

Registration number: 03189802

G4S Regional Management (UK&I) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

G4S Regional Management (UK&I) Limited

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G4S Regional Management (UK&I) Limited

Company Information

Directors	O Keck F Walters M J Ingham
Company secretary	R Y Bartlett
Registered office	6th Floor 50 Broadway London SW1H 0DB
Independent auditor	Deloitte LLP 2 New Street Square London EC4A 3BZ

G4S Regional Management (UK&I) Limited

Strategic Report for the Year Ended 31 December 2022

The directors present the strategic report, their annual report and the audited financial statements for the year ended 31 December 2022.

Fair review of the business

Principal activities

The principal activities of G4S Regional Management (UK&I) Limited ("the Company") are that of an operating management company and investment holding company. The Company provides a range of business services to companies within the G4S Limited Group in connection with the operation and management of its business. These services relate partly to stewardship activities and partly to services which contribute to the development of the intellectual property within the group. The principal activities of its subsidiaries include the provision of security, facilities management and care and justice solutions.

Financial performance

The Company has net assets of £215,516,000 (2021: £223,763,000). This represents a year-on-year decrease of £8,247,000 (3.7%).

The Company recorded sales of £22,031,000 (2021: £27,222,000). This represents a year-on-year decrease of £5,191,000 (19.1%). The Company recorded cost of sales of £21,589,000 (2021: £24,139,000). This represents a year-on-year decrease of £2,550,000 (10.6%). The decrease in sales and cost of sales is due to lower staff costs being incurred in the year. Overall, the Company recorded gross profit of £442,000 (2021: £3,083,000). This represents a year-on-year decrease of £2,641,000 (85.7%).

The Company made a loss for the financial year of £8,247,000 (2021: £88,170,000). This represents a year-on-year decrease in loss of £79,923,000 (90.6%). Impairment of investments was £Nil (2021: £86,838,000).

G4S Limited is an intermediate parent of the Company. G4S Limited is the parent of the G4S Limited Group ("the Group"). The Company's ultimate parent undertaking is Atlas Ontario LP. Atlas Ontario LP is the ultimate parent of the Atlas Ontario LP Group ("the Enlarged Group").

Future developments

The directors expect the general level of activity of the Company to remain consistent with the prior years and the Company's principal activity is not expected to change substantially.

Key performance indicators

The directors utilise a wide range of operational performance measures to monitor the Company's business activities. However, the operational performance measures are all specific to a particular activity or contract. The Company's directors do not believe that using further key performance indicators would be 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. Many individual risks are macro-economic or social in nature and thus they are common to many businesses. Below, the risks considered key to the Company have been listed. The key risks are those which would materially damage the Company's strategy, reputation, business, profitability or assets. This list is in no particular order and it is not an exhaustive list of all potential risks. Some risks may be unknown at present and it may transpire that risks currently considered immaterial become material in the future.

G4S Regional Management (UK&I) Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Principal risks and uncertainties (continued)

(1) *Failure to recruit and retain appropriate staff*

The Company's greatest asset is its committed workforce. Failure to ensure that appropriate staff, whether as permanent employees, temporary workers, are recruited and retained could be detrimental to the Company's reputation and could adversely affect growth and profitability.

Risk mitigation approach

The Company undertakes a rigorous screening and vetting process prior to taking on staff. This process includes checks being made on the individual's employment history, obtaining references and completing Disclosure and Barring Service and credit checks.

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

The Board's engagement with the Company's stakeholders helps frame the Company's strategic direction, informs the Board's decision making process and overall supports the Board's duty to promote the success of the Company as set out in Section 172 of the Companies Act 2006. The directors of the Company consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

The following paragraphs summarise how directors fulfil their duties:

Long-term view

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

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

Our employees

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

G4S Regional Management (UK&I) Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

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

Business relationships

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

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

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

Community and environment

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

The Group recognises that our business activities have a direct and indirect impact on the natural environment and are committed to proactively managing these in a responsible manner. The development of a sustainable business practice helps to increase the efficiency of operations and reduce the resource footprint.

Our reputation

Strong brand and reputation differentiate us in the competitive market place. We hold ourselves, our employees and our business partners to high standards, embodied in the set of our corporate values. These values promote a culture and business interactions based on being Agile, Reliable, Innovative, with a Caring culture that puts Safety first, delivering through Teamwork and acting with Integrity.

We build and maintain our reputation in our day-to-day activities, engaging proactively with our customers, suppliers, employees and other stakeholders, anticipating potential issues and proceeding to a timely resolution. We deliver on our promises and we lead by example.

Acting fairly

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

Approved by the Board on and signed on its behalf by:

.....
O Keck
Director

G4S Regional Management (UK&I) Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

Directors of the Company

The directors of the Company, who were in office during the year and up to the date of signing, were as follows:

G M Neinaber (resigned 14 February 2022)

G A Levinsohn (resigned 7 January 2022)

O Keck

F Walters (appointed 22 June 2022)

M J Ingham (appointed 14 February 2022)

Results and dividends

The results for the year are set out on page 17. The directors do not recommend the payment of a dividend (2021: £Nil).

A review of the progress of the Company's business during the year, likely future developments, key performance indicators and principal business risks are contained in the Strategic Report on pages 2 and 3.

Going concern

The financial statements have been prepared on a going concern basis. The Company has received a letter of support from its ultimate parent, Atlas Ontario LP, setting out its intent to provide sufficient financial assistance to the Company if and when it is needed to enable the Company to continue its operations and fulfil its currently anticipated financial obligations now and for a period of not less than 12 months from the date of these accounts. The letter notes that such financial support may include: not seeking the repayment of amounts advanced to the Company by the parent and/or other members of the Enlarged Group unless adequate alternative financing has been secured by the Company; and advancing further amounts to the Company as required by the Company.

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. The Company has been assessed and approved to use the "Positive about Disabled People" logo on its recruitment advertisements in the UK where the Company is also a member of the Employers Forum on Disability to raise awareness in the organisation of the importance of giving assistance to disabled persons in employment.

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.

G4S Regional Management (UK&I) Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Employee engagement

The Board's engagement with the Company's employees is facilitated through a variety of initiatives and channels.

The Company is committed to inform and involve its employees in the business of the Company. The directors have applied the policies and decisions taken at the Group level during the year in the following ways:

- Formal consultative committees and focus groups have been used to ensure that issues of mutual interest can be discussed and resolved.
- Onboarding, induction and refresher training have continued to be a priority. The Company offers all employees the opportunity to increase their skills and knowledge at work. Employees are encouraged to take responsibility for their own learning on an on-going basis using the extensive range of materials available, and using technology platforms to share training and learning paths more effectively.
- Company newsletters, employees magazines and other communications have been used on a regular basis to keep staff informed of events and performance within the Company.
- Specific campaigns on health and safety, our values and Speak Out whistleblowing arrangements have been conducted, linking to the Company's and wider Group's Corporate Social Responsibility focus.

Other stakeholder engagement

The Board's engagement with other stakeholders is largely driven by processes and initiatives which are decided at a wider Group level.

The Company considers its key other stakeholders to be its customers, its suppliers and the wider society in which it operates.

Through understanding our customers' needs we offer value-added, innovative, cost effective integrated security solutions and we build enduring relationships. This understanding comes from strong engagement with customers. Key areas of interest for customers include quality and price of service delivery, expertise in innovation, health and safety and business ethics.

The Company believes in proactive relationship management. During the year directors attended a number of meetings with customers and shared customer feedback and information with the rest of the Board. If, during contract discussions, we consider that a customer's interests are not well served in the long term by our proposals, we will make this clear even if it impacts negatively on our business. Being open and honest with our customers also means that we will raise concerns with them if we become aware of any business practices or processes in their business which we believe are contrary to their values or may compromise our own values. The Board also reviews customers' changing expectations or needs as part of its strategy session every year.

One of the main ways in which the Board considers key suppliers is as part of large contract bid or renewal approvals. We set high standards for our suppliers in the context of our own ethical policy. These standards are explained in our Supplier Code of Conduct. All suppliers are expected to comply with the Code or ensure that there is a clear time frame for full implementation of the Code within their own organisation and their associated suppliers and subcontractors.

The Company recognises that receiving timely reimbursements is of high interest to suppliers. It is our policy to pay suppliers in accordance with agreed terms of trade.

Our employees touch the lives of others every day, providing crucial services to help keep society safe and secure. The specialist security services delivered by the Company mitigate the risk or impact of criminal behaviour and help to create safer communities.

Further details of the Board's engagement with other stakeholders can be found in the Statement by the directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006 in the Strategic Report.

G4S Regional Management (UK&I) Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Environmental matters

The Company recognises that the threat from climate change to the natural environment and social infrastructure is an important and ongoing concern for the Company's organisation, customers, employees and communities. The Company understands its role in ensuring that the UK meets its target of bringing its greenhouse gas emissions to a net zero by 2050, and we are aligned with meeting that timescale if not achieving it sooner.

The Company's key activities are those of an operating management company and an investment holding company. The Company provides a range of business services to companies within the Atlas Ontario LP group, in connection with the operation and management of those businesses. The material environmental impacts in Scope 1 and 2 arise from building activities. There is also significant impact from Scope 3 air travel, however supply chain dominates Scope 3 emissions.

In 2021, G4S UK & Ireland launched its net-zero carbon strategy, setting an interim science based target using 2020 as a baseline. By 2030, the Company aims to reduce Scope 1 and 2 emissions by 42%, and Scope 3 emissions (purchased goods and services and capital goods) by 25%. By 2050, or sooner, the Company aims to meet all net-zero targets.

During 2022, the Company has invested in further improvements to its greenhouse gas data capture processes, specifically with regard to scope 3 categories. To ensure it is on track to achieve our net-zero emission ambitions, during 2022 the Company has:

- Continued to transition its vehicle fleet to low-emission vehicles, such as hybrid and electric power. The Company is working with its partners at LeasePlan and Shell to explore further opportunities for decarbonisation. In 2023, Shell will commence the installation of EV charging at major G4S offices and facilities across the UK. The Company's aim is for its addressable fleet to be zero emission by 2040.
- Continued to influence the updating of its lighting infrastructure with LED, and is seeking further opportunities to reduce energy consumption.
- Worked to improve its scope 3 measurement and management. Approximately 80% of the Company's scope 3 emissions are generated by purchased goods and capital goods - in 2023 the Company has begun its supplier engagement strategy to work towards its decarbonisation goals.

Greenhouse gas emissions

The Company uses the financial control approach to identify the Greenhouse Gas (GHG) emissions for which it has responsibility. The operational boundaries are the geographical delivery within the United Kingdom.

The Company has reported on all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations').

The Company follows the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) GHG Protocols to measure our scope 1 and 2 emissions for business over which the Company has financial control. In addition the Company has measured Scope 3 emissions from Air Travel. Radiative Forcing has not been included in air travel calculations.

The data is based on data collected for the period of 1 January 2022 to 31 December 2022; any exceptions are noted below. Scope 1 and 2 emissions for energy supply to fixed assets is based on invoice data.

G4S Regional Management (UK&I) Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Greenhouse gas emissions (continued)

Scope 3 purchased goods and services, capital goods and water emissions have been converted from spend data. Waste emissions are based on weight data from general waste and confidential waste framework contractors. Other waste emissions are converted from spend data. Air and hotel bookings are based on data from central booking agents, supplemented by additional information on bookings made direct by companies. Radiative Forcing has not been included in air travel calculations. UK rail data is supplied by Trainline.com Limited with Euro Express bookings from our central booking agents. Employee commuting emissions are calculated based on full time employee headcount information for 2020. These numbers were run through a bespoke employee commuting tool, based on UK census data around average modes of travel. Working from home emissions are calculated with reference to the "G4S Global 2nd Home Working Report (Nov 2020)", delivered on 13 November 2020. Scope 3 fuel and energy related activities where the Company pays for its clients energy use as part of its service is based on utility supplier invoice data. Emissions from transportation and distribution of electricity are based on the Scope 2 electricity consumption data. Upstream transportation and distribution emissions are derived from spend data.

Emission factors are taken from UK Government GHG Conversion Factors for the Company Reporting and for the relevant year.

Omissions and estimations

One Scope 1 gas supply Estimated Annual Consumption from supplier was used due to meter issues. Reimbursed business mileage was pro rated from recorded data that was only captured reliably from July 2022.

Renewables

Carbon values are given for electricity based on the consumption (location based reporting rather than market based). The electricity purchased directly by the Company is backed by Renewable Energy Guarantees of Origin (REGOs) so is certifiably renewable with a production emission rate of zero whether listed in Scope 1 or Scope 3.

2022 Emissions

Emission type	Scope	Consumption	Emission (tCO ₂ e)	Commentary
Natural Gas for buildings	1	47,363 kWh	8.7	
Diesel used in building based generators	1	None	None	
Other Fuel used for heating buildings	1	None	None	
Vehicle Fuel in Operational Vehicles	1	43 litres	0.1	Diesel
Business Mileage in Company Cars	1	197,792 miles	37	
Fugitive Emissions from Building Air-Conditioning	1	None 450g HFC-134a 1315g	None	
Fugitive Emissions from Vehicles	1	R1234yf	0.6	
Electricity for Buildings	2	210,308 kWh	40.7	
Electricity (Transmission and Distribution [T&D])	3	For above value	3.7	
Electricity (T&D and Generation) Indirect WTT	3	Based on total electricity use	10.6	
Business Travel - Air	3	51,037 miles	14.9	

G4S Regional Management (UK&I) Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Greenhouse gas emissions (continued)

Emission type	Scope	Consumption	Emission (tCO ₂ e)	Commentary
Business Travel - Rail (inc WTT)	3	41,388 miles	3	
Business Travel - Road	3	22,136 miles	5.4	Business mileage in personal vehicles
Business Travel - Hotels	3	376 nights	6.3	
Indirect Emissions Well To Tank - Scope 1 Road Transport	3	Based on business mileage	2.9	
Indirect Emissions Well To Tank - Scope 1 building fuels	3	Based on gas kWh gross CV	1.5	
Commuting	3		54.5	Based on FTE and UK census data on travel
Homeworking	3	209 hours	0.1	
Supply Chain				Includes spend on purchased goods and services, capital goods, additional business travel, waste, water, credit card, upstream and downstream leased assets
	3	£9,523,051	1,100	
Waste		In supply chain		No national waste contractors used directly by the Company
	3			
Scope 1 Total			<u>46.4</u>	
Scope 2 Total			<u>40.7</u>	
Scope 3 Total			<u>1,193.7</u>	
Grand Total			<u>1,280.7</u>	

2021 Emissions

Emission type	Scope	Consumption	Emission (tCO ₂ e)
Natural Gas for buildings	1	47,369.361 kWh	8.676
Diesel used in building based generators	1	None	None
Other Fuel for use directly in buildings	1	None	None
Vehicle Fuel in Operational Vehicles	1	None	None
Fugitive Emissions from Building Air-Conditioning	1	None	None
Fugitive Emissions from Vehicles	1	None	None
Electricity for Buildings	2	190,445.8 kWh	40.437

G4S Regional Management (UK&I) Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Greenhouse gas emissions (continued)

Emission type	Scope	Consumption	Emission (tCO ₂ e)	Commentary
Electricity (Transmission and Distribution)	3	For above value	3.578	
Air travel	3	12,141 miles	1.967	
Scope 1 Total			<u>8.7</u>	
Scope 2 Total			<u>40.4</u>	
Scope 3 Total			<u>5.5</u>	
Grand Total			<u><u>54.7</u></u>	

The emissions from Company funded business travel in vehicles such as company cars and expensed travel has not been captured in 2021, as there was no requirement for this in reporting at the start of 2021 due to the Company being a subsidiary of a public limited company. Protocols were put in place to capture this data for 2022.

Intensity measure

The services delivered varies on the current portfolio of clients and service contracts in place. The only consistent, stable and applicable performance indicator is annual turnover versus the carbon emissions generated. This has been the approach since the G4S Limited Group began reporting its Greenhouse gas emissions in 2008.

The intensity measure used is the quantity of CO₂e per £ of revenue generated. This year the scope of the carbon data capture has been expanded so that two figures are presented, one using comparable scope to the previous year and one indicating the overall intensity ratio of all emissions.

Emissions intensity ratio

t/CO₂e per £m turnover

2021 (as reported last year): 2.01

2022 (with same scope as last year): 3.1

2022 (all emissions): 58.1

Financial risk management

The Company operates under the financial risk management objectives and policies of its intermediate parent, G4S Limited. G4S Limited's key objectives and policies include:

- Liquidity risk is managed in the context of the Enlarged Group to ensure that sufficient funding is available to the Group; and
- Conducting investing and financing activities, wherever possible, in either the Company's local currency or that of its investors (USD\$).

G4S Regional Management (UK&I) Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

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

- select suitable accounting policies and 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' indemnity

Allied Universal Topco LLC has granted indemnities to each of the Company's directors to the extent permitted by law. Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 December 2022 and remain in force in relation to certain losses and liabilities which the directors may incur to third parties in the course of acting as directors. Allied Universal Topco LLC has maintained a directors' and officers' liability insurance policy throughout the year under review.

Disclosure of information to the auditor

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

- So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- They have taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Independent auditor

The auditor, Deloitte LLP, appointed in the year, has indicated their willingness to continue in office and a resolution confirming their appointment will be approved at the Annual General meeting.

G4S Regional Management (UK&I) Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Non adjusting events after the financial period

On 12 September 2023, G4S Regional Management (UK&I) Limited's immediate parent, G4S UK Holdings Limited, subscribed to 120,000,000 £1 ordinary shares in G4S Regional Management (UK&I) Limited at a premium of £0.50 per share.

On the same day, G4S Regional Management (UK&I) Limited subscribed to 10,000,000 £1 ordinary shares in its direct subsidiary, G4S Facilities Management (UK) Limited, at a premium of £8 per share.

Approved by the Board on and signed on its behalf by:

.....
O Keck
Director

G4S Regional Management (UK&I) Limited

Independent Auditor's Report to the Members of G4S Regional Management (UK&I) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of G4S Regional Management (UK&I) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of financial position; and
- the related notes 1 to 22.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

G4S Regional Management (UK&I) Limited

Independent Auditor's Report to the Members of G4S Regional Management (UK&I) Limited (continued)

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

G4S Regional Management (UK&I) Limited

Independent Auditor's Report to the Members of G4S Regional Management (UK&I) Limited (continued)

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

G4S Regional Management (UK&I) Limited

Independent Auditor's Report to the Members of G4S Regional Management (UK&I) Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of this report

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

.....
Matthew Smith (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom

Date:.....

G4S Regional Management (UK&I) Limited

Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	4	22,031	27,222
Cost of sales		<u>(21,589)</u>	<u>(24,139)</u>
Gross profit		442	3,083
Administrative expenses		(165)	(1,474)
Impairment of investments	5	-	(86,838)
Restructuring costs	5	-	(16)
Other operating expenses	5	<u>(39)</u>	<u>(177)</u>
Operating profit/(loss)	5	238	(85,422)
Finance income	9	2	104
Finance costs	10	<u>(10,759)</u>	<u>(5,359)</u>
Loss before income tax		(10,519)	(90,677)
Income tax credit	11	<u>2,272</u>	<u>2,507</u>
Loss for the financial year		<u><u>(8,247)</u></u>	<u><u>(88,170)</u></u>

The above results were derived from continuing operations.

G4S Regional Management (UK&I) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022	2021
	£ 000	£ 000
Loss for the financial year	<u>(8,247)</u>	<u>(88,170)</u>
Total comprehensive expense for the financial year	<u><u>(8,247)</u></u>	<u><u>(88,170)</u></u>

G4S Regional Management (UK&I) Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Share premium £ 000	Retained earnings/ (Accumulated losses) £ 000	Total £ 000
At 1 January 2021	130,300	157,090	23,637	311,027
Comprehensive expense:				
Loss for the financial year	-	-	(88,170)	(88,170)
Total comprehensive expense for the financial year	-	-	(88,170)	(88,170)
Transactions with owners:				
Share based payment transactions	-	-	920	920
Tax on items taken to equity	-	-	(14)	(14)
Total transactions with owners	-	-	906	906
At 31 December 2021	<u>130,300</u>	<u>157,090</u>	<u>(63,627)</u>	<u>223,763</u>
At 1 January 2022	130,300	157,090	(63,627)	223,763
Comprehensive expense:				
Loss for the financial year	-	-	(8,247)	(8,247)
Total comprehensive expense for the financial year	-	-	(8,247)	(8,247)
At 31 December 2022	<u>130,300</u>	<u>157,090</u>	<u>(71,874)</u>	<u>215,516</u>

The notes on pages 22 to 45 form an integral part of these financial statements.

G4S Regional Management (UK&I) Limited

(Registration number: 03189802)

Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Non-current assets			
Property, plant and equipment	12	1,115	1,987
Intangible assets	13	52	1,769
Investments	14	448,045	448,045
Deferred tax assets	11	6,406	5,827
Investment in sub-leases		-	575
		455,618	458,203
Current assets			
Trade and other receivables	15	8,246	11,009
Current tax assets		1,694	523
Cash and cash equivalents		450	389
		10,390	11,921
Total assets		466,008	470,124
Current liabilities			
Trade and other payables	16	(244,748)	(239,435)
Borrowings		(5,105)	(4,201)
Lease liabilities	17	(209)	(1,180)
Provisions	18	(255)	(1,288)
		(250,317)	(246,104)
Net current liabilities		(239,927)	(234,183)
Total assets less current liabilities		215,691	224,020
Non-current liabilities			
Lease liabilities	17	(175)	(257)
Total liabilities		(250,492)	(246,361)
Net assets		215,516	223,763
Equity			
Share capital	19	130,300	130,300
Share premium		157,090	157,090
Accumulated losses		(71,874)	(63,627)
Total shareholders' funds		215,516	223,763

The notes on pages 22 to 45 form an integral part of these financial statements.

G4S Regional Management (UK&I) Limited

(Registration number: 03189802)

Statement of Financial Position as at 31 December 2022 (continued)

The financial statements on pages 17 to 45 were approved by the Board on and signed on its behalf by:

.....
O Keck
Director

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

G4S Regional Management (UK&I) Limited 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: 6th Floor, 50 Broadway, London, SW1H 0DB.

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare and deliver consolidated financial statements as it is a wholly-owned subsidiary of Atlas Ontario LP and it is included in the audited consolidated financial statements of its ultimate parent, Atlas Ontario LP. Copies of the consolidated financial statements of Atlas Ontario LP may be obtained from the G4S website (www.g4s.com). 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.

For details of the Company's principal activities, please refer to the Strategic Report on page 2.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

The financial statements have been prepared on a going concern basis. The Company has received a letter of support from its ultimate parent, Atlas Ontario LP, setting out its intent to provide sufficient financial assistance to the Company if and when it is needed to enable the Company to continue its operations and fulfil its currently anticipated financial obligations now and for a period of not less than 12 months from the date of these accounts. The letter notes that such financial support may include: not seeking the repayment of amounts advanced to the Company by the parent and/or other members of the Enlarged Group unless adequate alternative financing has been secured by the Company; and advancing further amounts to the Company as required by the Company.

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

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

These disclosure exemptions relate to:

- IAS 7 “Statement of cash flows”;
- Paragraph 38 of IAS 1 “Presentation of Financial Statements” to present comparative information in respect of: paragraph 79 (a) (iv) of IAS 1, paragraph 73 (e) of IAS 16 “Property, Plant and Equipment” and paragraph 118 (e) of IAS 38 “Intangible Assets” (reconciliations between the carrying amount at the beginning and end of the period);
- IFRS 7 “Financial Instruments: Disclosures”;
- Paragraphs 91 to 99 of IFRS 13 “Fair Value Measurement” (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a)-(c), 120-127 and 129 of IFRS 15 “Revenue from contracts with customers”;
- The requirements of paragraphs 52, 58, the second sentence of paragraph 89, 90, 91 and 93 of IFRS 16 “Leases”;
- Paragraphs 45 (b) and 46 to 52 of IFRS 2 “Share-based Payment” (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- The exemption from disclosing the impact of standards in issue but not yet adopted;
- Paragraph 17 of IAS 24 “Related Party Disclosures” (key management compensation)
- The requirements in IAS 24 “Related Party Disclosures” to disclose related party transactions entered into between two or more members of a group.

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

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have had a material impact on the financial statements.

Revenue recognition

The Company’s revenue arises from the provision of business services to companies within the Group in connection with the operation and management of its business.

Revenue represents amounts receivable for services provided in the normal course of business and is measured at the fair value of the consideration received or receivable, net of discounts, value-added-tax (VAT) and other sales-related taxes.

Revenue is recognised in the period in which the service is provided.

Cost of sales

Expenses recognised as cost of sales on the income statement include costs directly attributable to sales. Given the nature of the Company's operations, costs subsequently recharged to fellow group companies are included within cost of sales. All other costs not directly attributable to sales are included within administrative expenses.

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Restructuring costs

The income statement separately identifies restructuring costs. Restructuring costs are those that in management's judgement need to be disclosed separately by virtue of their size, nature or incidence. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

All items that are reported as restructuring costs are evaluated and approved by the Company's management prior to being separately disclosed. The Company seeks to be balanced when reporting restructuring costs for both debits and credits, and any reversals of excess provisions previously created as restructuring costs are classified consistently as restructuring costs.

Restructuring costs may not be comparable to similarly-titled measures used by other companies.

Employee benefits - retirement benefit cost

The G4S Limited group, which the Company is a member of, operates both defined contribution and defined benefit pension schemes.

Payments to the defined contribution schemes are charged as an expense as they fall due and represent contributions payable to the schemes for the year. Where the Company is a member of state managed or public sector schemes, payments are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefits scheme.

The Company makes no ongoing contribution to any of the defined benefit pension schemes, and there is no contractual agreement to charge any such contributions or deficit repayments to the Company. When contribution to defined benefit scheme is made, it is accounted for in line with defined contribution schemes as the defined benefit schemes are multi-employer schemes and it is not possible to accurately identify the Company's share of scheme's assets or liabilities.

Finance income and finance costs

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

These 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 date of the transactions. At each reporting date, monetary assets and liabilities which are denominated in other currencies are retranslated at the rates prevailing on that date. 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 tax

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

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

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Income tax (continued)

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

The carrying amount of potential deferred tax assets is re-assessed at each balance sheet date and recognised to the extent that it is probable that sufficient taxable profits will be available to allow those assets 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.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and any provision for impairment.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than assets under construction, less any estimated residual value, over their estimated useful economic lives on a straight-line basis, as detailed below.

Where significant, the residual values and the useful economic lives of property, plant and equipment are re-assessed annually.

Assets held under leases are depreciated over the shorter of their expected useful economic lives and the terms of the relevant lease.

Asset class

Leasehold improvements

Equipment

Right of use assets

Depreciation rate

over the shorter of useful economic life and period of the lease

3 - 10 years

over the period of the lease

Intangible assets

Software

Capitalised computer software is stated at cost, net of amortisation and any provision for impairment.

Amortisation

Amortisation is charged on intangible assets so as to write off the cost of assets, other than goodwill, less any estimated residual value, over their estimated useful economic lives on a straight-line basis, as detailed below.

Where significant, the residual values and the useful economic lives of intangible assets are re-assessed annually.

Asset class

Software

Amortisation rate

3 - 5 years

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Investments

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

Impairment of non-financial assets

The carrying values of the Company's assets, with the exception of inventories, financial receivables and deferred tax assets, are 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.

In respect of any asset other than goodwill, 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.

Financial instruments

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

Trade and other receivables

Trade and other receivables do not carry interest. They are initially recognised at fair value which represents the amount of consideration that is unconditional. They are subsequently carried at amortised cost using the effective interest method less loss allowances.

Amounts owed by/to Group undertakings

Amounts owed by/to Group undertakings (members of the Enlarged Group) are recognised initially at fair value and are subsequently stated at amortised cost. Finance income and expense are recognised in the income statement on an accruals basis using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Trade and other payables

Trade and other payables do not carry interest. They are initially recognised at fair value and they are subsequently carried at amortised cost using the effective interest method.

Borrowings

Borrowings comprises cash balances in an overdrawn position. Interest expense on these balances is recognised in finance costs using effective-interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, amounts owed by Group undertakings and other contract assets (being the unbilled work in progress). The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that the Company considers would affect the ability of its customers to settle the receivables.

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Provisions

Provisions are recognised when a present legal or constructive obligation exists for a future liability in respect of a past event and where the amount of the obligation can be estimated reliably. The amount recognised as a provision is the Company's best estimate of the likely outflows at the end of the reporting period.

The Company provides for anticipated costs where an outflow of resources is considered probable and a reasonable estimate can be made of the likely outcome. The ultimate liability may vary from the amounts provided and will be dependent upon the eventual outcome of any settlement. Management exercise judgement in measuring the Company's exposure through assessing the likelihood that a potential claim or liability will arise and in quantifying the possible range of financial outcomes.

Where the time value of money is material, provisions are stated at the present value of the expected expenditure using an appropriate discount rate.

Leases

The Company leases a number of its office properties, vehicles and operating equipment. Rental contracts are typically made for fixed periods of around five years but may have extension options.

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

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

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

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

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

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

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

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Leases (continued)

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

Share capital

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

Share premium

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

Share-based payments

The Company benefits from equity-settled share-based payments issued by its intermediate parent to certain employees. The Company does not have an obligation to settle the transaction with its employees, as this is the obligation of the intermediate parent. Therefore, the Company accounts for the share-based payments as equity settled, and recognises the corresponding increase in equity as a contribution from its intermediate parent.

The fair value of share-based payments is determined at the date of grant and expensed, with a corresponding increase in equity, on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest. These changes exclude those resulting from any market-related performance conditions.

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

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, current and expected economic conditions, and in some cases, actuarial techniques as well as the various other factors that are believed to be reasonable under the circumstances.

The judgements, 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.

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

There are no judgements, estimates and assumptions which are of significance in the preparation of the Company's financial statements.

4 Revenue

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

	2022	2021
	£ 000	£ 000
Rendering of services	<u>22,031</u>	<u>27,222</u>

Assets and liabilities related to contracts with customers

	2022	2021
	£ 000	£ 000
Current assets		
Trade receivables	<u>66</u>	<u>2</u>

During the year the Company recognised £Nil of revenue that was held in deferred income as at 31 December 2021 (2021: £Nil of revenue recognised was held in deferred income as at 31 December 2020), and £Nil (2021: £Nil) of revenue in relation to performance obligations satisfied in prior periods.

As at 31 December 2022, the Company recorded £Nil (2021: £Nil) of capitalised contract fulfilment costs on its statement of financial position. The Company did not incur any material contract acquisition costs during the current year (2021: £Nil).

Revenue arose from activities originating solely in the United Kingdom.

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 Operating profit/(loss)

Arrived at after charging:

	2022	2021
	£ 000	£ 000
Depreciation on leasehold improvements and equipment	763	896
Depreciation on right of use assets - Property	93	93
Depreciation on right of use assets - Vehicles	11	125
Depreciation on right of use assets - IT equipment	283	484
Amortisation expense	1,758	2,306
Impairment of investments	-	86,838
Restructuring costs	-	16
	-	16

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£ 000	£ 000
Wages and salaries	11,739	13,859
Social security costs	1,367	1,957
Pension costs, defined contribution scheme	860	866
Redundancy costs	18	9
Share-based payment expenses	-	920
	13,984	17,611

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and management	293	281
	293	281

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£ 000	£ 000
Remuneration *	987	574
Pension costs, defined contribution scheme	35	15
	1,022	589

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Directors' remuneration (continued)

During the year, two directors (2021: one director) accrued retirement benefits under defined contribution schemes and none (2021: none) accrued retirement benefits under defined benefit schemes. During the year, no directors (2021: two directors) exercised share options.

One director (2021: one director) was remunerated by another Group company in respect of their services to the Company. These were not recharged to the Company.

The remuneration of the highest paid director for the year was as follows:

	2022	2021
	£ 000	£ 000
Remuneration *	336	339
Pension costs, defined contribution scheme	15	-

During the year the highest paid director did not exercise share options (2021: exercised share options).

* Included within directors' remuneration are: base pay, benefits, annual bonus and cash pension allowance paid.

8 Auditor's remuneration

Fees payable to the Company's auditor were as follows:

	2022	2021
	£ 000	£ 000
Audit of the financial statements	33	34

The Company did not incur any non-audit fees in the current or prior year.

9 Finance income

	2022	2021
	£ 000	£ 000
Foreign exchange gains	2	104

10 Finance costs

	2022	2021
	£ 000	£ 000
Interest on borrowing	79	30
Interest payable on amounts owed to Group undertakings	10,266	5,267
Foreign exchange losses	395	-
Interest expense on lease liabilities	19	55
Other finance costs	-	7
	10,759	5,359

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Income tax credit

Tax credited in the income statement is as follows:

	2022	2021
	£ 000	£ 000
Current tax		
UK corporation tax	(1,699)	(523)
UK corporation tax adjustment to prior periods	<u>5</u>	<u>(30)</u>
Total current tax	<u>(1,694)</u>	<u>(553)</u>
Deferred tax		
Arising from origination and reversal of temporary differences	(454)	(644)
Arising from changes in tax rates and laws	(143)	(1,398)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>19</u>	<u>88</u>
Total deferred tax	<u>(578)</u>	<u>(1,954)</u>
Total income tax credit in the income statement	<u><u>(2,272)</u></u>	<u><u>(2,507)</u></u>

The tax credit on loss for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022	2021
	£ 000	£ 000
Loss before income tax	<u>(10,519)</u>	<u>(90,677)</u>
Corporation tax at standard rate	(1,999)	(17,229)
Increase in current tax from adjustment for prior periods	24	-
Increase from effect of expenses not deductible in determining tax loss	26	16,640
Decrease from effect of exercise employee share options	-	(446)
Decrease from transfer pricing adjustments	(180)	(132)
Deferred tax expense from unrecognised temporary difference from a prior period	-	58
Deferred tax credit relating to changes in tax rates or laws	<u>(143)</u>	<u>(1,398)</u>
Total income tax credit	<u><u>(2,272)</u></u>	<u><u>(2,507)</u></u>

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

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Income tax credit (continued)

Deferred tax

Deferred tax assets are as follows:

2022	Asset £ 000
Accelerated tax depreciation	6,382
Provisions	-
Share-based payment	-
Temporary differences trading	24
	6,406
2021	Asset £ 000
Accelerated tax depreciation	5,804
Provisions	-
Share-based payment	-
Temporary differences trading	23
	5,827

Deferred tax movement during the year is as follows:

	At 1 January 2022 £ 000	Recognised in income £ 000	At 31 December 2022 £ 000
Accelerated tax depreciation	5,804	577	6,382
Provisions	-	-	-
Share-based payment	-	-	-
Temporary differences trading	23	1	24
Net tax assets	5,827	578	6,406

Deferred tax movement during the prior year was as follows:

	At 1 January 2021 £ 000	Recognised in income £ 000	Recognised in equity £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	3,765	2,039	-	5,804
Provisions	4	(4)	-	-
Share-based payment	102	(88)	(14)	-
Temporary differences trading	16	7	-	23
Net tax assets	3,887	1,954	(14)	5,827

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Income tax credit (continued)

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

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

The Company has a temporary difference on fixed assets of £25,525,000 as at 31 December 2022 (2021: £23,218,000). The use of these in the future is very flexible in that the Company can choose whether to make a claim for them each year, and can then effectively shelter taxable profits in any other group company within the UK tax group with these tax deductions by surrendering losses as group relief, for which the Company receives payment. As a result the Company is recognising a full deferred tax asset of £6,381,000 on this assets (2021: £5,804,000).

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Property, plant and equipment

	Leasehold improvements £ 000	Equipment £ 000	Assets under construction £ 000	Right of use assets (Property) £ 000	Right of use assets (Vehicles) £ 000	Right of use assets (IT equipment) £ 000	Total £ 000
Cost							
At 1 January 2022	892	5,331	288	3,350	443	2,133	12,437
Additions	114	167	53	-	55	89	478
Disposals	-	(1)	-	-	(121)	(2,040)	(2,162)
Transfers	-	169	(209)	-	-	-	(40)
At 31 December 2022	<u>1,006</u>	<u>5,666</u>	<u>132</u>	<u>3,350</u>	<u>377</u>	<u>182</u>	<u>10,713</u>
Accumulated depreciation							
At 1 January 2022	796	4,511	-	3,165	164	1,814	10,450
Charge for the year	144	619	-	93	11	283	1,150
Eliminated on disposal	-	(1)	-	-	-	(2,001)	(2,002)
At 31 December 2022	<u>940</u>	<u>5,129</u>	<u>-</u>	<u>3,258</u>	<u>175</u>	<u>96</u>	<u>9,598</u>
Carrying amount							
At 31 December 2022	<u><u>66</u></u>	<u><u>537</u></u>	<u><u>132</u></u>	<u><u>92</u></u>	<u><u>202</u></u>	<u><u>86</u></u>	<u><u>1,115</u></u>
At 31 December 2021	<u><u>96</u></u>	<u><u>820</u></u>	<u><u>288</u></u>	<u><u>185</u></u>	<u><u>279</u></u>	<u><u>319</u></u>	<u><u>1,987</u></u>

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Intangible assets

	Software £ 000
Cost	
At 1 January 2022	18,663
Transfers	<u>40</u>
At 31 December 2022	<u>18,703</u>
Accumulated amortisation	
At 1 January 2022	16,894
Amortisation charge	<u>1,757</u>
At 31 December 2022	<u>18,651</u>
Carrying amount	
At 31 December 2022	<u><u>52</u></u>
At 31 December 2021	<u><u>1,769</u></u>

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments

	£ 000
Cost	
At 1 January 2022	660,604
At 31 December 2022	<u>660,604</u>
Provision	
At 1 January 2022	212,559
At 31 December 2022	<u>212,559</u>
Carrying amount	
At 31 December 2022	<u><u>448,045</u></u>
At 31 December 2021	<u><u>448,045</u></u>

Judgement is required to determine whether indicators of impairment exist. Where impairment triggers are identified, the recoverable amount of an investment is generally determined by its value in use, which is derived from discounted cash flow calculations.

For the year ended 31 December 2022 an impairment charge of £Nil (2021: £86,838,000) has been recorded in respect of the Company's investments. Impairments recognised in previous years were assessed to determine whether reversal was required. No reversals of previously recognised impairments were considered necessary.

Details of the subsidiary undertakings and other significant undertakings as at 31 December 2022, where the Company's holding is 20% or greater, are as follows:

Subsidiary undertakings	Class of holding	Ownership	Registered address
G4S Australia Pty Limited	Ordinary	100.00%	Level 4, 612-616 St Kilda Road, Melbourne, Victoria, Australia, 3004
G4S Custodial Services Pty Limited	Ordinary	100.00%	Level 4, 612-616 St Kilda Road, Melbourne, Victoria, Australia, 3004
G4S Health Services Australia Pty Limited	Ordinary	100.00%	Level 4, 612-616 St Kilda Road, Melbourne, Victoria, Australia, 3004
G4S Correctional Services (Australia) Pty Limited	Ordinary	100.00%	Level 4, 612-616 St Kilda Road, Melbourne, Victoria, Australia, 3004
G4S Australia Holdings Pty Ltd	Ordinary	100.00%	Level 4, 612-616 St Kilda Road, Melbourne, Victoria, Australia, 3004
G4S Integrated Services Pty Ltd	Ordinary	100.00%	Level 4, 612-616 St Kilda Road, Melbourne, Victoria, Australia, 3004
G4S Security Services (UK) Limited	Ordinary	100.00%	The Curve, 18 Hickman Avenue, London, England, E4 9JG

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments (continued)

Subsidiary undertakings	Class of holding	Ownership	Registered address
G4S Technology Limited	Ordinary	100.00%	Challenge House, International Drive, Tewkesbury, Gloucestershire, England, GL20 8UQ
AMAG Technology Limited	Ordinary	100.00%	Challenge House, International Drive, Tewkesbury, Gloucestershire, England, GL20 8UQ
G4S Aviation Services (UK) Limited	Ordinary	100.00%	The Curve, Hickman Avenue, London, England, E4 9JG
G4S Secure Solutions (UK) Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
T.S.S. (Total Security Services) Limited	Ordinary	100.00%	The Curve 18 Hickman Avenue, Highams Park London, England, E4 9JG
Corporate Cupboard Limited	Ordinary	100.00%	18D Hickman Avenue Highams Park, London, England, E4 9JG
G4S Care and Justice Services (UK) Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
G4S Aviation (France) Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
G4S Government and Outsourcing Services (UK) Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
G4S Facilities Management (UK) Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
G4S Overseas Holdings Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
G4S Health Services (UK) Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
Stratus Integrated Services Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
G4S Investigation Solutions (UK) Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
G4S Monitoring Technologies Limited	Ordinary	100.00%	6th Floor, 50 Broadway, London, England, SW1H 0DB
AMAG Technology Inc	Ordinary	100.00%	Suite B, 2205 W. 126th St., Hawthorne, Canada, 90250
G4S Correction Services (Bloemfontein) (Pty) Ltd	Ordinary	81.00%	Building 11 Byls Bridge Office Park Cnr Jean Avenue and Olivenhoutbosch Avenue, Highveld Ext 73 Centurion, South Africa, 0157

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments (continued)

Subsidiary undertakings	Class of holding	Ownership	Registered address
GSL Rebound (Pty) Limited	Ordinary	100.00%	Building 11 Byls Bridge Office Park Cnr Jean Avenue and Olivenhoutbosch Avenue, Highveld Ext 73 Centurion, South Africa, 0157
G4S Care and Justice Services (South Africa) (Pty) Ltd	Ordinary	100.00%	Building 11 Byls Bridge Office Park Cnr Jean Avenue and Olivenhoutbosch Avenue, Highveld Ext 73 Centurion, South Africa, 0157
Attenti EM Limited	Ordinary	100.00%	2 Habarzel St Tel Aviv- Jaffa, Israel, 6971002
Attenti Resident Monitoring Limited	Ordinary	100.00%	2 Habarzel St Tel Aviv- Jaffa, Israel, 6971002
Attenti Electronic Monitoring Limited	Ordinary	100.00%	2 Habarzel St Tel Aviv- Jaffa, Israel, 6971002
Attenti Resident Monitoring Inc	Ordinary	100.00%	1838 Gunn Highway Odessa, FL 33556
ProTech Holding Inc	Ordinary	100.00%	1838 Gunn Highway, Odessa, FL 33556
Attenti US, Inc.	Ordinary	100.00%	1838 Gunn Highway, Odessa, FL, 33556
Attenti EM UK Limited	Ordinary	100.00%	4th Floor, 3 More London Riverside, London, England, SE1 2AQ
Attenti Australia Pty Limited	Ordinary	100.00%	Building C, TMF Corporate Services (Aust) Pty Limited, Level 9, 63 Exhibition Street, Melbourne, Australia, VIC 3000
Attenti New Zealand Ltd	Ordinary	100.00%	TMF Group, Level 11 41 Shortland Street Auckland, New Zealand, 1010
Attenti Electronic Monitoring Group Ltd	Ordinary	100.00%	2 Habarzel St Tel Aviv- Jaffa, Israel, 6971002
Attenti Iberia S.L.	Ordinary	100.00%	Paseo De Castellana 35-5 Madrid, Spain, 28046
Bloemfontein Correctional Contracts (Pty) Limited	Ordinary	20.00%	Byls Bridge Office Park, Building 11, 13 Candela Street, Highveld Ext 73, 0157 Centurion, South Africa
Bridgend Custodial Services Limited	Ordinary	58.68%	Challenge House, International Drive, Tewkesbury, GL20 8UQ, United Kingdom

* Direct investment

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Trade and other receivables

	2022	2021
	£ 000	£ 000
Trade receivables	66	2
Amounts owed by Group undertakings	6,577	10,071
Prepayments	634	533
Other receivables	969	403
	<u>8,246</u>	<u>11,009</u>
	<u>8,246</u>	<u>11,009</u>

Amounts owed by Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

The loss allowance on external trade receivables as at 31 December 2022 is £Nil (2021: £Nil).

All amounts owed by Group undertakings are repayable on demand and the expected loss rate for the Company is 0% (2021: 0%).

16 Trade and other payables

	2022	2021
	£ 000	£ 000
Trade payables	1,885	1,756
Accrued expenses	1,551	1,627
Amounts owed to Group undertakings	238,376	232,272
Social security and other taxes	1,017	1,616
Other payables	1,919	2,164
	<u>244,748</u>	<u>239,435</u>
	<u>244,748</u>	<u>239,435</u>

Included in amounts owed to Group undertakings are loans of £236,489,000 (2021: £231,923,000) which are unsecured and repayable on demand.. Interest is charged on these loans at the Sterling Overnight Index Average (SONIA) plus a margin of 4.25% (2021: the London Interbank Offered Rate (LIBOR) plus a margin of 2.2%). All other amounts owed to Group undertakings are trading in nature, unsecured, interest-free and repayable on demand.

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

17 Lease liabilities

Information about leases for which the Company is a lessee is presented below.

(i) Amounts recognised in the Statement of Financial Position

The Statement of Financial Position includes the following amounts relating to leases:

Carrying amount of right-of-use assets

	2022	2021
	£ 000	£ 000
Property	92	185
Vehicles	202	279
IT equipment	86	319
	380	783
	380	783

Carrying amount of right-of-use assets is included within property, plant and equipment (see note 12).

Additions to right-of-use assets during the year totalled £143,000 (2021: £260,000).

Lease liabilities

	2022	2021
	£ 000	£ 000
Current lease liabilities	209	1,180
Non-current lease liabilities	175	257
	384	1,437
	384	1,437

(ii) Amounts recognised in the Income Statement

The Income Statement includes the following amounts relating to leases:

Depreciation charge on right-of-use assets

	2022	2021
	£ 000	£ 000
Property	93	93
Vehicles	11	125
IT Equipment	283	484
	387	702
	387	702

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

17 Lease liabilities (continued)

Other income and expenses related to leases

	2022	2021
	£ 000	£ 000
Income from subleasing right-of-use assets	-	732
Interest expense on lease liabilities	19	55
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets	-	-
Variable lease payments not included in lease liabilities	-	-
Gains/(losses) arising from sale and leaseback transactions	-	-

(iii) The Company's leasing activities

Nature of the Company's leasing activities

The Company leases a number of its office properties, vehicles and operating equipment. Property leases are negotiated over an average term of around five years, at rates reflective of market rentals. Periodic rent reviews take place to bring lease rentals into line with prevailing market conditions. Some, but not all, lease agreements have an option to renew the lease at the end of the lease term. Leased vehicles and other operating equipment are negotiated over an average lease term of five years.

Exposure to future cash outflows not reflected in lease liabilities

- Extension and termination options are included in a number of property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.
- The Company does not provide residual value guarantees in relation to its leases.
- There are no significant lease commitments for leases not commenced at year-end.
- None of the Company's leases contain variable lease payments.

Restrictions or covenants imposed by the leases

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. For leases of office buildings, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Sale and leaseback transactions

There have been no sale and leaseback transactions in the current or prior year.

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Provisions

	Other £ 000
At 1 January 2022	1,288
Additional provisions in the year	749
Utilisation of provision	(1,454)
Unused amounts reversed	(328)
	255
At 31 December 2022	255
Current liabilities	255

Provisions mainly consist of property related provisions. Management judgement is required in quantifying the Company's provisions, which are based on a number of assumptions and estimates where the ultimate outcome may be different to the amount provided. Each of these provisions reflects the Company's best estimate of the probable exposure at and this assessment has been made having considered the sensitivity of each provision to reasonably possible changes in key assumptions. The Company is satisfied that it is unlikely that changes in these key assumptions will have a material impact on the Company's overall provisioning position in the next 12 months.

19 Share capital

Allotted, called up and fully paid shares

	2022 No. 000	2022 £ 000	2021 No. 000	2021 £ 000
Redeemable ordinary shares of £1 each	80,300	80,300	80,300	80,300
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
Ordinary shares of £0.001 each	3	-	3	-
	130,303	130,300	130,303	130,300

The redeemable ordinary shares rank pari passu with the ordinary shares in all respects except that the redeemable ordinary shares can be redeemed at any time by the Company provided 28 days written notice is given to the shareholders.

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

20 Retirement benefit obligations

The G4S Limited group operates both defined contribution and defined benefit pension schemes. Employer contributions to these schemes are fixed at a set level or set percentage of employees' pay.

Defined contribution pension scheme

The pension charge recognised in the income statement for the defined contribution scheme represents the contributions payable for the year. This has been detailed in note 6.

Defined benefit pension schemes

The UK defined benefit scheme is comprised of three sections: the Group 4 section which is the pension scheme de-merged from the former Group 4 Falck A/S, the Securicor section, for which the G4S Limited group assumed responsibility on 20 July 2004 with the acquisition of Securicor plc, and the GSL section, for which the G4S Limited group assumed responsibility on 12 May 2008 with the acquisition of GSL.

The UK scheme is closed to future accrual apart from some sub-sections of the GSL section, and for most members defines the pension based on final salary. Certain sub-sections of the GSL section have historically remained open to provide a facility to accept former public-sector employees who join the G4S Limited group through outsourcings. In the Group 4 and Securicor sections, members retain their link to final salary where appropriate on their benefits accrued up to closure in 2011.

The Company makes no ongoing contribution to any of the schemes and there is no contractual agreement or stated policy for charging any such contributions or deficit repayments to the Company. When contribution to a defined benefit scheme is made, it is accounted for in line with the defined contribution scheme as the defined benefit schemes are multi-employer schemes and it is not possible to accurately identify the Company's share of the schemes' assets or liabilities.

The defined benefit schemes are multi-employer schemes and it is not possible to accurately identify the Company's share of scheme's assets or liabilities. The defined benefit liability is recognised in the financial statements of G4S Limited.

The Company makes no ongoing contribution to any of the defined benefit pension schemes, and there is no contractual agreement to charge any such contributions or deficit repayments to the Company. When contribution to defined benefit scheme is made, it is accounted for in line with defined contribution schemes as the defined benefit schemes are multi-employer schemes and it is not possible to accurately identify the Company's share of scheme's assets or liabilities.

21 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is G4S UK Holdings Limited.

The Company's ultimate parent undertaking and ultimate controlling party is Atlas Ontario LP, a limited partnership formed under the laws of the Province of Ontario, Canada. The registered office of Atlas Ontario LP is 450 Exchange, Irvine, California, 92602, US. Atlas Ontario LP is also the parent undertaking of both the smallest and largest groups which include the results of the Company and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements of Atlas Ontario LP are available from the G4S website (www.g4s.com).

G4S Regional Management (UK&I) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

22 Non adjusting events after the financial period

On 12 September 2023, G4S Regional Management (UK&I) Limited's immediate parent, G4S UK Holdings Limited, subscribed to 120,000,000 £1 ordinary shares in G4S Regional Management (UK&I) Limited at a premium of £0.50 per share.

On the same day, G4S Regional Management (UK&I) Limited subscribed to 10,000,000 £1 ordinary shares in its direct subsidiary, G4S Facilities Management (UK) Limited, at a premium of £8 per share.