

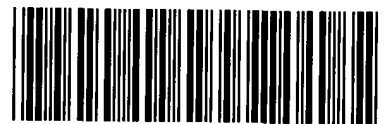
Registration number: 06294639

G4S US Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

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G4S US Holdings Limited

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G4S US Holdings Limited

Company Information

Directors	P V David S Lundsberg Nielsen T P Weller
Company secretary	W A Hayes
Registered office	Southside 105 Victoria Street London SW1E 6QT
Independent Auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL

G4S US Holdings Limited

Strategic Report for the Year Ended 31 December 2015

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

Fair review of the business

The principal activity of the company is that of an investment holding company.

During the period there was minimal activity in the company. The company had net assets at 31 December 2015 of £624,591,000 (2014: £639,699,000). The company made a profit after taxation of £49,674,000 (2014: loss of £13,659,000).

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.

Transition to FRS 101

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

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

The date of transition from the previous accounting standards to FRS 101 was 1 January 2014. Comparable historical financial information has therefore been provided in accordance with FRS 101 as at 1 January 2014 and as at, and for the year ended, 31 December 2014. FRS 101 grants elections and certain exemptions from its full requirements when preparing the first financial statements that conform to FRS 101. An explanation of these and how the transition affected the previously reported financial position and financial performance of the company has been disclosed in note 15 to the financial statements.

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

Key performance indicators

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.

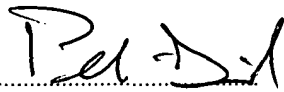
G4S US Holdings Limited

Strategic Report for the Year Ended 31 December 2015

Principal risks and uncertainties

As an investment holding company the principal risks and uncertainties are in respect of the underlying operational performance and economic risks faced by its investments or other group companies which it holds amounts receivable from. A full explanation of these risks is contained in the consolidated financial statements of G4S plc, please see note 14 to the company's financial statements for details of where a copy of these accounts can be obtained.

Approved by the Board on 11 November 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P V David', written over a dotted line.

P V David
Director

G4S US Holdings Limited

Directors Report for the Year Ended 31 December 2015

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

Directors of the company

The directors who held office during the year and up to the date of approval of the financial statements were as follows:

P V David

S Lundsberg Nielsen

H Raja (resigned 1 October 2016)

The following director was appointed after the year end:

T P Weller (appointed 24 October 2016)

Results and dividends

The results for the year are set out on page 10. The directors declared a dividend £69,700,000 (2014: £nil) during the year.

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

Environmental matters

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

Financial Risk Management

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

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

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

Disclosure of information to the auditors

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

G4S US Holdings Limited

Directors Report for the Year Ended 31 December 2015

Auditors

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

Approved by the Board on 11 November 2016 and signed on its behalf by:



P V David
Director

G4S US Holdings Limited

Statement of Directors' Responsibilities

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

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

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

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

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

G4S US Holdings Limited

Independent Auditors' Report to the members of G4S US Holdings Limited

Report on the financial statements

Our opinion

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

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

What we have audited

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

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

G4S US Holdings Limited

Independent Auditors' Report to the members of G4S US Holdings Limited

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

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

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

What an audit of financial statements involves

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

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

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

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

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

G4S US Holdings Limited

Independent Auditors' Report to the members of G4S US Holdings Limited



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

Central Square
29 Wellington Street
Leeds
LS1 4DL

Date: 11/4/2016

G4S US Holdings Limited

Income Statement for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Dividend income		71,264	-
Net finance expense	5, 6	<u>(22,377)</u>	<u>(13,736)</u>
Profit/(loss) before tax		48,887	(13,736)
Tax on profit/(loss)	9	<u>787</u>	<u>77</u>
Profit/(loss) for the year		<u>49,674</u>	<u>(13,659)</u>

All revenues and results in the income statement are derived only from continuing operations

G4S US Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Profit/(loss) for the year		<u>49,674</u>	<u>(13,659)</u>
Total comprehensive income for the year		<u><u>49,674</u></u>	<u><u>(13,659)</u></u>

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

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2015	<u>100,000</u>	<u>539,699</u>	<u>639,699</u>
Comprehensive income:			
Profit for the year	<u>-</u>	<u>49,674</u>	<u>49,674</u>
Total comprehensive income	-	49,674	49,674
Transactions with owners			
Dividends	-	(69,700)	(69,700)
New share capital subscribed	<u>4,918</u>	<u>-</u>	<u>4,918</u>
At 31 December 2015	<u><u>104,918</u></u>	<u><u>519,673</u></u>	<u><u>624,591</u></u>
 At 1 January 2014	 <u>100,000</u>	 <u>553,358</u>	 <u>653,358</u>
Comprehensive income:			
Loss for the year	<u>-</u>	<u>(13,659)</u>	<u>(13,659)</u>
Total comprehensive income	<u>-</u>	<u>(13,659)</u>	<u>(13,659)</u>
At 31 December 2014	<u><u>100,000</u></u>	<u><u>539,699</u></u>	<u><u>639,699</u></u>

The notes on pages 13 to 30 form an integral part of these financial statements.

G4S US Holdings Limited

(Registration number: 06294639)

Statement of Financial Position as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
ASSETS			
Non-current assets			
Investments	10	626,585	621,667
Current assets			
Trade and other receivables	11	449,718	251,740
Cash and cash equivalents		25	1
		<u>449,743</u>	<u>251,741</u>
Total assets		<u>1,076,328</u>	<u>873,408</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	(452,602)	(233,786)
Current tax liabilities		865	77
		<u>(451,737)</u>	<u>(233,709)</u>
Total liabilities		<u>(451,737)</u>	<u>(233,709)</u>
Net assets		<u>624,591</u>	<u>639,699</u>
EQUITY			
Share capital	13	104,918	100,000
Retained earnings		519,673	539,699
Total equity		<u>624,591</u>	<u>639,699</u>

The financial statements on pages 10 to 30 were approved by the Board of Directors on 11 November 2016 and signed on its behalf by:



P V David

Director

The notes on pages 13 to 30 form an integral part of these financial statements.

G4S US Holdings Limited

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

1 General information

G4S US Holdings Limited (the 'company') is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the UK. It is a private company, limited by shares. The company's registered office is 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 sterling, which is the company's functional currency, and in thousands of pounds unless stated otherwise.

2 Statement of compliance

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

3 Significant accounting policies

Basis of preparation

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

The company has early-adopted certain amendments to FRS100 'Application of Financial Reporting Requirements' and FRS 101 issued in July 2015 by the Financial Reporting Council. These amendments related to changes made to the Companies Act 2006 to maintain consistency with company law and the early adoption of The Companies, Partnerships, and Groups (Accounts and Reports) Regulations 2015 ('SI 2015/980'). SI 2015/980 allowed, among other items, the format of the financial statements to be presented in accordance with International Financial Reporting Standards adopted by the European Union ('adopted IFRSs') instead of the Companies Act 2006.

Transition to FRS 101

These financial statements were prepared by the directors in accordance with FRS 101 for the first time. The date of transition from the previous accounting standards to FRS 101 was 1 January 2014. Comparable historical financial information has therefore been provided in accordance with FRS 101. However, no adjustments were required to the amount reported in the company's previous statutory annual report and financial statements as explained in note 15 to the financial statements. The date of transition from the previous accounting standards to FRS 101 was 1 January 2014. Comparable historical financial information has therefore been provided in accordance with FRS 101 as at 1 January 2014 and as at, and for the year ended, 31 December 2014.

G4S US Holdings Limited

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

Exemptions

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

These disclosure exemptions relate to:

- the presentation of a third or opening statement of financial position at the date of transition to FRS 101 and related notes;
- requirements of IAS 7 'the Statement of Cash Flows';
- the statement of compliance with adopted IFRSs;
- new IFRSs that have been issued but are not yet effective and which have not been applied by the company;
- comparative information for the movements from the beginning to the end of the year in respect of 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';
- movements during the year in the number and weighted average exercise prices of share-based payments, and 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.

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.

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

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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

G4S US Holdings Limited

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated 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.

Impairment

The carrying value of the company's assets, with the exception of inventories and deferred tax assets, is reviewed on an ongoing basis for any indication of impairment and, if any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying value of an asset or its cash-generating unit exceeds its recoverable amount.

An impairment loss in respect of goodwill is not reversed. In respect of any other asset, an impairment loss is reversed if there has been a change in the estimates used to determine its recoverable amount. The amount of the reversal is limited such that the asset's carrying amount does not exceed that which would have been determined (after depreciation and amortisation) if no impairment loss had been recognised.

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

Share capital

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

Financial instruments

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

Amount owed to/by group undertakings

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

Trade receivables

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

G4S US Holdings Limited

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade payables

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

4 Accounting estimates, judgements and assumptions

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

Income taxes

Significant judgement can be required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Collectability of amounts due from group undertakings

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

Impairment of investments

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

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

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

5 Finance income

	2015 £ 000	2014 £ 000
Interest receivable from group undertakings	<u>18</u>	<u>14</u>

G4S US Holdings Limited

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

6 Finance expense

	2015	2014
	£ 000	£ 000
Foreign exchange losses	<u>22,395</u>	<u>13,750</u>

7 Staff costs

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

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

8 Auditors' remuneration

The audit fee for the company of £1,200 (2014: £1,200) was borne by another group company. The company did not incur any non-audit fees in the current and prior year.

G4S US Holdings Limited

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

9 Income tax

Tax charged/(credited) in the income statement

	2015 £ 000	2014 £ 000
Current taxation		
UK corporation tax	<u>(787)</u>	<u>(77)</u>

The tax rate applied on profit before tax is the standard effective rate of corporation tax in the UK of 20.25% (2014: 21.5%).

The standard effective rate of corporation tax in the UK reduced from 21.5% in 2014 to 20.25% for 2015 in accordance with legislation enacted by the UK Government during 2013.

The differences are reconciled below:

	2015 £ 000	2014 £ 000
Profit/(loss) before tax	<u>48,887</u>	<u>(13,736)</u>
Corporation tax at standard rate	9,900	(2,953)
Decrease in current tax due to non-taxable dividend income	(14,431)	-
Increase in current tax due to disallowable foreign exchange losses on hedging loans	4,209	2,956
Decrease in current tax due to permanent differences	<u>(465)</u>	<u>(80)</u>
Total tax credit	<u>(787)</u>	<u>(77)</u>

The UK corporation tax rate reduced from 21% to 20% with effect from 1 April 2015. Further reductions in the UK corporation tax rate will apply from 1 April 2017 when the rate reduces to 19% and from 1 April 2020 when the rate reduces to 18%. All of these rate changes were enacted at the balance sheet date.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

G4S US Holdings Limited

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

10 Investments

Subsidiaries

£ 000

Cost or valuation

At 1 January 2015

621,667

Additions

4,918

At 31 December 2015

626,585

Carrying amount

At 31 December 2015

626,585

At 31 December 2014

621,667

The principal company in which the company's direct interest as at 31 December 2015 is more than 20% is as follows:

Subsidiary undertakings	Class of holding	Direct ownership	Nature of business	Registered address
G4S Holding One Inc*	Ordinary	100%	Holding company	2711 Centerville rd, 19808 Wilmington, DE, United States
G4S Secure Solutions International Inc	Ordinary	100%	Secure solutions	1395 University Blvd 33458, Jupiter, FL, United States
G4S Peru SAC	Ordinary	99.9%	Secure solutions	Av. El Sol 916, Urbanizacion La Campina, Chorrillos, Lima, Peru
G4S Bolivia SA	Ordinary	99.9%	Secure solutions	Marcelo terceros Banzer S/N, 3er Anillo Ext. Equipetrol, Santa Cruz, Bolivia
G4S Secure Solutions (USA) Inc	Ordinary	100%	Secure solutions	1395 University Blvd 33458, Jupiter, FL, United States
GFours S.A	Ordinary	100%	Secure solutions	Sabana Sur Yamuni 200 Sur de Frente a Consejo Nacional de Produccion, San Jose, Costa Rica
Wackenhut Servicios de Seguridad S.A	Ordinary	100%	Secure solutions	Sabana Sur Yamuni 200 Sur de Frente a Consejo Nacional de Produccion, San Jose, Costa Rica

G4S US Holdings Limited

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

Wackenhut Servicios de Escoltas S.A.	Ordinary	100%	Secure solutions	Sabana Sur Yamuni 200 Sur de Frente a Consejo Nacional de Produccion, San Jose, Costa Rica
G Four S Grupo de Servicios Especiales de Seguridad S.A.	Ordinary	100%	Secure solutions	Sabana Sur Yamuni 200 Sur de Frente a Consejo Nacional de Produccion, San Jose, Costa Rica
G Four S Consultor En Seguridad S.A.	Ordinary	100%	Secure solutions	Sabana Sur Yamuni 200 Sur de Frente a Consejo Nacional de Produccion, San Jose, Costa Rica
G4S Secure Solutions	Ordinary	95%	Secure solutions	Paseo de los Locutores #36, Ensanche Piantini, Santo Domingo, Dominican Republic
G4S Holdings (Ecuador) S.A.	Ordinary	99.9%	Holding company	Luis Cordero E12-114 y Toledo, Quito, Ecuador
G4S Secure Solutions (Ecuador) CIA Ltda	Ordinary	99.9%	Secure solutions	Luis Cordero E12-114 y Toledo, Quito, Ecuador
G4S Facility Management CIA Ltda	Ordinary	99.9%	Facilities' management	Calle La Perla y 5th, Transversal, PO Box 17-11-04791, Quito, Ecuador
G4S Secure Solutions El Salvador S.A.	Ordinary	99.9%	Secure solutions	Avenida Olimpica 3765, San Salvador, El Salvador
G4S Secure Solutions (Gambia) Ltd	Ordinary	90%	Secure solutions	9 Booster Street, Fajara, SK Serrekunda, Gambia
G4S Holding Cyprus Ltd	Ordinary	45%	Holding company	PO Box 23989, 1687 Nicosia, Cyprus
G4S Electronica Holding LLC	Ordinary	100%	Holding company	1395 University Blvd, 33458 Jupiter, United States
G4S Guatemala Holding LLC	Ordinary	100%	Holding company	1395 University Blvd, 33458 Jupiter, United States
Wackenhut de Guatemala SA	Ordinary	50%	Secure solutions	Avenida Petapa 42-51, Zona 12, Guatemala City, Guatemala
G4S Documenta S.A	Ordinary	49.9%	Secure solutions	Avenida Petapa 42-51, Zona 12, Guatemala City, Guatemala
G4S Secure Solutions de Honduras SA	Ordinary	99.9%	Secure solutions	Edificio Santa Elena, Primer Nivel, Colonia San Carlos, Avenida La Paz, Tegucigalpa, Honduras
Wackenhut SA	Ordinary	97.5%	Secure solutions	20 B.P, 845 Abidjan 20, Ivory Coast
G4S Secure Solutions (CI) SA	Ordinary	76%	Secure solutions	3 Boulevard Valerie Giscard d'Estaing, 01 BP 6065 ABJ 01 Abidjan, Ivory Coast
G4S Jamaica Limited	Ordinary	100%	Secure solutions	6-8 East Avenue, 5 Kingston W.I, Jamaica

G4S US Holdings Limited

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

G4S Secure Solutions Int (Jordan) Ltd	Ordinary	50% Secure solutions	12 Mithqual El Favez Street, Third Cicle, Jebel, P.O Box 831358 11183 Amman, Jordan
G4S Holdings Mexico SA de CV	Ordinary	99.9% Holding company	Barranca del Muerto 380, CP 01020 Mexico, D.F, Mexico
G4S Security Systems SA de CV	Ordinary	99.8% Secure solutions	Barranca del Muerto 38, CP 01020 Mexico, D.F, Mexico
G4S Private Security Services SA de CV	Ordinary	99.8% Secure solutions	Barranca del Muerto 38, CP 01020 Mexico, D.F, Mexico
Wackenhut Morocco Inc	Ordinary	93.8% Secure solutions	24 Lotissement la Colline, Sidi Maarouf, 20150 Casablanca, Morocco
Wackenhut Mozambique Ltd	Ordinary	90% Secure solutions	Rua Mariano Machado Nr. 99/186, Maputo, Mozambique
G4S Secure Solutions Sociedad Anonima	Ordinary	51% Secure solutions	Reparta Belmonte, Dr. Hospital Velez Paiz, 1 Cuadra Holis Arriba, Nicaragua
Inversiones Setesca	Ordinary	100% Secure solutions	Calle 41, 2-40 Bella Vista, Panama
Seguridad Tecnica SA	Ordinary	44% Secure solutions	Calle 41, 2-40 Bella Vista, Panama
Pointe Marketing Corp	Ordinary	44% Marketing	Calle 41, 2-40 Bella Vista, Panama
Limpie SA	Ordinary	44% Secure solutions	Calle 41, 2-40 Bella Vista, Panama
Factor Inc Corp	Ordinary	44% Secure solutions	Calle 41, 2-40 Bella Vista, Panama
Detecta SA	Ordinary	44% Secure solutions	Calle 41, 2-40 Bella Vista, Panama
Wackenhut Paraguay SA	Ordinary	80% Secure solutions	Nery Quevedo 315 Esq. Hipolito Garron, Asuncion, Paraguay
G4S Peru SAC	Ordinary	99.9% Secure solutions	Avenida El Sol 916, Urbanizacion La Campina, Chorrillos, Lima, Peru
G4S L&T Peru SAC	Ordinary	99.9% Secure solutions	Avenida El Sol 906, Distrito de Chorrillos, Provincia y Departamento de Lima, Peru
G4S Secure Solutions (Puerto Rico) Inc	Ordinary	100% Secure solutions	Carretera 1 Plaza Bairoa, Suite 211, Caguas, Puerto Rico
G4S Guatemala Facility Services LLC	Ordinary	100% Facility services	Avendia Petapa 42-51, Zona 12 Guatemala City, Guatemala

G4S US Holdings Limited

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

Tuhnekaw Inc	Ordinary	100%	Secure solutions	900 Market Street, Suite 200, DA 19801 Wilmington, Delaware, United States
Wackenhut Homeland Security Inc	Ordinary	100%	Secure solutions	4200 Wackenhut Drive, Suite 100, FL 33410 Palm Beach Gardens, Florida, United States
VEBA Trust	Ordinary	100%	Secure solutions	1395 University Blvd, 33458 Jupiter, United States
Wackenhut Foreign Properties Inc	Ordinary	100%	Secure solutions	2711 Centerville Road, 19808 Wilmington, Delaware, United States
American Guard and Alert Inc	Ordinary	100%	Secure solutions	4200 Wackenhut Drive, Suite 100, FL 33410 Palm Beach Gardens, Florida, United States
TWC Inc	Ordinary	100%	Secure solutions	4200 Wackenhut Drive, Suite 100, FL 33410 Palm Beach Gardens, Florida, United States
Renaissance Centre Management Company	Ordinary	90.9%	Secure solutions	601 Abbot Rd. 48823 Lansing, United States
Wackenhut US Properties Inc	Ordinary	100%	Secure solutions	2711 Centerville Road, 19808 Wilmington, Delaware, United States
Titania Insurance Co of America	Ordinary	100%	Secure solutions	156 College Street, 05401 VT, IS United States
G4S Compliance & Investigations Inc	Ordinary	100%	Secure solutions	910 Paverstone Drive, 27615 Raleigh, North Carolina, United States
Ronco Consulting Corporation	Ordinary	100%	Secure solutions	1209 Orange Street, 19801 Wilmington, Delaware, United States
G4S Technology Holdings (USA) Inc	Ordinary	100%	Holdings company	21 North Avenue, 01803 Burlington, Massachusetts, United States
G4S Secure Integration LLC	Ordinary	100%	Secure solutions	1200 Landmark Centre, Ste 1300 68102 Omaha, Nebraska, United States
G4S Technology Software Solutions LLC	Ordinary	100%	Secure solutions	21 North Avenue, 01803 Burlington, Massachusetts, United States
G4S International Logistics (USA) Inc	Ordinary	100%	Secure solutions	JFK Cargo Center 75, International Airport, Hangar Road, Suite 210, 11430 Jamaica, New York, United States
G4S Electronica Holding LLC	Ordinary	100%	Secure solutions	1395 University Blvd, 33458 Jupiter, United States
G4S US Investments Limited	Ordinary	100%	Holdings company	5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT, United Kingdom

G4S US Holdings Limited

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

G4S US Inc	Ordinary	100%	Secure solutions	4200 Wackenhut Drive, Suite 100, FL 33410 Palm Beach Gardens, Florida, United States
G4S Retails Solutions (USA) Inc	Ordinary	100%	Secure solutions	2711 Centerville Road, 19808 Wilmington, Delaware, United States
G4S Secure Solutions (Uruguay) SA	Ordinary	80%	Secure solutions	Cufre 2320, Montevideo, Uruguay
Setecsa de Venezuela CA	Ordinary	30%	Secure solutions	Los Ruices Sur, Calle Milan 1013, Caracas, Venezuela
Global Guards CA	Ordinary	97.6%	Secure solutions	Calle Mucuchies con Califonia, Edificio Jimmy Piso 1, Oficina 5, Caracas, Venezuela
Group 4 Falck Sistemas de Alarmas y Seguridad CA	Ordinary	87.8%	Secure solutions	Avenida Diego Cisneros, (Principal De Los Ruices) Los Ruices, Caracas, Venezuela

G4S US Holdings Limited

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

11 Trade and other receivables

	2015 £ 000	2014 £ 000
Amounts owed from group undertakings (members of the G4S plc group)	<u>449,718</u>	<u>251,740</u>

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

12 Trade and other payables

	2015 £ 000	2014 £ 000
Amounts owed to group undertakings (members of the G4S plc group)	<u>452,602</u>	<u>233,786</u>

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

13 Share capital

Allotted, called up and fully paid shares

	2015 No. 000	2015 £ 000	2014 No. 000	2014 £ 000
Ordinary shares of £1 each	<u>104,918</u>	<u>104,918</u>	<u>100,000</u>	<u>100,000</u>

14 Parent and ultimate parent undertaking

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

The parent undertaking of both the largest and smallest group, which included the company and for which group accounts are prepared is G4S plc. G4S Corporate Services Limited, a company incorporated in the United Kingdom, is the company's immediate controlling parent.

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

G4S US Holdings Limited

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

15 Transition to FRS 101

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

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

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

First-time adoption of FRS 101

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

Investment in subsidiary

The carrying amount of the company's investment in its subsidiary has been unaffected by the transition to FRS 101.

Reconciliation of equity

A reconciliation of the company's equity reported in accordance with legacy UK GAAP to its equity in accordance with FRS 101 as at 1 January 2014 and as at 31 December 2014 has been presented below.

Reconciliation of total comprehensive income

A reconciliation of the company's total comprehensive income reported in accordance with legacy UK GAAP to its total comprehensive income in accordance with FRS 101 for the year ended 31 December 2014 has been presented below.

G4S US Holdings Limited

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

Balance sheet at 1 January 2014

	As originally reported £ 000	Reclassification £ 000 Note B	Reverse net investment hedging £ 000 Note D	As restated £ 000
Non-current assets				
Investments	562,446	-	59,221	621,667
	<u>562,446</u>	<u>-</u>	<u>59,221</u>	<u>621,667</u>
Current assets				
Inventories	68	-	-	68
Trade and other receivables	-	89,202	-	89,202
Cash and cash equivalents	2	-	-	2
Amounts owed by group undertakings	89,202	(89,202)	-	-
	<u>89,272</u>	<u>-</u>	<u>-</u>	<u>89,272</u>
Current liabilities				
Trade and other payables	-	(57,581)	-	(57,581)
Amounts owed to group undertakings	(57,581)	57,581	-	-
	<u>(57,581)</u>	<u>-</u>	<u>-</u>	<u>(57,581)</u>
Net assets	<u>31,691</u>	<u>-</u>	<u>-</u>	<u>31,691</u>
Net assets	<u>594,137</u>	<u>-</u>	<u>59,221</u>	<u>653,358</u>
Equity				
Share capital	100,000	-	-	100,000
Hedging reserve	(28,446)	-	28,446	-
Retained earnings	522,583	-	30,775	553,358
Total equity	<u>594,137</u>	<u>-</u>	<u>59,221</u>	<u>653,358</u>

G4S US Holdings Limited

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

Balance sheet at 31 December 2014

	As originally reported £ 000	Presentational adjustments £ 000 Note B	Reverse disposal of investment and net investment hedging £ 000 Note C, D	As restated £ 000
Non-current assets				
Investments	589,866	-	31,801	621,667
	<u>589,866</u>	<u>-</u>	<u>31,801</u>	<u>621,667</u>
Current assets				
Amounts owed by group undertakings	251,740	(251,740)	-	-
Trade and other receivables	-	251,740	-	251,740
Derivative financial instruments	77	-	-	77
Cash and cash equivalents	1	-	-	1
	<u>251,818</u>	<u>-</u>	<u>-</u>	<u>251,818</u>
Current liabilities				
Trade and other payables	-	(233,786)	-	(233,786)
Amounts owed to group undertakings	(233,786)	233,786	-	-
	<u>(233,786)</u>	<u>-</u>	<u>-</u>	<u>(233,786)</u>
Net current assets	<u>18,032</u>	<u>-</u>	<u>-</u>	<u>18,032</u>
Net assets	<u>607,898</u>	<u>-</u>	<u>31,801</u>	<u>639,699</u>
Equity				
Share capital	100,000	-	-	100,000
Hedging reserve	(11,851)	11,851	-	-
Retained earnings	519,749	(11,851)	31,801	539,699
Total equity	<u>607,898</u>	<u>-</u>	<u>31,801</u>	<u>639,699</u>

G4S US Holdings Limited

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

Profit and loss account for the year ended 31 December 2014

	As originally reported £ 000	Reverse net investment hedging £ 000 Note C	Other £ 000 Note D and E	As restated £ 000
Administrative expenses	14	-	(14)	-
Operating profit/(loss)	14	-	(14)	-
Disposal of investments	(2,925)	-	2,925	-
Finance income	-	-	14	14
Finance costs	-	(13,750)	-	(13,750)
	<u>(2,925)</u>	<u>(13,750)</u>	<u>2,939</u>	<u>(13,736)</u>
Profit/(loss) before tax	(2,911)	(13,750)	2,925	(13,736)
Tax on profit on ordinary activities	77	-	-	77
Profit/(loss) for the financial year	<u>(2,834)</u>	<u>(13,750)</u>	<u>2,925</u>	<u>(13,659)</u>

Explanation of transition adjustments

Note A

These balances are as presented in the statutory annual report and financial statements of the company under legacy UK GAAP but aligned with FRS 101 and adopted IFRS headings, prior to adjustments required to comply with FRS 101. The presentation under headings in accordance with adopted IFRSs is permitted by the early adoption of SI 2015/980, as explained in the significant accounting policies.

Note B

Presentational adjustments to the statement of financial position due to the transition to FRS 101

On transition to FRS 101, the company has reclassified the following items.

- Amounts owed by/to group undertakings. The company has chosen to present these balances within Trade and other receivables and Trade and other payables, consistent with the wider G4S plc group, instead of separately on the face of the statement of financial position in the legacy UK GAAP financial statements. Amounts have therefore been reclassified as at 1 January 2014 and as at 31 December 2014.

G4S US Holdings Limited

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

Note C

Reversal of net investment hedging

Under legacy UK GAAP, net investment hedging was permitted in the accounts of an individual entity by Statement of Standard Accounting Practice ('SSAP') 20, 'Foreign currency translation'. Where a company has used foreign currency borrowings to finance the purchase of foreign equity investments in order to provide a hedge against the exchange rate risk associated with equity investments, SSAP 20 permitted the retranslation of the carrying amounts of those investments at the closing rate at each reporting date. The resulting foreign exchange differences were recognised within equity in the hedging reserve and the exchange gains or losses on the foreign currency borrowings were then offset against these foreign exchange differences, subject to certain conditions.

In contrast, under FRS 101 net investment hedging is not permitted in the accounts of an individual entity and is applied only on consolidation.

Due to the transition to FRS 101, the cumulative impact of net investment hedging was reversed and amounts previously deferred in the hedging reserve within equity were transferred to investments and to retained earnings or the income statement.

As at 1 January 2014, this increased the value of the company's investments by £59,221,000, increased retained earnings by £30,775,000 and removed in full the £28,446,000 deferred loss in the hedging reserve. During the year ended 31 December 2014, foreign exchange revaluation gains on investments of £30,345,000 were reversed and foreign exchange revaluation losses on borrowings of £13,750,000 were recognised within finance income in the income statement. Under legacy UK GAAP, both of these movements were recognised in the hedging reserve. As at 31 December 2014, the cumulative impact of the above increased the value of the company's investments by £28,876,000, increased retained earnings by £17,025,000 and removed in full the £11,851,000 deferred loss in the hedging reserve.

Note D

Reversal of part-disposal of investment in subsidiary

On transition to FRS 101, the company's investment in its subsidiary was reviewed from 1 January 2014. An adjustment was made to correctly reflect this balance in accordance with legacy UK GAAP and with FRS 101.

As at 31 December 2014, the cost of investment was reported as £589,866,000 instead of £592,791,000. The cost of investment was therefore increased by £2,925,000 and the loss on disposal of part of the investment recognised during the year ended 31 December 2014 was reversed.

Note E

Reclassification of finance income

In the prior year legacy UK GAAP financial statements, finance income was presented within operating profit. However, finance income should have been presented outside operating profit and before tax. This was corrected on transition to FRS 101, resulting in a reclassification of £14,000 from operating profit to a separate finance income category before tax.

G4S US Holdings Limited

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

Statement of comprehensive income and statement of changes in equity

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

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