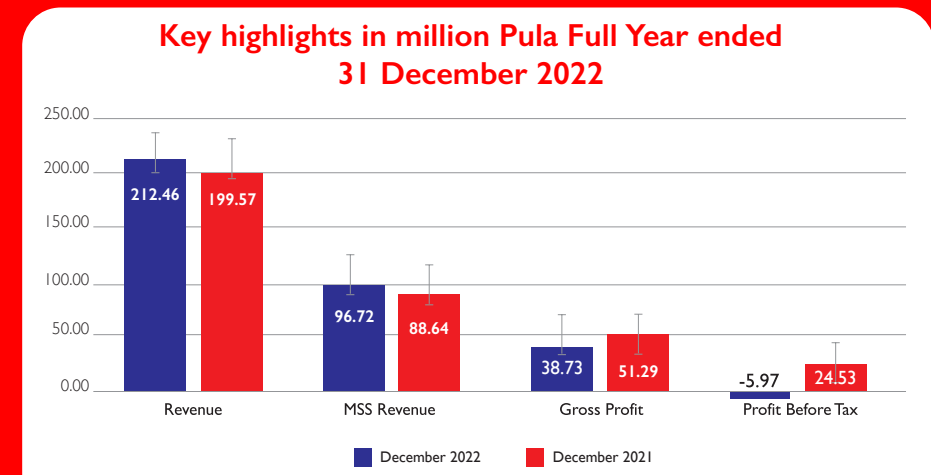


Audited Abridged Consolidated Financial Statements

for the year ended 31 December 2022



ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2022

	GROUP	
	Year ended 31 December 2022	Year ended 31 December 2021
	P'000	P'000
Revenue	212,460	199,565
Cost of goods sold	-8,066	-5,493
Cost of providing services	-165,479	-142,783
Gross profit	38,916	51,289
Other income	1,129	2,518
Movement in credit loss allowances	-4,327	4,479
Administrative expenses	-42,815	-35,209
Operating (loss)/profit	-7,097	23,076
Finance income	2,373	3,008
Interest paid	-1,346	-1,556
(Loss)/profit before taxation	-6,070	24,528
Taxation	97	-4,957
(Loss)/profit for the year	-5,973	19,571
Total comprehensive (loss)/income for the year	-5,973	19,571
(Loss)/profit attributable to:		
Owners of the parent of the company	-5,436	19,416
Non-controlling interest	-537	155
	-5,973	19,571
(Loss)/earnings per share from operations attributable to the ordinary equity holders of the company	-6.79	24.27

ABRIDGED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION for the year ended 31 December 2022

	GROUP	
	Year ended 31 December 2022	Year ended 31 December 2021
	P'000	P'000
Assets		
Non-Current Assets		
Property, plant and equipment	23,456	14,309
Right-of-use assets	11,651	14,988
Goodwill	9,715	9,715
Deferred tax	6,678	5,479
	51,499	44,491
Current Assets		
Inventories	5,556	5,478
Amounts due from related parties	50,194	59,327
Trade and other receivables	30,451	37,470
Current tax receivable	5,805	672
Cash and cash equivalents	12,051	16,027
	104,058	118,974
Non-current assets held for sale	0	5,264
Total Assets	155,557	168,730
Equity and Liabilities		
Equity		
Equity Attributable to Equity Holders of Parent		
Stated capital	1,805	1,805
Retained income	109,426	114,862
	111,231	116,666
Non-controlling interest	861	1,398
	112,092	118,064
Liabilities		
Non-Current Liabilities		
Finance lease liabilities	9,351	12,117
Current Liabilities		
Trade and other payables	27,723	27,208
Amounts due to group companies	1,092	3,393
Finance lease liabilities	5,299	5,413
Provisions	0	984
	34,114	36,998
Non-current liabilities of assets held for sale	0	1,550
Total Liabilities	43,465	50,665
Total Equity and Liabilities	155,557	168,730

ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Stated capital	Retained income	Total	Non controlling interest	Total equity
	P'000	P'000	P'000	P'000	P'000
GROUP					
Balance at 01 January 2021	1,805	111,146	112,950	1,753	114,703
Profit for the year	0	19,416	19,416	155	19,571
Dividends paid	0	-15,700	-15,700	-510	-16,210
Balance at 31 December 2021	1,805	114,862	116,666	1,398	118,064
Balance at 1 January 2022	1,805	114,862	116,666	1,398	118,064
Loss for the year	0	-5,436	-5,436	-537	-5,973
Balance at 31 December 2022	1,805	109,426	111,230	861	112,092

ABRIDGED CONSOLIDATED STATEMENTS OF CASH FLOWS for the year ended 31 December 2022

	GROUP	
	Year ended 31 December 2022	Year ended 31 December 2021
	P'000	P'000
Cash flows from operating activities		
Cash flows generated from operations	15,925	30,700
Taxation paid	-5,133	-10,085
Net cash flows generated from operating activities	10,792	20,615
Cash flows from investing activities		
Purchase of property, plant and equipment	-18,127	-13,107
Proceeds from sale of property, plant and equipment	0	61
Loans to related parties repaid	10,000	0
Interest received	15	66
Net cash flows utilised in investing activities	-8,112	-12,980
Cash flows from financing activities		
Payment on lease liabilities	-6,423	-8,033
Dividends paid	0	-16,210
Interest paid	-1,346	-1,556
Net cash flows utilised in financing activities	-7,769	-25,798
Movement in cash and cash equivalents	-5,090	-18,164
Cash and cash equivalents at the beginning of the year	17,141	35,304
Total cash and cash equivalents at the end of the year	12,051	17,141

GENERAL INFORMATION

G4S (Botswana) Limited is a company registered under the Companies Act, 2003 of Botswana and domiciled in Botswana. The financial statements comprise the company and its subsidiary (together referred to as the "Group").

BASIS OF PREPARATION

The abridged consolidated financial results of G4S (Botswana) Limited and its subsidiary are extracted from the Group financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial information is presented in Botswana Pula. The board approved the annual financial statements for the year ended 31 December 2022 for issue on 10 May 2023. The prior year results have been represented due to change in intention not to dispose of investment in subsidiary. Following the change in intention to sell the G4S Facilities management business, the financial statements have been restated to consolidate the previously held for sale business. The financial statements have been prepared on a going concern basis and it has been established that the company will be in operation in the foreseeable future.

ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year. Amendments to IFRS effective for the financial year ending 31 December 2022 have been addressed during the year. New accounting standards and interpretations that have been published that are not effective for 31 December 2022 reporting periods have not been adopted by the Group. These standards are not expected to have a material impact on the entity or its transactions in the current or future reporting periods.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these financial statements, the significant judgments made by management in applying the Group's accounting policies, and the key sources of estimation were similar to those applied to the consolidated financial statements for the year ended 31 December 2021, except for deferred tax asset which was raised as a result of taxable loss which was recognised in 2022.

KEY HIGHLIGHTS & FINANCIAL PERFORMANCE YEAR ON YEAR COMPARISON

The Group Revenue performance for the period increased by 6.45% year on year driven primarily by good growth in the Manned guarding (MSS) service line. The top line growth was despite the contract losses experienced during the period under review primarily because of the new citizen economic empowerment legislation. The Cash service line grew marginally by 4% while the Electronic Security Systems (ESS) remained largely unchanged as it continues to experience intense competition from new entrants particularly in the Alarm monitoring and response (AMR) space. A Price Increase (PI) was levied on our MSS customers in the January 2022 following a statutory wage increase by the Government which had a marginal impact on the revenue line. Additionally, a marginal inflationary adjustment was passed to some of our cash customers (fuel surcharge) as a response to the abnormally high fuel prices experienced during the year while in the Security systems service line the business passed a 5% increase in pricing to monthly customers from July 2022.

The significant decline in gross profit for the year was as a result of the abnormal price increases on fuel - fuel expenses increased by 88% for the full year, compared to prior year added significantly to total cost. Additionally due to the heightened security risk environment, the business investing in enhanced security upgrades to its infrastructure specifically in the cash service line (investment in live monitoring of all cash vehicles) which further added to the cost of providing service putting further pressure to total costs.

The significant miss in Gross Profit (GP) largely drives the decline in the profit before tax (PBT) year on year. Added to the PBT decline is the increase in administrative expenses owing to the normalisation of the alarm monitoring and response (AMR) teams wherein from September 2021 Management added back the full crew complement to the AMR response crew structure which had been reduced during 2020 - effectively experiencing the full cost of this change in the whole of 2022 while in 2021 this was only experienced for 4 months. We saw an increase in movement in credit loss allowances from a gain of P4.4 million (2021) to a loss of P4.3 million (2022). The P8.7 million swing was triggered mainly by a higher loss given default (LGD) percentage applied to the 2022 receivables above 365 days, compared to 2021 which was lower.

Additionally other income did not yield a comparatively higher interest as compared to prior year as a result of the prevailing investment climate with lower yield effectively shedding over 65% compared to the prior year.

OUTLOOK

The Group continues to focus on growing revenue following encouraging increases in revenue quarter on quarter for both Q3 and Q4 2022, indicating that revenue lost during H1 2022 is systematically being recovered. We will continue driving the sale of integrated security solutions to ensure that we remain at the forefront of security capability in Botswana. The trading conditions remain challenging with significantly fewer opportunities than in prior years (primarily due to CEE legislation). As a response, Management continues to drive its commercial strategy of focusing on industry-specific growth (such as the retail growth strategy that has driven the H2 MSS revenue growth). The infusion of technology into our service offering has also been successful as a revenue driver. Specific focus for the year is on cost management with driving efficiencies across the business and continued fuel management aimed at managing profitability. Despite the reduced performance of the company, in lieu of stated reasons, the Board of Directors and Management are confident of the company's going concern status and will continue to work hard towards improved profitability in the foreseeable future.

NON-CURRENT ASSETS HELD FOR SALE

The G4S subsidiary "G4S Facilities Management Pty (Ltd)" were held for sale in 2021, however in 2022 it ceased to be held for sale and hence its results fully consolidated with G4S Botswana Limited results. Currently the company does not have any intention to sell the subsidiary.

RELATED PARTY TRANSACTIONS

There has been no significant change in the nature of related party transactions from those reported in the annual financial statements for the year ended 31 December 2021.

EVENTS OCCURRING AFTER REPORTING DATE

There were no significant events that occurred after the reporting date that required adjustment to or disclosure in the annual financial statements for the year ended 31 December 2022.

INTERNAL CONTROLS

The effectiveness of the internal control system is monitored through management reviews, Global internal Audit, Reconciliation and Operational Cash Controls (ROCC) and the external auditors' review and testing of appropriate aspects of the internal control systems during the course of their statutory examination of the Company and Group. The Group and Company directors have considered the results of these reviews and are aware of certain internal control deficiencies. The control environment will continue to be improved and the 2023 group internal audit will be more robust. No material internal controls lapses have been observed for the year under review.

SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographic segment) which is subject to risks and rewards that are different from those of other segments. The business activities of the Group are concentrated in the segment of security related services and are provided within the geographical region of Botswana, therefore geographical segmental information is not considered necessary. Management identifies three of its five service lines as its reportable segments. The Executive Management monitors the performance of these service lines and makes decisions on the allocation of resources to them. Segmental performance is monitored using adjusted segment operating results. Revenue and assets of reportable segments exceed 10 percent of the consolidated revenue and assets reported by the Group.

AUDITOR'S REPORT

The auditor, Deloitte & Touche, has issued its unmodified opinion on the Group's consolidated financial statements for the year ended 31 December 2022. These are available for inspection at the registered office of G4S (Botswana) Limited. This publication has been extracted from those financial statements.

Financial Highlights | Group KPI'S

REVENUE	BWP212.46M	6.46% INCREASE
	2021: BWP199.57M	
MSS REVENUE	BWP96.72M	9.12% INCREASE
	2021: BWP88.64M	
GROSS PROFIT	BWP38.73M	-24.49% DECLINE
	2021: BWP51.29M	
LOSS BEFORE TAXATION	- BWP5.97M	-124.34% DECLINE
	2021: BWP24.53M	

SEGMENTS

GROUP ABRIDGED BUSINESS SEGMENTS 31 December 2022	Security Systems	Manned Security	Cash Solutions
	P'000	P'000	P'000
Revenue	47,107	96,725	63,174
Direct labour	-15,823	-73,392	-18,919
Direct vehicles	-12,193	-6,481	-9,357
Direct other costs	-5,340	-8,810	-18,106
Cost of sales	-33,356	-88,683	-46,382
Gross profit	13,751	8,041	16,792
SG&A labour	-6,006	-5,255	-3,754
SG&A vehicles	-97	-185	-306
SG&A other costs	-3,600	-2,031	-15,014
SG&A expenses	-9,703	-7,471	-19,074
Trading profit/(loss)	4,048	570	-2,281
Movement in credit loss allowances	-2,596	-865	-865
Other income/expenses	436	408	232
Finance income	816	703	854
Finance cost	-285	-584	-382
Profit/(loss) before taxation	2,419	232	-2,442
Taxation	-	-	-
Profit/(loss) for the period	2,419	232	-2,442

Material non-cash items

Group	Security Systems	Manned Security	Cash Solutions
31 December 2022			
Depreciation	-3,086	-5,209	-6,149
Finance income	816	703	854

Segment assets

Group	Security Systems	Manned Security	Cash Solutions
31 December 2022			
Total assets	72,147	35,411	41,568
Total liabilities	-17,070	-9,760	-12,211

RESTATE GROUP ABRIDGED BUSINESS SEGMENTS 31 December 2021

	Security Systems	Manned Security	Cash Solutions
	P'000	P'000	P'000
Revenue	45,114	88,636	60,939
Direct labour	-14,860	-64,648	-17,152
Direct vehicles	-5,153	-3,558	-7,954
Direct other costs	-10,065	-6,327	-12,510
Cost of sales	-30,077	-74,533	-37,616
Gross profit	15,037	14,103	23,323
SG&A labour	-4,342	-7,610	-4,925
SG&A vehicles	-120	-140	-69
SG&A other costs	-5,365	-6,386	-5,442
SG&A expenses	-9,827	-14,135	-10,436
Trading profit/(loss)	5,210	-32	12,887
Other income/expenses	140	274	189
Movement in credit loss allowances	926	1,533	1,533
Finance income	696	1,368	941
Finance cost	-335	676	452
Profit/(loss) before taxation	6,638	3,819	16,002
Taxation	-1,058	-2,078	-1,429
Profit/(loss) for the period	5,580	1,741	14,573

Material non-cash items

Group	Security Systems	Manned Security	Cash Solutions
31 December 2021			
Depreciation	-3,430	-1,717	5,033
Finance income	696	1,368	941

Segment assets

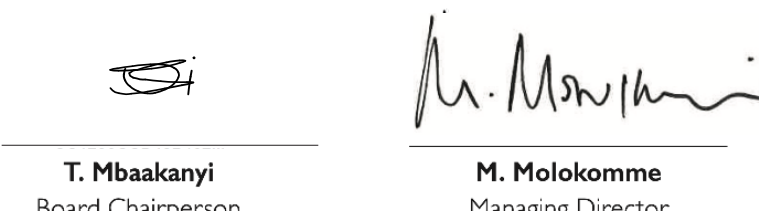
Group	Security Systems	Manned Security	Cash Solutions
31 December 2021			
Total assets	69,200	39,318	47,182
Total liabilities	-15,960	-9,068	-10,882

The above segmentation excludes immaterial non-reportable segments and the head office, which bears centralised costs.

The directors of G4S (Botswana) Limited ("the Company") are responsible for the financial statements of the Company and its subsidiary. Their responsibility includes the maintenance of financial records and the preparation of the financial statements consistent with the accounting policies of G4S (Botswana) Limited, which comply with International Financial Reporting Standards ("IFRS"). The company and subsidiary maintain systems of internal control, which are designed to provide reasonable assurance that the financial records accurately reflect their transactions, and to provide protection against serious misuse of Group's assets. The directors are also responsible for design, implementation, maintenance and monitoring of these internal controls. The control environment requires improvement and will be a focus point within 2023.

The Board of Directors has reviewed and approved the accompanying condensed financial statements for issue on 10 May 2023.

Signed on behalf of the Board of Directors



T. Mbaakanyi
Board Chairperson

M. Molokomme
Managing Director

10 May 2023

Registered Address
Plot 20584 Western Bypass P.O. Box 1488 Gaborone Botswana
Auditors: Deloitte & Touche, Deloitte House, Plot 64518, Fairgrounds, Gaborone, Botswana.
BOARD OF DIRECTORS
M. Molokomme*, T. M