

Company Registration No. 03749819 (England and Wales)

**G4S INVESTIGATION SOLUTIONS (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

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# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	M Cantle A Cocks D B Faggart
<b>Secretary</b>	R Bartlett
<b>Company number</b>	03749819
<b>Registered office</b>	46 Gillingham Street, London SW1V 1HU
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **STRATEGIC REPORT**

**For the year ended 31 December 2020**

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

### **Principal activities**

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

### **Fair review of the business**

During the year ended 31 December 2020, the business achieved revenue of £12,192,361 compared to £16,561,710 in the prior year. This represents a reduction of 26.4% when comparing to the prior year. The decrease came from two main factors. Firstly, the impact of national lockdowns resulted in lower activities on the country's roads and in places of work and on the high street which in turn led to lower volumes of insurance claims. Secondly, lockdown restrictions and our own risk management protocols prevented surveillance operations taking place at all for several months of the year. Thirdly, the rapid deployment of video and desk based investigations where face to face interviews were not possible led to reduced fees for non-surveillance investigations. No customers or contracts were lost during 2020 and the directors consider that the business remains in a good position to recover revenues as the Covid situation unwinds.

Profit before tax was £135,226 which was 1.1% of revenue compared to £1,554,437 (9.4%) in the prior year. The reduction in profitability was in the main driven by the impact of Covid on revenue in the year. The fall in revenue of £4,369,349 in the year was offset by government wage subsidy grants of £1,363,841 together with costs savings from a restructure programme which saw the loss of 21 roles, 39 vehicles and two offices.

The company's net assets at the year-end are £4,589,205 compared to £4,475,463 in the prior year being an increase of £113,742.

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

### **Covid-19**

In the Spring of 2020, the business was materially impacted by the Covid-19 pandemic. In late March, the Government implemented a lockdown regime to counter the spread of the disease. During lockdown all field based investigations were suspended. Our customers were also impacted by a period of disruption as many of their staff transitioned to home working. In April and May the business' order book fell by 60% of pre-Covid levels. The company executed its business interruption protocols which included office based staff being redeployed to home working. A robust cost reduction programme was implemented and additional focus placed on cashflow management and, in particular, the collection of outstanding debts. In April 2020 the company took advantage of the Government's Coronavirus Job Retention Scheme and furloughed 60% of the workforce. 21 jobs were made redundant in May 2020.

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**For the year ended 31 December 2020**

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### **Covid-19 (continued)**

The redundancies were anticipated before Covid-19 as part of an ongoing transition from face to face interviews of policy holders and witnesses towards video based investigations. Through these management interventions, the directors were able to manage the profitability and cashflow of the business at sustainable levels. Through the summer months, lockdown was eased, customers transitioned to the “new normal” and the business began a steady recovery towards pre-Covid levels of orders received and chargeable operations in the field and at desk. By October 2020 the business had returned to 80% of pre-Covid activity levels. In October 10% of the workforce remained in the furlough scheme.

In December 2020 the country again went into lockdown and the company’s order book again fell but this time by 30% of pre-Covid levels. In early 2021 the UK government announced a further extension to the Coronavirus Job Retention Scheme. The company had furloughed around 25% of the workforce in the first quarter of 2021.

The Directors consider the business will continue to experience greater uncertainties as the pandemic plays out through the months to follow. The business interruption protocols are well rehearsed. Normal business planning processes have been enhanced to predict and manage a range of scenarios. Measures have been taken to increase the proportion of variable costs and decrease fixed costs to enable the business to flex with volatile volumes of business. On the basis of the financial modelling of these scenarios, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

### **Future developments**

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

### **Key performance indicators**

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

### **Principal risks and uncertainties**

All businesses are subject to risk and many individual risks are macro-economic or social and common across many businesses. The key risks are those which would materially damage the company's strategy, reputation, business, profitability or assets and these risks are listed below (including Financial Risks). This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that other currently considered immaterial become material.

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**For the year ended 31 December 2020**

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### **Principal risks and uncertainties (continued)**

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

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

Given that the company operates within the UK Insurance market, Brexit is not considered to be a fundamental risk to the business. The activities previously undertaken in the Republic of Ireland and the respective resources were transferred to G4S Compliance and Investigations (Ireland) Limited on 1<sup>st</sup> January 2017.

2021 will see reforms to the insurance market arising from the implementation of the Civil Liberty Act 2019. It is likely that volumes of motor accident investigations will be impacted and in particular in relation to claims involving whiplash. The risks have been mitigated by pursuit of a diversification of investigation services and the cross skilling of investigative staff.

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

### **Financial Risk Management**

#### **Liquidity and cash flow**

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

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

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**For the year ended 31 December 2020**

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### **Credit risk**

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

### **Going concern**

The directors have considered the impact of COVID 19. The company produces regular financial model updates that forecast the company cashflows on a rolling five year basis. This financial model indicates that the company will be able to operate within its current finance facilities and that no additional funding will be required in the next 12 months.

### **Post Balance Sheet Events**

In April 2021, the majority of the share capital of G4S Plc was acquired by Atlas UK Bidco Limited and the Company became a subsidiary of the Allied Universal group. The ultimate controlling party is now Atlas Ontario LP.

On behalf of the board



A Cocks  
**Director**

15 November 2021

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **DIRECTORS' REPORT**

**For the year ended 31 December 2020**

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### **Results and dividends**

The results for the year are set out in the income statement on page 14. Future developments and financial risk management are set out in the strategic report on pages 3 to 6.

### **Directors**

The directors of the company during the year ended 31 December 2020 and subsequently, were:

M Cantle  
A Cocks  
D B Faggart

### **The Directors' duties**

Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and environment
- the desirability of the company maintaining a reputation for high standards of business conduct and the need to act fairly as between shareholders of the company.

As part of their induction, a Director is briefed on his or her duties and they can access professional advice on these, either from the Finance Director or, if they judge it necessary, from an independent adviser. It is important to recognise that being part of an organisation, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees of the Company. The following paragraphs summarise how the Directors fulfil their duties:

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 December 2020**

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- **Risk management**

We provide business-critical services to our clients, often in highly regulated environments. As we grow, our business and our risk environment also become more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management. Details of financial risk management policies and risks are included in the strategic report.

- **Our people**

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. People are at the heart of our specialist services. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way.

- **Business relationships**

Our strategy prioritises organic growth, driven by cross-selling and up-selling services to existing clients and bringing new clients to the company. To do this, we need to develop and maintain strong client relationships. We value all of our suppliers and have multi-year contracts with our key suppliers.

- **Community and environment**

The Company's approach is to use our position of strength to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us.

- **Culture and values**

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

### **Payment to suppliers**

The policy of payment of suppliers of the company is disclosed in the Financial Review of the ultimate parent company's financial statements which are publicly available.

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 December 2020**

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### **Employment of disabled persons**

It is the policy of the company to give fair consideration to applications for employment made by disabled persons acknowledging the particular abilities and aptitudes of each applicant and taking into account the requirements of the vacancies available.

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

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

### **Employee involvement**

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

### **Financial Risks**

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

### **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.

### **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 auditors 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 INVESTIGATION SOLUTIONS (UK) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 December 2020**

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### **Reappointment of auditors**

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

On behalf of the board

*Andrew Cocks*

A Cocks

**Director**

15 November 2021

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 2020

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### Statement of directors' responsibilities in respect of the financial statements

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

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

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

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

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

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

### Directors' confirmations

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

- so far as 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.

On behalf of the board

*Andrew Cocks*

A Cocks  
Director

15 November 2021

# Independent auditors' report to the members of G4S Investigation Solutions (UK) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, G4S Investigation Solutions (UK) Limited's financial statements:

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

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

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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

### Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement,

we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

### **Strategic report and the directors' report**

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

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management to enquire of any known instances of non-compliance with Laws and Regulations and Fraud
- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations
- Incorporating unpredictability into the nature, timing and/or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from

error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### **Use of this report**

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

## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Nick Muzzlewhite (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

16 November 2021

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## INCOME STATEMENT

For the year ended 31 December 2020

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		2020	2019
		£	£
	Notes		
<b>Revenue</b>	2	12,192,361	16,561,710
Cost of sales		<u>(10,879,117)</u>	<u>(11,977,620)</u>
<b>Gross profit</b>		1,313,244	4,584,090
Administrative expenses		(2,606,877)	(3,084,166)
Other operating income	3	<u>1,363,841</u>	=
<b>Operating profit</b>	2 4,5	70,208	1,499,924
Net finance income		<u>65,018</u>	<u>54,513</u>
<b>Profit before taxation</b>		135,226	1,554,437
Tax on profit	8	<u>(21,484)</u>	<u>(342,980)</u>
<b>Profit for the financial year</b>		<u>113,742</u>	<u>1,211,457</u>

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

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	2020	2019
	£	£
<b>Profit for the financial year</b>	<b><u>113,742</u></b>	<b><u>1,211,457</u></b>
<b>Total comprehensive income for the year</b>	<b><u>113,742</u></b>	<b><u>1,211,457</u></b>

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		2020	2019
	Note	£	£
<b>Non-current assets</b>			
Intangible assets	9	104,084	127,414
Property, plant and equipment	10	331,826	839,710
Deferred tax assets	11	<u>210,111</u>	<u>154,602</u>
		646,021	1,121,726
<b>Current assets</b>			
Trade and other receivables	12	6,839,629	6,919,777
Cash and cash equivalents		<u>169,029</u>	<u>156,513</u>
		7,008,658	7,076,290
<b>Current liabilities</b>			
Trade and other payables	13	(2,985,285)	(3,459,049)
<b>Net current assets</b>			
		4,023,373	3,617,241
<b>Total assets less current liabilities</b>			
		<u>4,669,394</u>	<u>4,738,967</u>
<b>Non-current liabilities</b>			
Lease liabilities	14	(80,189)	(263,504)
<b>Net assets</b>			
		<u>4,589,205</u>	<u>4,475,463</u>
<b>Equity</b>			
Called up share capital	15	100,000	100,000
Retained earnings		<u>4,489,205</u>	<u>4,375,463</u>
<b>Total equity</b>		<u>4,589,205</u>	<u>4,475,463</u>

The notes on pages 19 to 38 form an integral part of these financial statements.

The financial statements were approved by the Board and Directors on 15 November 2021 and were signed on their behalf by:

A Cocks *Andrew Cocks*  
Director

Company registered number 3749819

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share Capital	Retained Earnings	Total Equity
	£	£	£
As at 1 January 2020	100,000	4,375,463	4,475,463
Profit for the financial year	-	113,742	113,742
Other comprehensive income for the year	=	=	=
Total comprehensive income for the year	=	<u>113,742</u>	<u>113,742</u>
Dividend	=	=	=
As at 31 December 2020	<u>100,000</u>	<u>4,489,205</u>	<u>4,589,205</u>
	Share Capital	Retained Earnings	Total Equity
	£	£	£
As at 1 January 2019 -reported	100,000	3,203,505	3,303,505
Impact of IFRS16	=	<u>(39,499)</u>	<u>(39,499)</u>
As at 1 January 2019 - restated	100,000	3,164,006	3,264,006
Profit for the financial year - restated	-	1,211,457	1,211,457
Other comprehensive income for the year	=	=	=
Total comprehensive income for the year	=	<u>1,211,457</u>	<u>1,211,457</u>
Dividend	=	=	=
As at 31 December 2019	<u>100,000</u>	<u>4,375,463</u>	<u>4,475,463</u>

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2020**

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### **1. Significant accounting policies.**

#### **General Information**

G4S Investigation Solutions (UK) Limited (the 'company') is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the UK. It is a private company, limited by shares. The company's registered office is 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT. The principal activity of the company continued to be that of a professional investigations agency.

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

#### **Statement of Compliance**

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

#### **Basis of preparation**

The financial statements have been prepared under the going concern basis and using the historical cost convention and 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.

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 December 2020**

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### **1. Significant accounting policies (continued)**

#### **Exemptions**

The company has taken advantage of certain disclosure exemptions in FRS 101, in part because its financial statements are included in the publicly available consolidated financial statements of 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 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';
- disclosures required by IFRS 13 'Fair Value Measurement';
- 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;
- 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.

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 1. Significant accounting policies (continued)

#### Revenue

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

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

#### Employee benefits

##### *Retirement benefit costs*

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

#### Government grants

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

#### Finance income and expense

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

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

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 1. Significant accounting policies (continued)

#### Foreign currencies

The financial statements are presented in sterling, which is the company's functional currency. Transactions in currencies other than the functional currency are translated at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities which are denominated in other currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items measured at historical cost denominated in other currencies are not retranslated. Gains and losses arising on retranslation are included in the income statement.

#### Income taxes

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

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

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

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

#### Property, plant and equipment

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

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

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

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

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 1. Significant accounting policies (continued)

#### Intangible assets

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

#### Trade receivables

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

#### Cash and cash equivalents

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

#### Trade payables

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

#### Leases

The Company recognises an expense in respect of short-term leases (being those with an initial term of 12 months or less) and leases of low-value items (defined as leases of assets with a cost, when new, of less than £2,500) on a straight line basis over the life of the lease. For all other leases, the Company recognises a right-of-use asset and corresponding liability at the date at which the leased asset is made available for use by the Company.

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

# **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 December 2020**

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### **1. Significant accounting policies (continued)**

#### **Leases – continued**

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

#### **Impairment**

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

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

#### **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.

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 1. 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 receivables*

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

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

##### *Amounts owed by/to group undertakings*

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

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

##### *Bank overdrafts and loans*

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

##### *Trade payables*

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

##### *Equity instruments*

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

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 1. Significant accounting policies (continued)

#### Critical accounting estimates and judgements

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

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

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

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

#### *Trade receivables*

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

#### *Fixed asset useful economic lives*

Fixed assets are depreciated by reference to their useful economic lives. Each is determined by reference to historical experience. Asset lives are reviewed annually and at any point where a material change in circumstances is identified.

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 1. Significant accounting policies (continued)

#### *Leases*

The Company has two property leases within its portfolio. Those leases include options to extend or terminate early. Where that is the case, the Company is required to exercise judgement to determine whether it is reasonably certain that the lease will be extended (or not terminated early.) Where options are held by both the lessor and the lessee, judgement is required to determine whether the options can be exercised at no cost. The company makes such judgements on a lease by lease basis taking into account all relevant facts and circumstances, including the purpose of the options, forecast business requirements, and the time until the option is exercised. It is assumed that neither property lease will be extended nor terminated early.

The Company's lease liabilities are calculated by discounting future lease payments using the rate implicit in the lease, or if that cannot be readily determined, the incremental borrowing rate at the date at which the leases were entered into or modified. The Company has calculated almost all of its lease liabilities using incremental borrowing rates. The rates have been estimated on publically available rates for borrowings of the same tenure, start date and currency, adjusted for the Company's credit rating. Determining the rate at which the Company could borrow funds on the same terms as an individual lease requires significant estimation.

### 2. Revenue

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

	2020 £	2019 £
Rendering of services	<u>12,192,361</u>	<u>16,561,710</u>
<b>Operating profit</b> Arrived at after charging:		
	2020 £	2019 £
Depreciation expense	513,795	639,616
Amortisation expense (included in administrative expenses)	51,024	67,869

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 3. Other Operating Income

	2020 £	2019 £
Government grants	<u>1,363,841</u>	=

In response to the COVID-19, in March 2020 the UK government introduced a wage subsidy programme for companies adversely impacted by the coronavirus pandemic. Under the initial programme, an eligible company could apply for the subsidy in an amount of up to 80% of each employee's salary to continue paying monthly salaries to its furloughed employees.

The company's application for the programme was approved in March 2020 and it was entitled to the wage subsidy on a monthly basis conditional on the employees continuing to be on furlough and the company continuing paying their salary. The company benefited from the programme from April to December 2020.

### 4. Finance Income

	2020 £	2019 £
Interest received from group undertakings	<u>76,735</u>	<u>74,511</u>

### 5. Finance Expense

	2020 £	2019 £
On bank loans and overdrafts	1,803	-
On leases	<u>9,914</u>	<u>19,998</u>
	<u>11,717</u>	<u>19,998</u>

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 6. Staff Costs

The aggregate payroll costs were as follows:

	2020	2019
	£	£
Wages and salaries	8,131,073	8,380,088
Social security costs	821,411	863,723
Other pension costs	323,147	621,384
Redundancy costs	<u>268,798</u>	<u>150,732</u>
	<u>9,544,429</u>	<u>10,015,927</u>

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

	2020	2019
	Number	Number
Directors	3	3
Administration	16	17
Direct	<u>248</u>	<u>258</u>
	<u>267</u>	<u>278</u>

### 6. Staff Costs (continued)

#### Directors' emoluments

	2020	2019
	£	£
Emoluments for qualifying services	<u>£273,636</u>	<u>£258,300</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	<u>£160,861</u>	<u>£148,333</u>

There were no directors with pension benefits accruing under a defined benefit pension scheme at year end (2019: none).

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 7. Auditors remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>18,000</u>	<u>18,000</u>

### 8. Tax on profit

Tax charged in the income statement

	2020	2019
	£	£
<b>Current taxation</b>		
UK corporation tax	75,669	305,004
Adjustment in respect of prior periods	1,324	18,355
Foreign taxation	-	-
Current tax charge	<u>76,993</u>	<u>323,359</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(35,997)	9,204
Arising from changes in tax rates and laws	(19,512)	(7,772)
Arising from previously unrecognised tax loss, tax credit or temporary differences	-	18,189
Total deferred taxation	<u>(55,509)</u>	<u>19,621</u>
Tax charge in the income statement	<u>21,484</u>	<u>342,980</u>

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 8. Tax on profit on ordinary activities (continued)

The tax rate applied on profit before tax is the standard effective rate of corporation tax in the UK of 19.0% (2019: 19.0%).

The differences are reconciled below:

	2020 £	2019 £
Profit on ordinary activities before taxation	<u>135,226</u>	<u>1,554,436</u>
Corporation Tax of 19.0% at standard rate (2019:19.0%)	<u>25,693</u>	<u>295,343</u>
Adjustments in respect of prior periods	139	10,583
Increase in current tax due to permanent differences	13,980	18,865
Arising from previously unrecognised tax loss, tax credit or temporary differences		
Deferred tax (credit)/expense following a change in tax rates	(18,328)	18,189
Foreign tax	=	=
<b>Total tax charge</b>	<u>21,484</u>	<u>342,980</u>

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

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

Deferred tax assets and liabilities on temporary differences have been provided at 19% (see accounts note 10).

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 8. Tax on profit on ordinary activities (continued)

In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate will increase to 25%. As the proposal to increase the tax rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £66,000, and increase the deferred tax asset by £66,000.

### 9. Intangible assets

	<b>Software £</b>
<b>Cost</b>	
At 1 January 2020	579,194
Additions	27,694
At 31 December 2020	<u>606,888</u>
<b>Accumulated amortisation</b>	
At 1 January 2020	451,780
Amortisation charge	<u>51,024</u>
At 31 December 2020	<u>502,084</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>104,084</u>
At 31 December 2019	<u>127,414</u>

**G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2020

**10. Property, plant and equipment**

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

**G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 December 2020**

**10. Property, plant and equipment – continued**

	Land and buildings purchased	Land and buildings leased (RoU assets)	Equipment and vehicles purchased	Equipment and vehicles leased (RoU assets)	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2019	<u>46,474</u>	<u>121,198</u>	<u>553,589</u>	<u>2,114,515</u>	<u>2,835,776</u>
Additions	-	-	26,097	189,732	215,829
Disposals	-	-	(205,850)	(424,589)	(630,439)
At 31 December 2019	<u>46,474</u>	<u>121,198</u>	<u>373,836</u>	<u>1,879,658</u>	<u>2,421,166</u>
<b>Accumulated Depreciation</b>					
At 1 January 2019	<u>5,809</u>	<u>15,522</u>	<u>397,497</u>	<u>1,065,702</u>	<u>1,484,530</u>
On disposals	-	-	(205,850)	(336,840)	(542,690)
Charge for the year	<u>4,648</u>	<u>24,240</u>	<u>65,909</u>	<u>544,819</u>	<u>639,616</u>
At 31 December 2019	<u>10,457</u>	<u>39,762</u>	<u>257,556</u>	<u>1,273,681</u>	<u>1,581,456</u>
<b>Carrying amount</b>					
At 31 December 2019	<u>36,017</u>	<u>81,436</u>	<u>116,280</u>	<u>605,977</u>	<u>839,710</u>
At 31 December 2019	<u>40,665</u>	<u>105,676</u>	<u>156,092</u>	<u>1,048,813</u>	<u>1,351,246</u>

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

### 11. Deferred tax assets

	2020 £	2019 £
Accelerated tax depreciation	196,608	149,042
Provisions	<u>13,503</u>	<u>5,560</u>
Net tax assets	<u>210,111</u>	<u>154,602</u>

#### Deferred tax movements during the year:

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

#### Deferred tax movements during the prior year:

	At 1 January 2019 £	Recognised in income statement £	Recognised in other comprehensive income £	At 31 December 2019 £
Accelerated tax depreciation	167,010	(17,968)	-	149,042
Provisions	<u>7,213</u>	<u>(1,653)</u>	=	<u>5,560</u>
Net Tax Assets	<u>174,223</u>	<u>(19,621)</u>	=	<u>154,602</u>

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

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### 12. Trade and other receivables

Amounts falling due within one year

	2020	2019
	£	£
Trade receivables	1,002,911	1,049,155
Provision for impairment of trade receivables	<u>(76,839)</u>	<u>(11,865)</u>
Net trade receivables	926,072	1,037,290
Amounts due from group undertakings (members of G4S plc)	5,288,039	5,296,303
Accrued income	329,094	352,855
Prepayments	<u>296,424</u>	<u>233,329</u>
	<u>6,839,629</u>	<u>6,919,777</u>

Included in the amounts due from group undertakings is £4,735,623 (2019 £3,889,689) relating to a loan agreement. Interest accrues at a rate equal to the three month GBP interbank offered rate plus 1.5%.

### 13. Trade and other payables

Amounts falling due within one year

	2020	2019
	£	£
Trade payables	463,344	495,286
Accrued expenses	675,070	713,408
Amounts owed to group undertakings (members of G4S plc)	543,053	1,150,591
Lease liabilities	145,313	443,584
Social security and other taxes	<u>1,158,505</u>	<u>656,180</u>
	<u>2,985,285</u>	<u>3,459,049</u>

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

# G4S INVESTIGATION SOLUTIONS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

### 14. Leases

#### Lessee arrangements

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

	2020 £	2019 £
Current	145,313	443,584
Non-current	<u>80,189</u>	<u>263,504</u>
Total	<u>225,502</u>	<u>707,088</u>

Maturity profile of loans and borrowings	Within 1 year £	Between 1 and 3 years £	Between 3 and 5 years £	Total £
2020	<u>145,313</u>	<u>80,189</u>	=	<u>225,502</u>
2019	<u>443,584</u>	<u>241,602</u>	<u>21,902</u>	<u>707,088</u>

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

### 15. Called up share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
70,000 (2019 70,000) Ordinary Shares "A" of £1 each	<b>70,000</b>	70,000
30,000 (2019 30,000) Ordinary Shares "B" of £1 each	<b><u>30,000</u></b>	<u>30,000</u>
	<b><u>100,000</u></b>	<u>100,000</u>

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

## **G4S INVESTIGATION SOLUTIONS (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 December 2020**

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#### **16. Parent undertaking**

Prior to April 2021, in the opinion of the directors, the company's ultimate parent company and ultimate controlling party was G4S Plc, a company incorporated in Great Britain.

In April 2021, the majority of the share capital of G4S Plc was acquired by Atlas UK Bidco Limited and the Company became a subsidiary of the Allied Universal group. The ultimate controlling party is now Atlas Ontario LP.