Total comprehensive expense	-	-	(136)	(136)
At 31 December 2017	-	3,788	(6,346)	(2,558)

The notes on pages 12 to 22 form an integral part of these financial statements.

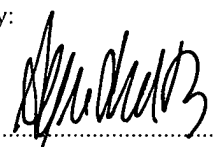
G4S Holdings UK (AG) Limited

(Registration number: 04969936)

Statement of Financial Position as at 31 December 2017

	Note	31 December 2017 US\$ 000	31 December 2016 US\$ 000
Non-current assets			
Investments	11	-	-
Current assets			
Trade and other receivables	12	7	24
Current tax assets		-	24
Cash at bank and in hand		246	207
		<u>253</u>	<u>255</u>
Total assets		<u>253</u>	<u>255</u>
Current liabilities			
Trade and other payables	13	(2,798)	(2,664)
Current tax liabilities		<u>(1)</u>	<u>-</u>
		(2,799)	(2,664)
Non-current liabilities			
Deferred tax liabilities		<u>(12)</u>	<u>(13)</u>
Total liabilities		<u>(2,811)</u>	<u>(2,677)</u>
Net liabilities		<u>(2,558)</u>	<u>(2,422)</u>
Equity			
Called up share capital	14	-	-
Share premium		3,788	3,788
Accumulated losses		<u>(6,346)</u>	<u>(6,210)</u>
Total shareholders' deficit		<u>(2,558)</u>	<u>(2,422)</u>

The financial statements on pages 8 to 22 were approved by the Board on 4 July 2018 and signed on its behalf by:



 S Lundberg-Nielsen
 Director

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

G4S Holdings UK (AG) Limited is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the United Kingdom. It is a private company, limited by shares. The Company's registered office is 5th Floor, 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 United States dollars, which is the Company's functional currency, and in thousands of dollars unless stated otherwise.

2 Statement of compliance

The Company's financial statements have been prepared in accordance with Financial Reporting Standards ('FRS') 101 'Reduced Disclosure Framework'.

3 Significant accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, 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 4.

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

3 Significant accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the Company's net current liabilities, which the directors believe to be appropriate for the following reasons. The Company received a financial support letter from its parent company to provide sufficient financial assistance to the Company if and when it is needed to enable the Company to continue its operations and fulfil its currently anticipated financial obligations now and in the future. This undertaking is provided for a period of at least 12 months provided the Company remains a member of its parent company's group.

This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on its parent undertaking for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Exemptions

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

These disclosure exemptions relate to:

- the requirements of IAS 7 'Statement of cash flows';
- new IFRSs that have been issued but are not yet effective and which have not been applied by the Company;
- comparative information for the movements from the beginning to the end of the year in respect of intangible assets, property, plant and equipment, and 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';
- movements during the year in the number and weighted average exercise prices of share-based payments, how the fair value of services received or equity instruments granted was determined and the effect of share based payment transactions on the income statement and financial position;
- 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.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2017 have had a material effect on the financial statements.

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

3 Significant accounting policies (continued)

Finance income and expenses

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

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

Foreign currencies

The financial statements are presented in United States dollars, 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.

Current and deferred tax

Tax is recognised in the income statement except to the extent that it relates to items recognised in equity, in which case it is recognised in equity or other comprehensive income. The tax expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of each deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. Tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets on the basis of management judgement following consideration of the available relevant information.

Investments

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

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

3 Significant accounting policies (continued)

Financial instruments

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

Trade and other receivables

Trade and other receivables do not carry interest and are stated initially at their fair value. The carrying amount of trade and other 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.

Amounts owed by/to group undertaking

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other payables

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

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 exceeds its recoverable amount.

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 cashflows of the financial assets.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Share premium

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

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

4 Accounting estimates, judgements and key 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.

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 on which the estimate is revised and in any future periods effected.

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

Deferred tax

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Impairment of investments

Investments are tested for impairment where there are financial or non financial indicators the carrying value may be 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.

5 Operating profit/ (loss)

Arrived at after charging/(crediting)

	2017 US\$ 000	2016 US\$ 000
Impairment loss	-	4,340

6 Staff costs

There were no employees during the current and prior year, and therefore the Company incurred no staff costs.

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

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

7 Auditors' remuneration

The auditors' remuneration of US\$11,012 (2016: US\$9,843) was borne by another group company. The Company did not incur any non-audit fees in the current and prior year.

8 Finance income

	2017 US\$ 000	2016 US\$ 000
Foreign exchange gains	<u>15</u>	<u>-</u>

9 Finance costs

	2017 US\$ 000	2016 US\$ 000
Foreign exchange losses	-	(26)
Interest payable to group undertakings	<u>(135)</u>	<u>(84)</u>
	<u>(135)</u>	<u>(110)</u>

10 Income tax on loss

Tax charged/(credited) in the income statement

	2017 US\$ 000	2016 US\$ 000
Current taxation		
UK corporation tax	1	(24)
UK corporation tax adjustment to prior periods	<u>17</u>	<u>7</u>
	18	(17)
Deferred taxation		
Arising from origination and reversal of temporary differences	<u>(1)</u>	<u>(124)</u>
Tax expense/(receipt) in the income statement	<u>17</u>	<u>(141)</u>

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

10 Income tax on loss (continued)

The tax rate applied on the loss before tax is the standard effective rate of corporation tax in the UK of 19.25% (2016: 20%).

The differences are reconciled below:

	2017 US\$ 000	2016 US\$ 000
Loss before tax	(119)	(4,450)
Corporation tax at standard rate	(23)	(890)
Increase in current tax from adjustment for prior periods	17	7
Increase from effect of expenses not deductible in determining tax loss	26	868
Decrease from transfer pricing adjustments	(2)	(2)
Deferred tax on unremitted earnings	(1)	(124)
Total tax charge/(credit)	17	(141)

The standard effective rate of corporation tax for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 20% to 19% from 1 April 2017. Further reductions in the UK corporation tax rate will apply from 1 April 2020 when the rate reduces to 17%. All of these changes were enacted at the balance sheet date.

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

Deferred tax assets and liabilities on temporary differences expected to reverse in the period from 1 January 2018 to 31 March 2020 have been provided at 19%. Deferred tax assets and liabilities on timing differences expected to reverse on or after 1 April 2020 have been provided at 17%.

Deferred tax

Deferred tax liabilities

	Liability US\$ 000
2017	
Other items	(12)
2016	
Other items	(13)

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

10 Income tax on loss (continued)

Deferred tax movement during the year:

	At 1 January 2017 US\$ 000	Recognised in income US\$ 000	At 31 December 2017 US\$ 000
Other items	<u>(13)</u>	<u>1</u>	<u>(12)</u>

Deferred tax movement during the prior year:

	At 1 January 2016 US\$ 000	Recognised in income US\$ 000	At 31 December 2016 US\$ 000
Other items	<u>(137)</u>	<u>124</u>	<u>(13)</u>

11 Investments

Subsidiaries

US\$ 000

Cost

At 1 January 2017	<u>5,257</u>
At 31 December 2017	<u>5,257</u>

Impairment

At 1 January 2017	<u>5,257</u>
At 31 December 2017	<u>5,257</u>

Carrying amount

At 31 December 2017	<u>-</u>
At 31 December 2016	<u>-</u>

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

11 Investments (continued)

Details of the subsidiaries as at 31 December 2017 are as follows:

Subsidiary undertakings	Class of holding	% ownership	Place of incorporation or registration
G4S Worldwide Holdings Limited*	Ordinary	100%	5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT
G4S Finance Management (AG) Limited*	Ordinary	100%	5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT
G4S Algerie EURL	Ordinary	100%	Lotissement Benhedadi Said N°3 Dar Diaf Cherraka, 16050, Algeria
ArmorGroup Djibouti SARL	Ordinary	80%	No known address
US Defense Systems LLC	Ordinary	100%	2711 Centerville Road, Suite 400, Wilmington DE, United States
Defence Systems Ecuador DSE CIA Ltda	Ordinary	99.9%	Calle Moscú E09-8 y Av. República del Salvador, Quito, Ecuador
G4S Gabon Secure Solutions S.A.*	Ordinary	99.9%	Quartier Ambowe, BP 4000 Libreville, Gabon
ArmorGroup Cote D'Ivoire SA	Ordinary	100%	Rue B31, Lot 29, Cocody danga Nord Abidjan, 20 BP 845 Abidjan, 20 Abidjan, Ivory Coast
ArmorGroup Kenya Limited	Ordinary	100%	Plot No. LR 209/368/10, Armor House, Lenana Road, PO Box 2714, Nairobi, Kenya
G4S Ordinance Management (Mocambique) Limitada	Ordinary	90%	No 2085, Avenida Ahmed Sekoe Toure, Maputo, Mozambique
G4S Defence Systems Eurasia Limited	Ordinary	100%	5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT
G4S Eurasia LLC	Ordinary	90.2%	Building 1, 4 Ukhtomsky Pereulok, 111020 Moscow, Russia
LLC PSE G4S Security Services - Sakhalin	Ordinary	67.7%	36 Dzerzhinskogo, 693000 Yuzhno-Sakhalinsk, Russia
LCC G4S Technical Solutions - Sakhalin	Ordinary	67.7%	62A Amurskaya Str, Office 103, 693000 Yuzhno-Sakhalinsk, Russia
G4S Rwanda Ltd	Ordinary	99%	5698 Nyarutarama, P.O. Box 7230, Kigali, Rwanda
ArmorGroup Sudanese Co Limited	Ordinary	100%	8 Mek Nimer Street, PO Box 47, Khartoum, Sudan

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

11 Investments (continued)

ArmorGroup Tanzania Limited	Ordinary	99.9%	TDFL, 3rd Floor (Opposite Sheraton Hotel), Dar-es-Salaam, Tanzania
Alarm Protection Services Limited	Ordinary	99%	Plot 53 Lumumba Avenue, Nakasero, Kampala, Uganda
G4S DSL Holdings Limited	Ordinary	100%	5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT
G4S Risk Consulting Limited	Ordinary	100%	Southside, 105 Victoria Street, London, SW1E 6QT
ArmorGroup (Special Clearance Services) Ltd	Ordinary	100%	Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands
G4S Risk Management Colombia SA	Ordinary	94.5%	Avenida 26 No. 69A 51 Torre A, Int 1, Piso 2, Bogota, Colombia

* Direct holdings

12 Trade and other receivables

	2017 US\$ 000	2016 US\$ 000
Amounts owed from group undertakings (members of the G4S plc group)	<u>7</u>	<u>24</u>
	<u>7</u>	<u>24</u>

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

13 Trade and other payables

	2017 US\$ 000	2016 US\$ 000
Amounts due to group undertakings (members of the G4S plc group)	<u>2,798</u>	<u>2,664</u>

Included within amounts owed to group undertakings is a US\$2,791,000 (2016: US\$2,663,000) loan which is unsecured and repayable on demand. Interest is charged on this loan at a rate of US\$ LIBOR plus 2.5%.

All other amounts owed to group undertakings are unsecured, interest free and repayable on demand.

G4S Holdings UK (AG) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

14 Called up share capital

Issued and fully paid shares

	2017		2016	
	No.	US\$	No.	US\$
Ordinary shares of £0.01 each	750	10.14	750	10.14
Ordinary shares of \$0.10 each	1,001	100.10	1,001	100.10
	<u>1,751</u>	<u>110</u>	<u>1,751</u>	<u>110</u>

15 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is G4S Holdings International (AG) Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is G4S plc. Copies of the G4S plc's consolidated financial statements are available upon request from the Company Secretary, 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.