



ANNUAL REPORT

2020



“SECURING
YOUR
WORLD”



Securing Your World



Securing Your World

G4S Table of Contents

Corporate Profile	6
Chairlady's Report	9
Managing Director's Report	11
Board of Directors	13
G4S Botswana Share Register	16
What sets us apart from our competitors?	18
The Remuneration Committee Report	19
The Audit & Risk Committee Report	21
King III Compliance Checklist	23
Executive Committee	29
Corporate Social Responsibility Report 2021	31
Occupational Health and Safety	33
Financial Performance	36
CONSOLIDATED AND SEPERATE FINANCIALS STATEMENTS	
General Information	43
Statement of Directors' Responsibility and Approval	45
Independent Auditor's Report	46
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income	54
Consolidated and Separate Statements of Financial Position	56
Consolidated and Separate Statements of Changes in Equity	57
Consolidated and Separate Statements of Cash Flows	58
Significant Accounting Policies	59
Notes to the Consolidated and Separate Financial Statements	77
Notice of Annual General Meeting	127
Proxy Form	128



G4S VALUES

OUR VALUES ARE CORE TO SHAPING THE CULTURE OF OUR ORGANISATION, HELPING TO GUIDE, UNITE, DIFFERENTIATE AND SUSTAIN US. THEY ARE INTEGRAL TO EVERYTHING WE DO.

OUR VALUE STATEMENT

We act with...



Integrity and Respect

Our business activities and relationships are built on trust, honesty and openness. We do what we promise and always strive to do the right thing. We listen. We treat our colleagues, customers and those in our care with the utmost respect.

We are passionate about...



Safety, Security And Service Excellence

We are passionate about working safely and take great care to protect our colleagues from harm. We are experts in security and use that knowledge to protect our customers' assets. We keep our promises and are passionate about delivering high levels of customer service.

We achieve this through...



Innovation and Teamwork

We invest in technology and best practice to continuously improve the products and service we offer. We challenge ourselves to find new ways of helping customers achieve their goals. We work together as a team, valuing everyone's contribution, to ensure that we achieve the best results for our customers and our business.

We pride ourselves in the value we offer our stakeholders through engaged employees, cost containment, operational excellence, customer centricity and profitable revenue growth. Utilising these strategic levers to drive increased value in our safety and security processes are what have placed us above the rest.



OUR MISSION

To create sustainable value for our customers and shareholders by being the supply partner of choice.



Our footprint across the country is growing...

As part of our growth strategy, we are continuously looking for ways to attain business continuity and increased market share.

This includes strategic geographical presence hence our audacious expansion that looks at increasing our national footprint. Growing into new regions calls for location specific products and services and our ever-ready staff willingly adapts to serve each demographic in a way that derives the highest value for the customers.

Corporate Profile



G4S is the world's leading international security solutions group, which specialises in outsourced business processes in sectors where security and safety risks are considered a strategic threat. As part of this renowned international brand, G4S Botswana has a unique opportunity to pair apt local insights with seasoned global expertise from the G4S global network in our approach to serving business partners.

We develop long-term strategic partnerships with customers in key sectors where we help them deliver their own business objectives through either increasing their revenues, reducing costs, managing risks, protecting critical assets or improving their service delivery to the customers they serve. We tailor make our solutions based on an understanding of the environments in which our customers operate, the pressures they face and benefits they derive from what matters to them most.

G4S Botswana is listed on the Botswana Stock Exchange and has a shareholding partnership with G4S PLC, listed on the London Stock Exchange. G4S PLC holds 70% of

the shares while the remaining 30% are held by citizens and local institutions.

G4S Botswana has about 2,722 employees delivering services to clients across the country with offices in Gaborone, Francistown, Selebi-Phikwe, Jwaneng, Lobatse, Gantsi, Palapye, Maun, Orapa, Mahalapye and Kasane.

OUR CORPORATE PHILOSOPHY

We strive to address the long-term positive demand for security and related services by demonstrating the value driven solutions that we provide for our customers, employees and shareholders alike.

Our Business

Our priorities are:

- Profitable revenue growth through maintenance and/or expansion of our business revenue streams.
- Cost containment through operational and financial efficiencies.
- Operational excellence and customer centricity.
- Employee engagement and building the capacity of our employees.

MANNED SECURITY

G4S Manned Security Services are customised to each client's individual needs, using in-situ appropriate combination of manned guarding and security technologies. Site-specific and tailor-made procedures are built collaboratively with our clients to ensure rigorous risk assessment by the G4S team and seamless adaptation by the client. This affords us improved performance output and the consequent customer satisfaction.

As a member of a worldwide market leader active in over 100 countries, G4S Botswana has access to highly specialised security expertise specific to airports, energy, mining, construction, custodial services, cash solutions, hospitality and financial institutions. This network and our local proficiency places us ever-increasingly ahead of competitors.

ELECTRONIC SECURITY

This service entails Security Monitoring and Response through our advanced and innovative national control centre in Gaborone. The surveillance caters for a wide range of individually identifiable signals, including, but not limited to:

- Security alarms
- Electric fences
- Fire alarms
- Medical emergency alarms
- Illegal access signals
- Vehicle tracking
- Low battery power alerts
- Portable panic buttons
- CCTV remote images
- Access control

CASH SOLUTIONS

G4S Cash Solutions is the leading provider of integrated cash management solutions in Botswana. The division specialises in the secure transportation and storage of cash and valuables, cash counting, cash processing as well as ATM replenishment and maintenance for a multitude of financial institutions. All movement of cash is carried out in armoured and smoke box equipped vehicles of the highest calibre to tend to the associated security risk.

We tailor make our solutions based on an understanding of the environments in which our customers operate, the pressures they face and benefits they derive from what matters to them most.

Our Business

Key aspects of these services include:

- Cash transport using end-to-end technological protection.
- Cash management – processing of deposits and sorting bank notes.
- ATM Services – replenishment, first line maintenance and custodial services.
- Vaulting – secure storage of cash overnight, on weekends and public holidays .
- Key security – collection and delivery of strong room keys to eliminate clients' overnight risk.
- Security products – tamper proof bags, seals, coin boxes.
- Deposita – supply and management of Automated Banking Machines.

These solutions are offered in a manner that derives the highest amount of value for the client using industry insights, in-house expertise and leading technological interventions.

FACILITIES MANAGEMENT

In the G4S Facilities Management division, we ensure that facilities are both aesthetically appealing and health and safety regulation compliant. G4S Cleaning efficiently offers our clients professional specialised cleaning services as a component of our comprehensive range of Facilities Management services. Our Facilities Management offering is designed to provide seamless service that is cost effective and valuable to our clientele.



Chairlady's Report



GAONE MACHOLO
G4S Board Chairlady

The year in review

It gives me great pleasure to report to our stakeholders G4S Botswana's performance during the year under review. I am particularly pleased by how they commendably weathered the unrepresented economic and social storm caused by the COVID-19 pandemic, which brought the entire globe to a stand-still during the early months of 2020 and continues to do so in different countries at different times through the emergence of new variants of the virus.

I am pleased to report that we have seen a marginal decline of only 3% in our total revenue in year that was marred with the unprecedented economic and social impact of the COVID-19 pandemic. The pandemic befell the world at a time when our economy in Botswana was already experiencing extremely low GDP growth with little to no new money being injected. Not only was the economy experiencing sluggish growth, but competition in our industry continued to stiffen due to new entrants and the changes in legislation. We appreciate our teams to have put on their best, resulting in a handsome revenue growth in some of our business lines such as Manned Security Services.

Safety remains paramount to us as a business and it pleases me to share that we have seen minimal safety incidents during the year in terms of driver safety and other areas of the business. COVID-19 protocols were

adhered to with a deliberate and conscious effort to ensure decongestion at our areas of work.

Corporate governance

Several governance improvements were implemented during the year. Mokgethi Magapa moved on in order to pursue his personal dreams and we are grateful for his inspirational leadership during his tenor. We welcome Mothusi Molokomme as our new Managing Director and Board member who has joined us at a time such as this one which demands extra ordinary innovation and calmness while aggressively pursuing results. We look forward to seeing Mr Molokomme steer the ship to greater heights under this challenging and complex environment. We welcome Johann du Plooy who has joined our team as the Finance Director and look forward to seeing him implement his capabilities in the area of finance.

Chairlady's Report (Continued)

The Remuneration Committee started its work at the beginning of the year and Lorato Mosethanyane was appointed to Chair it. Boitumelo Mbaakanyi was appointed to chair the Audit and Risk Committee. We congratulate them for the appointments and are confident that they will continue to use their rich professional experience and wisdom to guide the G4S team to not only weather the current storm but to assure our stakeholders of a sustainable business.

Looking Ahead

We are still expecting the economy to decline before experiencing a sustained recovery as the true impact of COVID-19 might still be sheltered by the current state of emergency status in Botswana. On the other hand, we are very hopeful that with the vaccine roll-out there will be greater freedom of economic activity which will support the ultimate gradual recovery from many fronts.

Our growth trajectory will be premised on organic business growth with a focus on our core business and disposal of non-core business where growth is stunted. We will implement processes and make investments which will support our efficiency initiatives. We expect these initiatives to improve attraction and retention of customers while providing exceptional service experience.

Acknowledgements

I want to express my deep appreciation to our people who have demonstrated the true meaning of dedication to the call of being front liners as new expectations, roles and complexities emerged at the peak of the COVID-19 pandemic. I have seen how they worked with our different customers during the lock downs and curfews and calmly participated in the processes that our business partners followed to navigate these new roles stepping in as "safety officers" for most of our retail business partners, ensuring the COVID-19 protocols are adhered to, asking customers to wear masks, taking temperatures and recording movements for tracking.

I wish to thank our investors for continuing to trust us to generate value with their precious investments and for being patient with us as we navigate our way through current business complexities. I thank our customers for believing in and buying our proposition to them.

I am grateful for the leadership provided by the Board with their wisdom, skill mix and experience and the G4S Group for their support to the Botswana business.

We are still expecting the economy to decline before experiencing a sustained recovery as the true impact of COVID-19 might still be sheltered by the current state of emergency status in Botswana.

Managing Director's Report



MOTHUSI MOLOKOMME
G4S Managing Director

Trading under the COVID-19 pandemic

The advent of COVID-19, which took hold at the beginning of March 2020 resulted in the inception of lockdown measures across the world and Botswana was no exception. A state of emergency was imposed from April 2020 which continues to date. As a consequence of the pandemic, business activity was greatly affected resulting in many instances with some customers terminating their contracts and insufficient growth in new sales opportunities. The status of the pandemic remains unpredictable in terms of future prospects while the Government vaccination programme is expected to progress albeit at a slow rate owing to the unavailability of vaccines.

In addition, the advent of the citizen economic empowerment bill by the Government continued to limit the business' ability to tap into the broader security industry with the public sector pie specifically reserved for hundred percent citizen-owned businesses; a factor that has now extended to the quasi-government sector with a lot of parastatals exiting historic contracts with our business. While this is the case we are upbeat that the private sector space still represents an opportunity to grow our footprint as we execute our strategic growth plans.

Performance Highlights

Overall revenue declined by 3% compared to prior year primarily due to limited new sales opportunities

and contract terminations by existing customers citing economic hardship as a result of COVID-19. While this was the case, the Manned Security Services business continued to perform well with a revenue growth of 12% year on year despite the legislative challenges affecting the sector. Revenue decline was primarily due to a 20% decline in the Security Systems business line which has experienced intense competition from existing and new market entrants mainly on the alarm monitoring systems which the general system sales have continued to struggle in terms of new opportunities. The Cash Solutions business line decline was marginal at 5% with major customers in this sector moving towards allocating business to more than one service provider which was not historically the case. The Facilities Management

Managing Director’s Report (Continued)

business continued on its downward spiral shedding over 38% of comparative revenue to the prior year (off a lower base) due to the 100% citizen-ownership requirement. A strategic decision to sell the business is at an advanced stage as there are no further prospects of revenue growth. From a profitability perspective, there was a marked decline in operating profit compared to prior year as a result of impairment of goodwill during the period (refer to the FD report). Operating profit position was improved by the receipt of the Government wage subsidy for a period of three months to cover wage expenses. Overall profit before tax (PBT) was lower than for 2019 driven largely by an increase in administrative expenses (which rose by 7%) largely driven by bad debts.

	Revenue	% of Group Revenue FY 2020	PBT Margin
Manned Security Services	82 946 390	42%	4%
Cash Solutions	58 258 658	30%	30%
Electronic Security Services	49 113 080	25%	29%
Facility Management	6 599 809	3%	-40%

People and values

Our employees have embraced our values and culture ensuring that we uphold the highest standards in executing our mandate and serving our customers with the highest quality service. In light of the pandemic, we have set strict safety and health protocols that ensure the safety of our employees who often serve as front line service providers in ensuring a secure environment for our customers. The business has embraced a hybrid approach of working from home and office to ensure the decongestion of offices and management has plans to further invest in

information technology facilities to further facilitate this arrangement.

Forward Looking

While the trading outlook for 2021 is expected to remain challenging with the continued impact of COVID-19, the priority for the business will be to drive organic growth in our core business lines to ensure top-line growth and return on investment for our shareholders. Our growth strategy will be supported mainly by an investment in capacity expansion in our cash business and an overall renewal in our fleet capacity. This investment will also support efficiency initiatives which include automating our cash processing facilities planned for the second half of 2021 which will enhance customer service and improve cost containment. While in the past few years the company has experienced a high turnover rate of employees, management with the Board’s support has put in place a retention strategy plan which aims at attracting and retaining high calibre staff which will include training and development opportunities. A robust performance management system is also planned that will drive a high performance culture.

Our 2021 business plan reflects our confidence in the outlook for the company. A vaccine roll-out plan by the Government will further aid in the reopening of the economy. The focus for the business as supported by the current strategic plan will be on growing the core business lines and a disposal of our non-core Facilities Management business line. There will also be a deliberate plan on ensuring an improved customer service experience for our customers to drive retention and attraction of new business opportunities. This, we believe will ensure that the business attains its 2021 targets and grows shareholder value.

Board Of Directors



Gaone Macholo
Board Chairlady

Ms Gaone Macholo is a seasoned business leader with deep skills in human resource practice. She is practicing leadership coach and a management consultant with expertise in organisational design, provision of tailor-made business solutions and professional people development. She operates her own human resource consulting company, GM Human capital consulting. In addition to being the chairperson of G4S, she also seats in the Botswana Telecommunications Board.

Over the years she has participated in forums and mentoring programmes that are geared towards building capacity with the human resource field and the corporate leadership fraternity in general. During her tenure as a human resource director her former employer, First National Bank Botswana scooped awards in the South Africa Region for being among the top employers. Previously she has worked for the Botswana Ministry of Health, Botswana Telecommunication Company and held executive positions in the mining industry. Ms Gaone is a certified Leadership Coach, has a Master's Degree in Public Health from University of Massachusetts in the USA, and a Degree in Social Sciences from University of Botswana. She has attended the Executive Leadership training at the Graduate School of the University of Cape Town and a number of professional courses from Wits University and other esteemed institutions.



Mothusi Molokomme
Managing Director

Mothusi has 18 years of work experience in various roles and industries including mining, financial services and fast-moving consumer goods (FMCG). He joined G4S in March 2021 from Distell Botswana where he held the position of Managing Director for 6 years. He previously worked for Kgalagadi Breweries Limited in various senior leadership roles.

Mothusi holds a Master of Philosophy degree (MPhil) in Corporate Strategy from the University of Pretoria's Gordon Institute of Business Science (GIBS), and a Master's degree in Business Administration.

Board Of Directors (Continued)



Lorato Mosetlhanyane
Non-executive Director

Lorato is a well-seasoned, highly strategic, self-driven, disruptive leader with over 25 years experience, 17 years corporate experience and eight years as a business woman practicing as a fulltime professional Coach, Leadership Trainer and Speaker. Lorato is a certified Professional Integral Coach, having successfully completed the Professional Coaching Course (PCC) and the Associate Coaching Course (ACC) through the Centre for Coaching, in partnership with the Graduate School of Business at the University of Cape Town and New Ventures West (NVW) based in San Francisco.

Lorato is the Founder and Managing Director of PinnaLead, one of the emerging leadership and human development companies of repute, already impacting leaders in Botswana, regionally and internationally that she started in 2013. Prior to forming PinnaLead, Lorato worked in the corporate world as an Accountant in different capacities for seventeen (17) years, six months in the banking industry, six years in telecommunications and eleven years in the life insurance space. She left formal employment at the position of Chief Finance Officer for the leading Life Insurance Company in Botswana, having contributed to its growth and success. A believer in continuous self-development and feeding her mind, Lorato reads widely. The writings of John Maxwell awakened a passion in her that saw her transitioning from an Accountant of over seventeen years to the vivacious leadership development and coaching space. Lorato is a Bachelor of Commerce (B.Com) graduate

from the University of Botswana and a fellow member of the Association of Certified Chartered Accountants (FCCA). She also holds a Master's in Business Administration (MBA) from Oxford Brookes University in the United Kingdom. Lorato is a certified People Skills and Team Dynamics Trainer, An Integrative Enneagram Accredited Practitioner and a Five Lens of Human Development Team Facilitator. Lorato therefore brings a wealth of experience to the G4S board, with a very strong business acumen, financial background and entrepreneurial skills to help drive the organization through this turbulent and uncertain times. Lorato also serves as the chairperson of the Board of Directors of BancABC Botswana.



Tumi Mbaakanyi
Non-executive Director

Tumi is an astute financial services executive, in private practice. She is based in Gaborone (Botswana) and has 20+ years' experience in Private Sector Development, Corporate Governance, Business Brokerage, Project Management, Financial Management, Audit and Assurance Services etc. She is a BA (Economics/Accounting) graduate and Fellow member of both the Association of Chartered Certified Accountants (ACCA) and Botswana Institute of Chartered Accountants (BICA).

Tumi is currently contracted as Project Manager of United Nations Development Programme (UNDP)'s Business Supplier Development Programme (SDP) which focuses on supply value

G4S (Botswana) Limited **2020 Annual Report**

Board Of Directors (Continued)

Tumi Profile Continued.....

chains in; Mining, Infrastructure, Agro-Processing, Other Manufacturing, Health, Digital, Leather and Textile sectors. This UNDP's flagship programme is being implemented for the first time in Botswana and she ensures its effective and efficient overall implementation. Tumi's agility, in matters of overall corporate governance and business sustainability, is impeccable. She currently also serves, on the following Boards, as an independent non-executive director; Old Mutual Life Insurance Botswana (Board Chairperson), Old Mutual Financial Services Botswana and Riscura Botswana. Tumi is a member of the Independent Complaints Review Committee (ICRC) which is part of the PPAD Act framework. Tumi is the immediate past President of the Women in Business Association (WIBA) Botswana. She was a board member at Tebelopele Voluntary Counselling and Testing Centre (TVCTC) and also chaired its Audit and Risk Committee. She has served on both the Business Botswana Council and its Audit and Risk Committee. At the Botswana Institute of Chartered Accountants (BICA), she was a member of both the Public Sector Committee and the Technical Committee.



Johann du Plooy
Finance Director

Johann is the Finance Director for G4S Botswana, appointed in August 2020. Johann has been with the G4S Group for 5 years, having spent time with G4S South Africa before joining the Botswana business.

Johann has 10 years' experience in the African market within the fields of audit, consulting, telecommunication and security. He holds an Honours Degree in Accounting from the University of Johannesburg and is a member of the South African Institute of Chartered Accountants.



Albert Edward Ueckermann
Non-executive Director

Eddie is the Commercial and Strategy Director for G4S Africa. Since April 2019 he has held the position of Managing Director of the Southern Cluster of G4S Africa, in addition to his Commercial and Strategy Director role.

Eddie is a member of the Africa Region Executive tasked with effectively and sustainably running the Africa business unit. His role in the organisation is to understand the customer's business requirements and ensure that G4S has the capability to deliver new and existing, market related, commercially viable solutions to G4S customers. Eddie actively assists the business in the identification of customer and market trends to maintain G4S's position as a thought leader in the African security services industry. Eddie has more than 25 years' experience in doing business in Africa, and has a deep understanding of the African commercial and regulatory environment. Before joining G4S, Eddie held a similar role in a multi-national logistics company. Eddie holds a Master's Degree in Economics from the University of Johannesburg.

G4S - SHARE REGISTER 30 APRIL 2021

“G4S Botswana has 789 shareholders, with the Company consisting of 80 million shares. 30% of the shareholding is held by various companies and individuals, with G4S PLC holding 70%”

	G4S - SHARE REGISTER 30 APRIL 2021	80,000,000	TOTAL SHARES ISSUED
	Name of unit holder	No.of units	% shareholding
1	G4S INTERNATIONAL 105 (UK) LIMITED	56,000,000	70.00%
2	FNB BOTSWANA NOMINEES (PTY) LTD RE:BIFM BPOPF-EQUITY	3,935,053	4.92%
3	FNB NOMS BW (PTY) LTD RE: BPOPF EQUITY PORTFOLIO C - ALLAN GRAY	2,358,100	2.95%
4	FNB BOTSWANA NOMINEES (PTY) LTD RE:AG BPOPF EQUITY	1,669,916	2.09%
5	FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ	1,532,545	1.92%
6	MOTOR VEHICLE ACCIDENT FUND	1,257,300	1.57%
7	STANBIC NOMINEES BOTSWANA RE BIFM PLEF	967,276	1.21%
8	STANBIC NOMINEES BOTSWANA RE BIFM MLF	813,037	1.02%
9	STANBIC NOMINEES BOTSWANA RE MORULA RE DPF	671,085	0.84%
10	STANBIC- NINETY-ONE-DEBSWANA PENSION FUND(DOMESTIC EQUITIES	670,497	0.84%
11	GUARANTEED LOANS INSURANCE FUND	603,150	0.75%
12	LEBANG MOGAETSHO MPOTOKWANE	568,300	0.71%
13	SCBN (PTY) LTD RE: IAM 030/30	364,858	0.46%
14	STANBIC- NINETY-ONE-RE BOTSWANA MANAGED FUND	304,623	0.38%
15	ALAN PICKLES	226,960	0.28%
16	SCBN (PTY) LTD RE: BIFM 028914400011	217,037	0.27%
17	JDM INVESTMENTS (PTY) LTD	215,100	0.27%
18	FNB BOTSWANA NOMINEES (PTY) LTD RE: KGORI CAPITAL NPF	212,911	0.27%
19	SBB NOMINEES RE:A/C C00062	170,040	0.21%
20	SBB NOMINEES(PTY) LTD RE: A/C C00021	170,040	0.21%
21	Other 769 shareholders	7,072,172	8.84%



G4S
ID No: 463 413 713
Job No: 401N 5728
Division: Manned
Designation: Security Officer
Signature

What sets us apart from our Competitors?



ANTICIPATING AND RESPONDING TO THE CHANGING NEEDS OF A DIVERSE CLIENT BASE:

HEALTH AND SAFETY

- We prioritise safety management as well as the health and well-being of our employees.

TRAINING

- We continue to invest in the training and development of our employees at all levels so that they can reach their full potential.

SECURE SOLUTIONS

- Risk services and consultancy.
- We offer risk management consultancy services, which include personal protection, training, mine detection and clearance services.

SECURITY SYSTEMS

- We offer comprehensive access control, video analytics, and security & building systems technology integration.

MONITORING AND RESPONSE

- Fast mobile security patrol and response services.
- Secure facilities services.
- We offer an Integrated facilities services for entire sites or estates for commercial customers and Governments.

MANNED SECURITY SERVICES

- We offer trained and vetted security officers.

CASH SOLUTIONS

- We manage cash on behalf of financial institutions, including cash transportation; high security cash centres; counting and reconciling cash; fitness sorting of notes for use in ATMs; counterfeit detection and removal; redistribution of cash to bank branches, ATMs and retail customers; and cash transportation.

CASH 360

- With the introduction of Deposita devices we offer a unique system that safeguards, collects and processes cash notes within the retail environment.

The Remuneration Committee Report



Lorato Moselethanyane
Remuneration Committee Chairlady



Gaone Macholo
Remuneration Committee member

This is the first report of the Remuneration & Nomination Committee since its establishment in 2020. This is a Sub Committee of the Board. As the Chairperson of this Committee, I extend my sincere gratitude to the members of the Committee for their hard work and commitment in developing and implementing initiatives to ensure the Committee achieves its mandate.

RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee is responsible for determining the remuneration policy for directors and senior management and reviewing its appropriateness. It ensures that the company is strategically and competitively positioned to attract, develop and retain top executive talent. The committee also ensures that adequate succession plans are in place at executive level and senior management.

The Committee also nominates candidates for Board approval to fill Board positions and makes recommendations on the composition of the Board and the balance between executive and non-executive directors appointed to the Board to ensure proper size and composition of the Board. It also ensures that succession plans are in place for the Board Chairperson and the Managing Director and annually reviews the performance of the Board and ensures compliance with the code of conduct.

Committee Membership during 2020

The Committee consists non-executive directors whose biographies are set out on pages 14-16. There were three

scheduled meetings held in the year ended 31 December 2020. Committee membership during 2020 comprised of the following:

Members

Lorato Moselethanyane (Chairlady) 2020
Gaone Macholo (Member) 2020

The company does not currently have a formal policy on the promotion of gender diversity at board level, although matters of gender equality are considered during the appointment process of members of the Board.

MAIN ACTIVITIES OF THE COMMITTEE DURING THE YEAR

As G4S Botswana is one of Botswana's largest employers, the Committee recognises the importance of keeping a focus on pay for performance. During the year the Committee received a report from management providing information on the salary survey, compensation & benefits policy, net replacement value and variable compensation across different levels in the organisation. This formed the focus of the Committee in 2020.

The Remuneration Committee Report (Continued)

COMPENSATION & BENEFITS POLICY REVIEW

The committee reviewed the compensation and benefits policy in 2020. G4S Botswana employees are pivotal in meeting its strategic objectives and as a business we are

committed to paying fair, competitive and market related remuneration to ensure that the company is able to attract and retain top talent. Our remuneration principles are follows:

Remuneration Principles

<p>We emphasise pay for performance</p> <p>Incentivise and reward employees for delivery of the company's financial and non-financial objectives as we aim to make G4S the company of choice.</p>	<p>We emphasise pay for achieving company goals</p> <p>Incentivise and reward employees for delivery of the company's objectives as we aim to make G4S the company of choice.</p>	<p>We emphasise fair pay for performance</p> <p>Reward employees fairly for performing well and meeting the needs of internal and external customers as we aim to make G4S the company of choice.</p>
--	--	--

We align incentives to our purpose and values

Our approach reflects G4S' purpose and values, which are core to shaping the culture of our organisation and delivering to our material stakeholders – including promoting the safety of all our colleagues and customers.

We value simplicity and effectiveness

Paying people competitively in a way that is simple to understand, supporting our commitment to recruit, develop and deploy the best people in the industry.

SALARY SURVEY

At G4S, we value our workforce and continuously ensure that we keep them happy so they can offer outstanding service to our customers. A salary survey was conducted in 2020 using Kornferry in order to determine if we are paying market related salaries. The data from the survey indicates that we are paying above market for most of the levels. The committee is committed to address the areas where we pay below the market.

AUTOMATION OF THE PERFORMANCE MANAGEMENT PROCESS

In 2020, one of the key developments for G4S Botswana was the implementation of an HR and Payroll system to improve efficiency and controls. This system has a

Performance Management module which will enable the company to drive a high-performance culture in the organisation.

COVID-19 AND BUSINESS CONTINUITY

COVID-19 cases in Botswana were on the rise in 2020 and G4S Botswana was not spared as we experienced a spike in our internal cases as well. In order to mitigate the risk we continuously review our business continuity plan. Our most affected employees are our front line and most of the cases we have registered are community acquired infections. The company registered a total of 31 positive cases in 2020 and all the positive cases recovered. We continue to encourage employees to adhere to the protocols.

The Audit & Risk Committee (ARC) Report



Tumi Mbaakanyi
Audit Committee Chairlady

Tumi is a Management Consultant in private practice with 20+ years experience in; project management, audits, business planning, due diligences, corporate renewals, mergers & acquisitions, business valuations etc.
(Full bio on page 14)



Lorato Moselethanyane
Audit Committee Member

Lorato is a Certified Professional Integral Coach, having successfully completed the Professional Coaching Course (PCC) through the Centre for Coaching, in partnership with the Graduate School of Business at the University of Cape Town and New Ventures West (NVW) based in San Francisco.
(Full bio on page 14)



Cobus Groenewoud
Audit Committee Member

Cobus is the Regional Finance Director of G4S's operations in Africa based in Centurion, South Africa. He joined G4S in 2016. In this capacity Mr Groenewoud serves on the boards of a number of operating companies throughout Africa.

1. Role of Committee

In 2020, the Committee continued to oversee the quality and integrity of the company's financial reporting, financial control and compliance processes

2. Responsibilities of the ARC

- Oversees the effective governance of the company's financial reporting, and internal controls to ensure the integrity of its financial statements and the adequacy of related disclosures.
- It assists the Board with its consideration of whether the integrated report of the company is fair, balanced and understandable.
- Has oversight of the performance of both the internal audit, and external audit, functions.
- Has an annual agenda, which includes standing items that are considered regularly as well as adhoc matters that require the Committee's attention.
- After each ARC meeting, the chairman of the

Committee reports to the Board on matters which have been discussed and highlights escalated ones.

3. Composition, Quorum and Frequency

- The ARC is chaired by an independent non-executive director (NED). It's made up of independent NEDs. Members have relevant experience; financial management, corporate governance, industry etc.
- The Managing Director, Finance Director and Risk & Compliance Manager, attend meetings per invitation and are excused, from meetings, accordingly, whenever a subject matter that does not require their presence, is discussed.
- Both the Internal and External Auditors attend meetings per invitation, at least bi-annually.
- Both the induction process, and ongoing development, of all directors, ensure that Committee members have knowledge relevant to the sector in which the company operates, at all times.
- The Committee convenes at least quarterly.

The Audit & Risk Committee (Arc) Report (Continued)

4. Going Concern

We have confirmed that G4S Botswana will be able to continue as a going concern, in the foreseeable future, on the following basis;

- not only is the current ratio positive but the company's total assets exceed its total liabilities.
- adequacy of cash as evidenced by the available cash, and cash equivalents, and the positive cash flow projections.
- there are no material contingent liabilities.
- all necessary provisions, regarding the recoverability of debtors, have been made.

5. Confirmation of Assessments

- The ARC has satisfied itself of the appropriateness, of the expertise and experience, of the Finance Director. In addition, they reviewed the resourcing and expertise mix of the finance function and are satisfied that it's adequately equipped to perform its financial reporting role.
- The ARC has satisfied itself of the qualifications, competence and experience of the Company Secretary.
- The ARC has reviewed the appropriateness, and timeliness, of implementation of the amended International Financial Reporting Standards (IFRS) that are relevant to G4S Botswana like; IFRS 9, IFRS 15 and IFRS 16 and related disclosures.
- The ARC assessed the company's disaster recovery plan, which is mainly made up of the ICT backup policies / procedures and the business' continuity model during the COVID-19 era. We are satisfied with the projections of a sustainable business during, and beyond, COVID-19. Our key focus continues to be putting our customers (internal/external) first during this pandemic.

6. Internal Controls Environment

- The ARC has confirmed, to the Board, its satisfaction that progress continues to be made in improving the

company's risk management, and internal control processes and procedures, and that these are appropriate and effective. However, strengthening of the internal control environment remains a key area of focus for the company.

- In order to strengthen the company's internal controls, scheduled regular reporting on same, by management to the ARC, is prevalent. This is done through External Audits, Global Internal Audit (GIA), Reconciliation and Operational Cash Controls (ROCC) etc.
- During the year, the internal audit function continued to provide support and guidance to business units to improve awareness of, and compliance with, Group Financial Controls. Going forward, the internal audits will continue to test the operational effectiveness of the company's standards and controls.
- During the year, the ARC reviewed PwC's audit plan, including the scope of audit, as well as their reports on external audit findings.

7. Risk Management

Effective risk management activities, including well designed internal controls, are in place. The company's risk framework / policy is in place and guides the overall risk management strategy.

8. Integrated Annual Report

Following review of the audited financials for the year ended 31 December 2020, the Committee is of the view that these comply with the requirements of IFRS and present a true, balanced and understandable view of the business and its performance for the year under review



Tumi Mbaakanyi
Audit & Risk Chairlady

King III Compliance Checklist

Key:

√ = Compliant = Under review ?= Not –compliant P- Partially compliant n/a - Not applicable

CHAPTER 1: ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP			
	Principles	Comments	Key
1.1	The Board should provide effective leadership based on an ethical foundation.	The Board confirms its commitment to upholding high standards of corporate governance. The company's ethics policy communicates the company's position on conflict of interest, gifts and confidentiality.	√
1.2	The Board should ensure that the company is and is seen to be a responsible corporate citizen.	The Board takes into consideration the ethical relationship between the company and the society within which it operates. Our Corporate Social Investment policy articulates the company's position on being a responsible corporate citizen.	√
1.3	The Board should ensure that the company's ethics are managed effectively.	The Board subscribes to the Company's Code of conduct. The code promotes and enforces ethical business practices.	√
CHAPTER 2: BOARDS AND DIRECTORS			
2.1	The Board should act as the focal point for and custodian of corporate governance.	The Board ensures that the company applies the governance principles contained in King III. The Board charter defines our corporate governance practice within the company.	√
2.2	The Board should appreciate that the strategy, risk performance and sustainability are inseparable.	The Board has historically not approved the company's strategy as this function was addressed directly by the G4S Group. The full Board will be responsible in the review and approval of all future strategy plans.	√
2.3	The Board should provide effective leadership based on ethical foundation.	As per 1.1 above.	√
2.4	The Board should ensure that the company is and is seen to be a responsible corporate citizen.	As per 1.2 above.	√
2.5	The Board should ensure that the company's ethics are managed effectively.	As per 1.3 above.	√
2.6	The Board should ensure that the company has an effective and independent audit Committee.	Refer to chapter 3 below.	√
2.7	The Board should be responsible for the governance risk	Refer to chapter 4 below.	√
2.8	The Board should be responsible for information technology (IT) governance.	Refer to chapter 5 below.	√
2.9	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	The Board ensures that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards as set out in the comments to point 6 below – Compliance with laws, rules, codes and standards.	√
2.10	The Board should ensure that there is an effective risk – based internal audit.	The Board ensures that there is an effective risk-based internal audit as set out in the comments to point 7 below – Internal audit.	√
2.11	The Board should appreciate that stakeholders perceptions affect the company's reputation.	The Board appreciates that stakeholders' perceptions affect the company's reputation as set out in the comments to point 8 below – Governing stakeholder relationships.	√

King III Compliance Checklist (Continued)

CHAPTER 2: BOARDS AND DIRECTORS (Continued)			
	Principles	Comments	Key
2.12	The Board should ensure the integrity of the company's integrated annual report.	The Board ensures the integrity of the company's Integrated reporting as set out in the comments to point 9 below – Integrated reporting and disclosure.	√
2.13	The Board should report on the effectiveness of the company's system of internal controls.	The Board reports on the effectiveness of the company's system of internal controls as set out in the comments to point 7 below – Internal audit.	√
2.14	The Board and its directors should act in the best interest of the company.	The directors act in the best interest of the company by, among other actions, disclosing conflicts where they exist, dealing in securities only as allowed by directors' dealing policies and by adhering to legal standards of conduct. Where required, they are permitted to take independent advice.	√
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the act.	The financial performance and going concern status of the company is monitored by the Audit & Risk Committee and the Board.	√
2.16	The Board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of chairman of the board.	The Board has elected an independent non-executive Chairman who has been assessed and declared as independent. The MD and the Chairman are two separate individuals.	√
2.17	The Board should appoint the chief executive officer and establish a framework for the delegation of authority.	The Managing Director is appointed by the G4S Africa Regional Office; however, the Board takes part in the selection process. The Board has established committees to which this responsibility and authority has subsequently been delegated.	√
2.18	The Board should compromise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	The Board presently comprises three independent non-executive directors and two executive directors. This composition is compliant with governance requirements.	√
2.19	Directors should be appointed through a formal process.	The selection process involves considering the existing balance of skills and experience on the Board and a continual process of assessing the needs of the company. Directors are appointed in terms of the Company's Memorandum of Incorporation.	√
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	Directors are kept up-to-date through regular briefings and continuing corporate governance updates. Going forward the induction process for new Directors will be formalised and implemented in accordance with the requirements.	√
2.21	The Board should be assisted by a competent, suitably qualified and experienced company secretary.	The Board is assisted by a competent, suitably qualified and experienced Company Secretary who complies with the requirements set out in the Companies Act.	√
2.22	The evaluation of the Board, its committees, and the individual directors should be performed every year.	The required evaluations are not conducted on an annual basis, both formally and informally. The Chairperson of the Board is to review the performance of all directors on an annual basis going forward and share the findings as appropriate. In addition, a 360 degrees directors' performance assessment model will be adopted.	√
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	Appropriate committees are duly constituted and each has formulated terms of reference that are to be reviewed annually.	√

King III Compliance Checklist (Continued)

CHAPTER 2: BOARDS AND DIRECTORS (Continued)			
	Principles	Comments	Key
2.24	A governance framework should be agreed between the group and its subsidiary Boards.	A governance framework is not established between the Group and the subsidiary boards as the majority members of subsidiary boards form part of the main board. It is envisaged that all subsidiaries will be disposed off during 2021.	√
2.25	Companies should remunerate directors and executives fairly and responsibly.	The Board has established a Remuneration Committee, consisting solely of independent non-executive directors, who assist the Board in setting and administering a fair, equitable and responsible remuneration policy.	√
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	The remuneration of directors and prescribed officers is disclosed in the Remuneration report and the annual financial statements.	√
2.27	Shareholders should approve the company's remuneration policy.		√
CHAPTER 3: AUDIT COMMITTEES			
3.1	The Board should ensure that the company has an effective and independent audit Committee.	The Board does not formally evaluate the effectiveness and independence of the Audit & Risk Committee on an annual basis. The Audit Committee met four times in the 2020 financial year and also can elect to meet with internal and external auditors without management being present.	√
3.2	Audit Committee members should be suitably skilled and experienced independent non-executive directors.	The Audit & Risk Committee members are suitably skilled and experienced non-executive directors.	√
3.3	The Audit Committee should be chaired by an independent non-executive director.	The Audit & Risk Committee is chaired by an independent non-executive director, whose independence has been both formally declared and assessed.	√
3.4	The Audit Committee should oversee integrated reporting.	The Audit & Risk Committee has delegated the responsibility to management to review all integrated reporting content. The responsibility and integrity of the integrated reporting lies with the Audit & Risk Committee.	√
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	The Audit & Risk Committee monitors the relationship between the external assurance providers and the company.	√
3.6	The Audit Committee should satisfy itself of the expertise, resources and experience of the company's finance function.	The finance function is reviewed and assessed on an annual basis through the FD and Audit & Risk Chair in conjunction with the human resource function.	√
3.7	The Audit Committee should be responsible for overseeing of internal audit.		√
3.8	The Audit Committee should be an integral component of the risk management process.	Risk management is reviewed and assessed quarterly through the FD and Audit & Risk Chair in conjunction with risk and compliance function.	√
3.9	The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	The external auditors have historically been appointed on recommendation of the G4S Group.	√
3.10	The Audit Committee should report to the board and shareholders on how it has discharged its duties.	The Audit & Risk Committee approves its reports, which are included in the Integrated Report. It also reports through the Chair to the Board and externally to shareholders at the AGM if deemed necessary.	√

King III Compliance Checklist (Continued)

CHAPTER 4: THE GOVERNANCE OF RISK			
	Principles	Comments	Key
4.1	The Board should be responsible for the governance risk.	The Board is aware of this responsibility and has an established Audit & Risk Committee to aid the governance of risk.	✓
4.2	The Board should determine the levels of risk tolerance.	The Board has established the risk levels that it can tolerate versus the risk that it is willing to take (risk appetite).	✓
4.3	The Risk Committee or Audit Committee should assist the board in carrying out its risk responsibilities.	The Audit & Risk Committee assists the Board in its responsibility for the governance of risk.	✓
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	The Board has delegated to management the responsibility to design, implement and monitor the risk management plan.	✓
4.5	The Board should ensure that risk assessments are performed on a continual basis. Board and Audit Committee are responsible for risks.	The Audit & Risk Committee met four times during the 2020 financial year. Meetings included discussions on risk assessments, and risk framework and methodology.	✓
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating risks.	The Audit & Risk Committee has ensured that the risk assessment framework and methodology increases the probability of anticipating unpredictable risks.	✓
4.7	The Board should ensure that management considers and implements appropriate risk responses.	The Audit & Risk Committee report is tabled on quarterly basis for consideration by the Board. The committee Chair raises issues at Board meetings if required and ensures that management considers and implements the appropriate risk responses.	✓
4.8	The Board should ensure continual risk monitoring by management.	The Audit & Risk Committee reports to the Board and includes a review of the risks monitored by management.	✓
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	The Audit & Risk Committee provides the required assurance with regard to the risk management process to the Board.	✓
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	The finance function is reviewed and assessed on an annual basis through the FD and Audit & Risk Chair in conjunction with the human resource function.	✓
CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY			
5.1	The Board should be responsible for IT governance.	The IT Governance Framework, including processes, procedures and structures, was adopted by the Board which delegates implementation to management.	✓
5.2	IT should be aligned with the performance and sustainability objectives of the company.	Refer to 5.1 above.	✓
5.3	The Board should delegate to management the responsibility for the implementation.	Refer to 5.1 above.	✓
5.4	The Board should monitor and evaluate significant IT investments and expenditure.	Monitoring and evaluation of significant IT investments and expenditure are done by the G4S Africa Regional IT Shared Services office, although final approval of expenditure lies with the local Board.	✓
5.5	IT should form an integral part of the company's risk management.	IT risk management includes disaster recovery planning, IT legal risks and compliance to laws, rules, codes and standards that are an integral part of the company's risk management.	✓
5.6	The Board should ensure that information assets are managed effectively.	The IT Governance Framework adopted by the Board delegates the implementation thereof to management. The framework includes the management of information assets and expenditure.	✓

King III Compliance Checklist (Continued)

CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY (Continued)			
	Principles	Comments	Key
5.7	A risk Committee and audit Committee should assist the Board in carrying out its IT responsibilities	The IT Governance Framework adopted by the Board delegates the implementation thereof to management. The framework includes the management of information assets and expenditure.	√
CHAPTER 6: COMPLIANCE WITH LAWS , RULES, CODES AND STANDARDS			
6.1	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	A detailed compliance framework has been implemented. Reports on legislative and governance developments that affect the company are tabled at the Board and Board Committee meetings on a periodic basis. The Audit & Risk Committee is also mandated to manage this process.	√
6.2	The Board and its individual directors should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	Directors are suitably qualified and trained through formal induction. Directors are kept up to date through regular briefings included in the Board packs.	√
6.3	Compliance risk should form an integral part of the company's risk management process.	A compliance function is established and managed by the FD through the Risk and Compliance function. A risk-based approach has been adopted.	√
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	The FD and Risk & Compliance function perform the functions of a Compliance department that endeavours to achieve compliance through periodic review of policies and processes to ensure ongoing compliance with applicable law.	√
CHAPTER 7: INTERNAL AUDIT			
7.1	The Board should ensure that there is an effective risk-based internal audit.	An independent and effective risk-based internal audit function exists within the Group, which complies with the Institute of Internal Auditors' standards.	√
7.2	The Board should follow a risk-based approach to its plan.	The Internal Audit Manager attends Audit & Risk Committee meetings, and follows a risk-based approach to the Group's plan.	√
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of control and risk management	Internal Audit reviews the effectiveness of the internal controls of the company on an annual basis and these reports are tabled at the Audit & Risk Committee meetings.	√
7.4	The Audit Committee should be responsible for overseeing internal audit.	The Internal Audit Manager reports to the Audit & Risk Committee on a periodic basis.	√
7.5	Internal audit should be strategically positioned to achieve its objectives.	Internal audit planning is aligned to the strategy of the Group. The Internal Audit manager attends the Audit & Risk Committee meetings and meets with management as and when required.	√

King III Compliance Checklist (Continued)

CHAPTER 8: GOVERNING STAKEHOLDER RELATIONSHIPS			
	Principles	Comments	Key
8.1	The Board should appreciate that stakeholders perceptions affect a company's reputation.	The Board appreciates that close relationships with stakeholders should be maintained and that stakeholder perceptions affect the company's reputation. The Board has identified the company's key stakeholders.	✓
8.2	The Board should delegate to management to proactively deal with stakeholder relationships, stakeholders and the outcomes of these dealings.	The Board has delegated its authority to various Board Committees and, in some instances, management in accordance with clearly agreed reporting procedures and a written scope of authority to address stakeholder relationships.	✓
8.3	The Board should strive to achieve the appropriate balance between its various stakeholders groupings, in the interests of the company (Fund).	The appropriate balance is assessed on a continuous basis. The Company identifies stakeholders through a variety of channels and uses many forums to allow stakeholder engagement.	✓
8.4	Companies should ensure the equitable treatment of shareholders.	The Company acts in accordance with the requirements of the Companies Act and the BSE Listings Requirements regarding the treatment of shareholders of the Company.	✓
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Refer to 8.1 above.	✓
8.6	The Board should ensure that disputes are resolved as efficiently and expeditiously as possible.		✓
CHAPTER 9: INTEGRATED REPORTING AND DISCLOSURE			
9.1	The Board should ensure the integrity of the company's integrated annual report.	The company has controls to enable it to verify and safeguard the integrity of its Integrated Reporting and the Board has delegated the responsibilities to management to evaluate disclosure.	✓
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	The company's Integrated Report aims to provide an integrated review of operational, financial, social and environmental performance. The Group notes that further steps can be taken to improve integrated reporting and is committed to improve reporting quality for the 2021 financial period.	✓
9.2	Sustainability reporting and disclosure should be independently assured.		✓

Executive Committee



Hennie Swanepoel
Operations Director

Mothusi Molokomme
Managing Director

Josephine Mothudi
HR Director

Johann du Plooy
Finance Director

Executive Committee



Mothusi Molokomme
Managing Director

Mothusi has 18 years of work experience in various roles and industries including mining, financial services and fast-moving consumer goods (FMCG). He joined G4S in March 2021 from Distell Botswana where he held the position of Managing Director for 6 years. He previously worked for Kgalagadi Breweries Limited in various senior leadership roles.

Mothusi holds a Master of Philosophy degree (MPhil) in Corporate Strategy from the University of Pretoria's Gordon Institute of Business Science (GIBS), and a Master's degree in Business Administration



Hennie Swanepoel
Operations Director

Hennie is a customer service excellence expert, with experience of over 36 years of running operations of businesses smoothly. He is a team leader, a mentor and a Health and Safety culture driven individual.

Hennie has spent the last 32 years in customer driven businesses, with 23 years in the Security Industry with G4S in senior positions is currently the Operations Director for G4S Botswana.



Johann du Plooy
Finance Director

Johann is the Finance Director for G4S Botswana, appointed in August 2020. Johann has been with the G4S Group for 5 years, having spent time with G4S South Africa before joining the Botswana business.

Johann has 10 years' experience in the African market within the fields of audit, consulting, telecommunication and security. He holds an Honours Degree in Accounting from the University of Johannesburg and is a member of the South African Institute of Chartered Accountants.



Josephine Mothudi
Human Resources Director

A strategic HR leader with a track record of delivering unique solutions that transform corporate goals into profitable reality, building effective HR systems, managing rapid and sustained growth.

She has over 16 years of progressive and loyal HR management experience in the transport, manufacturing and health sectors. Ms Mothudi joined G4S Botswana as the HR Director in September 2020. She holds a Masters in Business Administration from the University of Botswana and is currently pursuing a Doctorate in Business Administration with Paris School of Business.

Corporate Social Responsibility Report 2021

G4S Botswana's Corporate Social Investment Policy is premised on ensuring that our business activities and CSR initiatives are defined to support charities, non-profit organisations and local volunteering activities. This assists us in building strong communities and improving work relations as well as ensuring the safety, protection and welfare of people across the country. As G4S we value being involved and active in areas that impact our community, and in 2020 G4S joined the CEO Councils Committee that looks at issues of women and children's rights in Botswana and the workplace.

Role of CEO of Councils (UNICEF)

The key roles of CEOs of the Councils Committee is to engage and influence Government policies on women and children's rights through engagement with Permanent Secretaries/Ministers. The current topical issue in Botswana is Gender Based Violence (GBV) and G4S operates in a male dominated industry so it gives us a chance to engage our employees for behavioural change on GBV issues. We have since engaged UNICEF to carry out surveys on our employees during the #ESENGMONGWANENG campaign to help us address issues that our employees might have on child abuse issues. This also enables G4S management to know how they can help employees who might be having child abuse issues in their homes.

Involvement of G4S in "#ESENGMONGWANWENG" Campaign

G4S Botswana worked hand in hand with UNICEF during the #ESENGMONGWANENG Campaign to ensure that all G4S employees are sensitised on women and child abuse issues in Botswana. The company wanted its employees to know its support for the campaign and also made sure that employees know the company's stand on women and child abuse in our society.

Human rights

Our respect for human rights is core to the sustainable success of the business and continues to be an important part of our risk assessment and mitigation process. This commitment to equality and fairness for all is of particular significance for a global security company of our scale and diversity. It also sets our expectations for the conduct of all companies in the group, our employees and those with whom we do business.

Anti-bribery and corruption.

We will continue to develop and encourage a workplace culture in which all employees are clear about the company's standards of ethics and feel confident that they may raise ethical concerns.



IF YOU SEE OR SUSPECT WRONGDOING...
...do the right thing and speak out!

SPEAK OUT!

XXXXX XXXXXX

www.g4s-speakout.com

IT IS SAFE TO SPEAK OUT!
You are encouraged to report any serious issues without fear of retaliation. All concerns raised in good faith will be taken seriously and treated with respect.

SPEAK OUT is for reporting serious wrongdoing. Any other concerns (such as pay queries, uniform issues or general employment grievances) should be directed to your line manager, supervisor or local careline for a quick resolution.

G4S Securing Your World



HSSEC

Putting Safety First

Golden Rules of Safety



Review all risks associated with each task before starting



Understand your safety responsibilities and report all unsafe acts and conditions



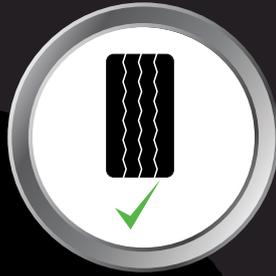
Use appropriate Personal Protective Equipment (PPE)



Obtain authorisation before entering a confined space



Treat every firearm as loaded



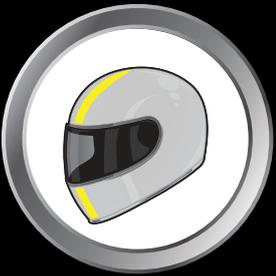
Check your vehicle before driving



Always wear a seat belt



Do not speed



Always wear a helmet and high visibility equipment when riding a motorcycle



Never use a hand-held mobile telephone whilst driving



Do not drive under the influence of alcohol or drugs



Take a short break if required

Occupational Health and Safety

The global challenge presented by the COVID-19 pandemic outbreak towards the end of the year 2019 presented a significant challenge to G4S Botswana, as part of the global group of companies.

The company had to revisit all its business models with a view to strike a balance between sustaining seamless service to its customers, at the same time ensuring the safety of its staff. The Health, Safety and Environment department had to adopt and embrace all the COVID-19 protocols promulgated from G4S Africa Regional Office, ensuring that they were aligned to local protocols and legislation issued by the Government.

Our front line staff have continued to serve customers diligently during the restricted movements period of the state of emergency, simultaneously adhering to both the COVID-19 protocols and the Government movement restrictions regulations.

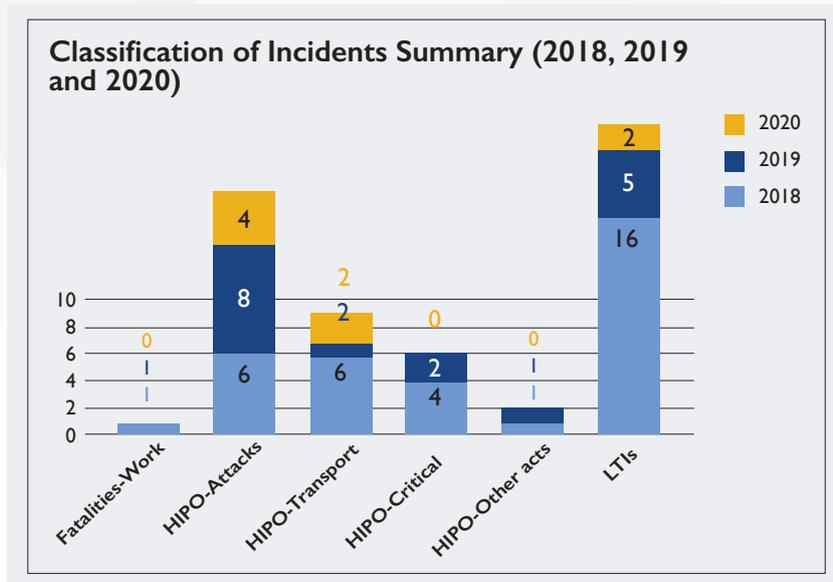
The HSE incidents statistics for the past three years as presented in this report, is a reflection of our commitment to safety and well being of employees strategies, as they reflect that we upheld zero harm company objectives without compromise. As per the table below 2020 shows a significant improvement in terms of incidents recorded compared to 2018 and 2019.

The table below distinguishes incidents according to their severity as follows:

Incidents and Accidents Summary, year 2018, 2019 and 2020

CLASSIFICATION OF INCIDENTS/ACCIDENTS	2018	2019	2020
Fatalities - Work related accidents	1	0	0
HIPO - Attacks	6	8	4
HIPO - Transport	6	1	2
HIPO - Critical Hazards	4	2	0
HIPO - Other acts	1	1	0
LTIs	16	5	2

Occupational Health and Safety (Continued)



- HIPOs show a significant improvement in 2020, despite the COVID-19 outbreak.
- Overall G4S managed to keep a good performance of HSE adherence to standards throughout the COVID-19/state of emergency period.
- HSE & HIRA SAFETY COURSES**
HSE department conducted training on the aforementioned safety courses through NOSA training academy.
-21 employees were trained as HSE representatives
-7 were trained on HIRA.
-The targeted number of employees to be trained for 2020/2021 is 50.
Continued internal training of employees, educating and training of employees on HSE, Continually cultivating a safety standard among employees through tool box talks, safety stand downs, learning from incidents and HSE safety meetings.
- Inspecting and maintenance of all G4S vehicles
Daily drivers vehicle checklist/inspections and Maintenance/services are done by line supervisors.

Monitoring of staff adherence to safety measures by reinforcing safety measures at every opportunity is ongoing i.e. staff meetings, supervisors forum and tool box talks.

Implementation- health and safety standards & protocols

The G4S Botswana COVID-19 Committee composed of our executive and management committees implemented the organisation's COVID-19 Plan. The Committee maintained controls and adherence to the COVID-19 protocols through conducting management meetings held every two weeks through a virtual platform. The management Committee provided a mitigation platform on social ill health issues to all G4S employees by providing access to psychological counselling.

We further introduced a HSE contact number to all G4S employees to call, whatsapp or sms for any queries and questions related to COVID-19 and HSE issues.



G4S (Botswana) Limited 2020 Annual Report

Financial performance

PROTECTING THE NATION IN CHALLENGING TIMES

	Group	
	2020	2019
	P	P
Continuing operations		
Revenue	190 436 461	196 731 913
Cost of goods sold	(7 684 803)	(6 777 287)
Cost of providing services	(126 699 928)	(126 410 607)
Gross profit	56 051 730	63 544 019
Other income	11 281 559	895 617
Movement in credit loss allowances	(3 626 100)	(3 540 809)
Impairment of goodwill	(8 350 979)	-
Administrative expenses	(37 434 307)	(35 104 147)
Operating profit	17 921 903	25 794 680
Finance income	3 237 055	3 198 794
Finance costs	(1 328 436)	(2 194 840)
Profit before taxation	19 830 522	26 798 634
Taxation	(6 307 962)	(7 037 359)
Profit from continuing operations	13 522 560	19 761 275
Discontinued operations	(3 075 162)	359 012
(Loss)/profit from discontinued operations		
Profit For the year	10 447 398	20 120 287
Other comprehensive income for the year	-	-
Total comprehensive income for the year	10 447 398	20 120 287

The G4S Botswana Group has published its financial results for the period ended December 2020 following the unprecedented circumstances of the COVID-19 pandemic, a year during which the country has operated under a national state of emergency.

As G4S we embrace our responsibility to protect the people and was classified as an essential service provider during this period. In fulfilling this role, the safety of our colleagues and our customers is our top priority.

Financial results for the period ended December 2020

The Group traded in difficult economic conditions throughout the year, with low growth and constrained consumer spend prevalent across all service lines.

Group turnover reduced by 3.2% against a strong base in the previous year, and reflects the deteriorating economic conditions throughout the year. While we saw a reduction in revenue in our Cash and Security Systems divisions we are particularly pleased with the performance of our

Financial performance (Continued)

Manned Security Services line, having shown an increase in revenue of 12% YoY. Driving positive volume growth by expanding our Manned Guarding footprint is of particular importance for the Group as this enables us to leverage infrastructure and presence across the nation to better serve our customers in future.

Gross profit margins reduced by 11.8% YoY, closing on a consolidated margin across all service lines of 29.4% compared to 32.3% in the previous year. While margins in our Manned Security Services increased from 15.5% to 16.3% YoY driven by an increase in our customer portfolio while leveraging infrastructure, all other service lines saw a reduction in profitability for the period. The Group has furthermore made a decision to dispose of its Facilities Management business, where changes in legislation and the subsequent requirement for 100% citizen ownership within the sector saw revenue decrease by 38% and gross profit by 64%. The service line has accordingly been classified as held for sale. Comparable Headline Earnings per Share at 23.8 thebe per share is in line with last year's earnings of 24.18 thebe per share.

DETAILED REVIEW OF FINANCIAL PERFORMANCE

COVID-19 pandemic

The COVID-19 pandemic, while impacting the financial results of the group for the period under review, did not

do so significantly. The Group has considered the impact that the COVID-19 pandemic may have on our financial liquidity and reported financial position, including the value of inventory on hand, the recoverability of receivables, the adequacy of provisions, the availability of debt funding and the Group's ability to meet its working capital obligations. The Group is considered to be both liquid and solvent and the annual financial statements have been prepared on the going concern basis accordingly.

Turnover

Group turnover from continued operations decreased by 3.2% in 2020 to P190.4 million from P196.7m in the prior period. Portfolio revenue decreased by 14% while non-portfolio revenue increased by 11.9% YoY. Cash Solutions revenue for the period reduced by 4.7% YoY (P58.3m FY20 vs P61.1m FY19). The reduction in revenue was driven mainly by the loss of ATM management contracts towards the end of FY19. A nationwide lockdown led to a general reduction in consumer expenditure and subsequently a reduction in the use of cash, which in turn reduced the demand for cash-in-transit, ATM management and cash processing services. This reduction in non-portfolio cash service revenue was offset through increased sales of Deposita devices, where we saw a sharp increase in market uptake of the product during the financial period.

Manned Security Services revenue is up 12% YoY

Group Turnover from continued operations decreased by 3.2% in 2020 to P190.4 million from P196.7m in the prior period.

Financial performance (Continued)

Manned Security
Services revenue is up

**12% YoY (P82.9m
FY20 vs P74.1m FY19)**

(P82.9m FY20 vs P74.1m FY19). The increase in revenue is attributable to the retention of large contracts that were due for renewal in 2020. We also noted good portfolio wins by signing up Khoemacau Copper Mine and Kgalagadi Breweries in 2020.

The COVID-19 pandemic had a marked impact on our Security Systems service line for the period, which saw a reduction in revenue of 19.6% YoY (P49.1m FY20 vs P61.1m FY19). A generally cautious market approach to capital expenditure in the electronic security solutions space in 2020 led to a reduction in revenue generation in pure technology projects and sales. Based on unsatisfactory payment patterns brought on by COVID-19, we furthermore had to terminate services to a large number of alarm monitoring and response customers. The Board is of the view that this approach safeguards the Group against future bad debt expenditure albeit at the expense of revenue in the short term.

As noted earlier, revenue for Facilities Management services are down 38% YoY (P10.6m FY20 vs P6.6m FY19). The reduction in revenue is attributable to the gradual unwinding of the facilities management and cleaning business. We further saw a number of customer service terminations following a change in legislation requiring majority local ownership for cleaning companies. While the Group saw a reduction in revenue for the period, specifically during COVID-19 lockdowns in Q2 2020, the

Group had recovered the bulk of said revenue by the end of Q4, although a small percentage of revenue on all service lines have been lost due to permanent service cancellations following COVID hardships.

A modern approach

The Group currently provides services to approximately 5,700 customer services and sites across Botswana. Reflecting our customers' desire for greater certainty in respect of their security needs, we have re-evaluated our maintenance and warranty services in order to provide customers with the best value possible for every Pula spent. We are also in the process of modernising our approach to our Manned Security Services and Cash Solution services, with a focus on real time monitoring, tracking and reporting on all services provided. This will greatly improve efficiency within the business, while enabling our customers to have a real time, consolidated view of all their security services on our Risk360 platform. This is the ultimate win-win solution for both the Group as well as its customers as an improved value proposition is expected to drive both revenue as well as cost reductions.

In the Security Systems space, we will be expanding our current product offering with an increased focus on integrated solutions sales, an area where we have historically been very strong internationally, while having limited success in Botswana. We will also be investing in

Financial performance (Continued)

our National Control Centre to ensure that we remain relevant in an ever-evolving security and technology environment, while also creating additional capacity to enable us to manage our stakeholders' control center needs from our facilities.

Value for customers

The Group maintained its commitment to stable pricing and did not increase its price to its customers during the financial period. Instead, the business focused on supporting its customers through cost discipline and efficiency gains across our operations.

Gross Profit

Gross profit margins reduced by 11.8% YoY, closing on a consolidated margin across all service lines of 29.4% compared to 32.3% in the previous year.

While margins in our Manned Security Services division increased from 15.5% to 16.3% YoY (P13.4m FY20 vs P11.4m FY19) driven by an increase in our customer portfolio while leveraging infrastructure, all other service lines saw a reduction in profitability for the period.

Cash Solutions gross profit for the period reduced by 13% YoY (P25.2m FY20 vs P29m FY19). A nationwide lockdown led to a general reduction in consumer expenditure and subsequently a reduction in the use of cash, which in turn reduced the demand for cash-in-transit, ATM management and cash processing services. This reduction in non-portfolio cash service revenue was offset through increased sales of Deposita devices, where we saw a sharp increase in market uptake of the product during the financial period. The combination of the product mix for the period however led to a reduction in margin from 49.8% to 43.2% YoY.

For Security Systems, gross profit margins reduced from 45% in 2019 to 40.5% in 2020, with gross profit reducing by 27.7% (P19.9m FY20 vs P27.5m FY19). The primary driver for the reduction in gross profit is the reduction in AMR revenue, reducing margin as the fixed cost structure for the AMR business provides limited flexibility due to service level requirements towards customers.

Golden Hour Initiatives

In response to COVID-19, the Group embarked on a number of initiatives to reduce spend and ensure that the business runs as lean as possible to ensure resilience in a COVID-19 environment. Accordingly, the Group returned leased vehicles and sold a number of vehicles to ensure that the fleet is right sized, while also adapting our labour force to ensure an appropriate and robust response to future labour requirements. Supplier contracts, notably property leases, were renegotiated to unlock shareholder value.

Other income

Other income saw a significant increase from P0.9m in 2019 to P11.3m in 2020. Other income includes the COVID-19 wage subsidy received for the period which amounted to P8.8m, for which no comparative amount was received in 2019. Other income from insurance claims increased by 94% (P2.3m FY20 vs P1.2m FY19) while forex losses decreased by 76% (-P0.1m FY20 vs -P0.6m FY19).

Movement in credit loss allowance

The Group recognised a credit loss allowance of P3.6m for the period, which is comparable to the credit loss allowance of P3.5m for the 2019 financial period. The movement in the credit loss allowance is mainly attributable to long outstanding accounts in our AMR debtor book. Note is made that service to these customers have been suspended and the Group will actively be pursuing the recovery of these debts.

Financial performance (Continued)



Impairment of Goodwill

Goodwill is not amortised but tested for impairment annually, and in the event that circumstances indicate that Goodwill might be impaired. The decision to reclassify the Groups' investment in G4S Facilities Management Services as held for sale triggered the impairment of goodwill related to the Group's Facilities Management service lines based on future expected cash flow projections of the service line. All goodwill related to this service line has been impaired, reducing reported profit for the period by P8.4m

Administrative expenses

Administrative expenditure increased by 6.6% YoY (P37.4m FY20 vs P35.1m FY19). The increase year on year is driven mainly by the increase in the bad debt expense for the period (P6.7m FY20 vs P3.2m FY19) as well as provision reversals related to other expenses recognised in 2019 which did not reoccur in 2020 (P2m FY20 vs -P0.1m FY19). Savings of P0.9m were realized on communications costs for the period,

Net finance charges

Finance costs, including implied interest charges under IFRS 16, decreased by 39.5% year-on-year to P1.3m. The Group's implied IFRS 16 net interest charge charges under IFRS 16, decreased by 38.6% year-on-year to P1.3m, reflecting a decrease in our broad lease portfolio. This reduction is attributable to a reduction in our fleet as well as the conclusion of the lease of our Gaborone headquarters building lease. Finance income remained flat year on year (P3.2m FY20 vs P3.2m FY19) and represents interest generated from intercompany loans to G4S Plc.

Loss from discontinued operations

The loss from discontinued operations represents the trading performance of G4S Facilities Management Services for the 2020 financial period. The losses of significant contracts for the period coupled with an increase in the expected credit loss allowance for the period of P3.4m are the primary drivers for the loss for the period.

REVIEW OF FINANCIAL POSITION

Financial performance (Continued)

The strength of the Group's statement of financial position at period end reflects its sustained and effective revenue generating and operational activities, coupled with its ability to convert recognised profits to cash.

Total Group assets reduced by 5.3% (P154.7m FY20 vs P163.5m FY19). The Group's net asset value was negatively impacted by the impairment of goodwill related to its investment in G4S Facilities Management Services to the value of P8.35m (P9.7m FY20 vs P18m FY19). Total Group liabilities reduced by 32.5% (P40m FY20 vs P59.2m FY19). The reduction in liabilities relate to the settlement of trade debt (P5.5m), intercompany debt (P8.6m) and lease liabilities (P5.1m) offset by the recognition of tax payable for the period of P3.7m.

Cash Flows

The Group generated cash from operating activities of P33.3m for the year, compared to P22.8m for the same comparative period in 2019. Cash flows from investing activities improved by 31% (-P4.1m FY20 vs -P6m FY19) driven by a reduced rate of capital expenditure in a COVID-19 lockdown environment.

Cash flows from financing activities improved by 62% (-P12.7m FY20 vs -P33.8m FY19) driven by reduced leasing activities in a COVID-19 lockdown environment. Note is made that the Board expects significant investment in our core infrastructure during 2021 in order to ensure that our operations are appropriately capacitated to continue providing market leading services in the short, medium and long term

DIVIDEND PROPOSAL

In light of the economic impact from the COVID-19 pandemic, the Board has decided that it would be prudent not to declare a dividend at this time but rather

to preserve cash. It is anticipated that a formal dividend declaration will be considered and communicated once the full impact of the COVID-19 pandemic on the Group's operations can reasonably be known and assessed. Further communication in this regard will follow at the time of the Group's FY21 interim results publication.

Closing remarks

While the 2020 financial period has provided the Group with unique challenges, we have managed to navigate the period while keeping our people and communities safe, honouring and respecting our obligations towards our stakeholders and remaining true to the values of the Group. As a business we have remained agile in order to safeguard stakeholder value. We are a stronger, more efficient and more adaptable business than we were in a pre-COVID-19 environment, and I am of the view that G4S is well placed to maximise our 2021 position having maintained a sensible and strong base throughout 2020.

We extend our thanks to our staff, particularly those on the front line, who have worked tirelessly in uncertain circumstances to keep our nation safe.

We also extend our thanks to our customers for entrusting us with your safety and security, and we commit to continuously improve our service delivery and customer engagement to ensure that we meet and exceed customer expectations.

J du Plooy



Finance Director



**Consolidated and Separate
Financial Statements**
for the year ended 31 December 2020



G4S (Botswana) Limited
(Registration number BW00000926722)

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Provision of security and related services
Directors	Mokgethi Frederick Magapa (Managing director) - Resigned 9 December 2020 Lorato Nthando Mosetlhanyane (Non-executive board member) Boitumelo Tumie Mbaakanyi (Non- executive board member) Gaone Susan Macholo (Chairman) - Non- executive board member Albert Edward Ueckermann (Non- executive board member) Johann du Plooy (Finance Director) - Appointed 9 December 2020 Mothusi Molokomme (Managing director) - Appointed 1 March 2021
Business address and registered office	Plot 20584 Block 3 Industrial Western By Pass Gaborone Botswana
Holding company	G4S International 105 (UK) Ltd incorporated in United Kingdom
Bankers	Absa Bank Botswana Limited First National Bank of Botswana Limited Bank Gaborone Limited Standard Chartered Bank Botswana Limited Stanbic Bank Botswana Limited
Auditor	PricewaterhouseCoopers Chartered Accountants
Secretary	Grant Thornton Business Services (Proprietary) Limited
Company registration number	BW00000926722
Functional currency	Botswana Pula "P"

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Contents

	Page
Directors' Responsibilities and Approval	45
Independent Auditor's Report	46 - 53
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income	54 - 55
Consolidated and Separate Statements of Financial Position	56
Consolidated and Separate Statements of Changes in Equity	57
Consolidated and Separate Statements of Cash Flows	58
Significant Accounting Policies	59 - 76
Notes to the Consolidated and Separate Financial Statements	77 - 126

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Directors' Responsibilities and Approval

In preparing the accompanying Company and Group financial statements, International Financial Reporting Standards have been followed; suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes in accounting policies are approved by the board of directors and effects thereof are fully explained in the financial statements. The financial statements incorporate full and responsible disclosure in line with the significant accounting policies of the Group noted on pages 59 to 76.

The directors have reviewed the Company and Group budget and forecast cash flow for the year to 31 December 2020. On the basis of this review, and in light of the current financial position, the directors are satisfied that G4S (Botswana) Limited is a going concern and have continued to adopt a going concern basis in preparing the financial statements.

The board recognises and acknowledges its responsibility for the Group's internal control system. The responsibility for operating these systems is delegated to the executive director and management, who have confirmed that they have reviewed the effectiveness thereof. The directors consider that the systems are appropriately designed to provide reasonable assurance, as to the reliability of financial statements and that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal control system is monitored through management reviews, testing by internal auditors 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's directors have considered the results of these reviews, none of which indicate that the systems of internal control were inappropriate or operated unsatisfactorily. Additionally, no breakdowns involving material loss have been reported to the directors in respect of the year under review.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing which include tests of transactions and selective test of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

Approval of consolidated annual financial statements and annual financial statements

The annual financial statements for the year ended 31 December 2020 and which appear on pages 45 to 126 were authorised for issue by the Board of Directors on 31 March 2021 and were signed on their behalf by:



Director



Director

G4S (Botswana) Limited

Consolidated and Separate Financial Statements

for the year ended 31 December 2020



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of G4S (Botswana) Limited (the "Company") and its subsidiary (together the "Group") as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

G4S (Botswana) Limited's consolidated and separate financial statements set out on pages 54 to 126 comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana
T: (267) 370 9700, www.pwc.com/bw

Country Senior Partner: B D Phirle
Partners: R Binedell, A S Edirisinghe, L Mahesan, I Molebatsi, S K K Wijesena

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Independent Auditor’s Report (Continued)



Our audit approach

Overview

	<p>Overall group materiality</p> <ul style="list-style-type: none"> • BWP 1 329 000 which represents 5% of a three-year average consolidated profit before taxation from continuing operations.
	<p>Group audit scope</p> <p>The Group consists of the Company and one operating subsidiary. Full scope audits were performed on both these companies based on their financial significance to the Group.</p>
	<p>Key audit matters</p> <ul style="list-style-type: none"> • Impairment of trade receivables; and • Impairment of goodwill and investment in subsidiary - Facilities Management Business.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

<i>Overall group materiality</i>	BWP 1 329 000
<i>How we determined it</i>	5% of a three-year average consolidated profit before taxation from continuing operations.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Independent Auditor’s Report (Continued)



<p><i>Rationale for the materiality benchmark applied</i></p>	<p>We chose consolidated profit before taxation from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. Given the once-off impact on current year results of the impairment of goodwill and lower than normal business levels due to the impact of COVID-19, we used a three-year average consolidated profit before taxation to better reflect normalised profitability. We chose 5%, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.</p>
---	---

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of two components, namely the Company and its wholly owned subsidiary, G4S Facilities Management Botswana (Proprietary) Limited. We performed full scope audits on both components as these were considered financially significant to the Group. This, together with additional procedures performed on the consolidation, including testing of consolidation journals, intercompany eliminations and goodwill arising on consolidation, provided us the audit evidence we needed for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of trade receivables</p> <p><i>This key audit matter relates to the consolidated and separate financial statements.</i></p> <p>At 31 December 2020, the Group and Company recognised net trade receivables of P23 331 048 after recognising a total impairment allowance of P25 931 828.</p> <p>The Group and Company apply a provisioning matrix as a practical expedient to determine the expected credit losses for trade receivables. Trade receivables have been assessed on a collective basis as they possess shared credit risk</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the Group’s and Company’s impairment model against the requirements of IFRS 9 - Financial Instruments (“IFRS 9”) and did not note any inconsistencies. • We tested the mathematical accuracy of the Group’s and Company’s impairment models and found no exceptions.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Independent Auditor’s Report (Continued)



Key audit matter	How our audit addressed the key audit matter
<p>characteristics and by grouping these based on days past due.</p> <p>Expected loss rates are based on the payment profile of credit sales over the thirty-six months preceding 31 December 2020, as well as corresponding historical credit losses during the period. These rates are then adjusted to reflect current and forward-looking macroeconomic factors, which are likely to impact on customers’ ability to settle the outstanding amount.</p> <p>Trade receivables are considered irrecoverable when the customer has not made any payment within 180 days from the date of invoice, made no alternative payment arrangements with the Group and where subsequent external collection efforts (mainly through external debt collection agencies) have failed.</p> <p>In determining the impairment, key judgements were applied by the Group and Company in selecting and applying an appropriate model and in determining the credit losses which are expected to be incurred once it is considered irrecoverable.</p> <p>Impairment of trade receivables was considered to be a matter of most significance to the current year audit due the significance of the trade receivable balance, as well as the judgements and estimates applied in determining an appropriate level of impairment.</p> <p>Disclosures with respect to impairment is disclosed in:</p> <ul style="list-style-type: none"> • Note 1.2 “Critical accounting estimates and judgements Impairment of Trade Receivables”; • Note 1.7 - “Financial Instruments Impairment”; • Note 3 - “Financial instruments and risk management Credit Risk”; and • Note 21 - “Trade and other receivables”. 	<ul style="list-style-type: none"> • We tested, on a sample basis, the data utilised in the impairment model at 31 December 2020, including ageing of debtor balances and debt recovery rates achieved after initial credit default and found no exceptions. • We assessed the judgements made by the Group in determining adjustments to loss rates for forward-looking macroeconomic factors through discussion with management and our knowledge of the operations as gained through our audit. Based on our work performed, we determined that management’s adjustments were within a reasonable range.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Independent Auditor’s Report (Continued)



Key audit matter	How our audit addressed the key audit matter
<p>Impairment of goodwill and investment in subsidiary - Facilities Management Business</p> <p><i>This key audit matter relates to the consolidated and separate financial statements</i></p> <p>During the current financial year, the Group decided to dispose of the operations of its subsidiary, G4S Facility Management Botswana (Proprietary) Limited. The decision was made by the board of directors to discontinue these operations due the lack of return on investment stemming from the unfavourable changes in the regulatory environment. The Group expects that the disposal will be completed by 30 June 2021.</p> <p>Goodwill arising from this business recognised in the consolidated financial statements and the investment in this subsidiary recognised in the separate financial statements were assessed for impairment against the recoverable amount, which was determined to be the fair value less costs to sell at the reporting date. The fair value less cost to sell was determined based on a discounted free cash flow model, with the Group and Company being advised on the fairness of its calculations by an independent expert (the “management’s expert”).</p> <p>Significant judgement is required to determine the fair value less cost to sell of the business, especially with respect to the determination of appropriate discount rates and long term growth rates.</p> <p>At 31 December 2020, the Group recognised an impairment loss on goodwill to the amount of P8 350 979 and the Company recognised an impairment loss on the investment in the subsidiary to the amount of P1 868 330.</p> <p>We considered impairment of goodwill and impairment of the investment in the subsidiary to be matters of most significance to the current year audit due to the significant judgements applied by management in determining the fair value less cost to sell.</p> <p>Disclosures with respect to the impairment of goodwill and the investment in subsidiary are included in:</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We inspected minutes of meetings of the Board of Directors which indicated that the Board approved the disposal of the subsidiary prior to 31 December 2020. • We discussed with management and inspected relevant correspondence with the Group’s transaction advisors which indicated that the process for sale of the subsidiary had been initiated and was planned to conclude within no more than 12 months of 31 December 2020. • We compared the valuation methodology used by the Group and Company against the requirements of IFRS 13 - <i>Fair value measurement</i> and industry practice, and based on our comparison accepted management’s methodology. • We read the management expert’s valuation reports to assess whether the valuation outcomes utilised by the Group and Company agree with these. We found no material deviations. • We assessed the management expert’s <ul style="list-style-type: none"> ○ qualifications and expertise with reference to their affiliation with a relevant professional body, their professional certifications and experience based on similar work performed; ○ objectivity by obtaining written confirmation from the management’s expert that they are free from any direct or indirect shareholding or financial interest in the Group, that no restrictions were placed on their valuation engagement and that they are not aware of any information relevant to the

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Independent Auditor’s Report (Continued)



Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> Note 1.2 “Critical accounting estimates and judgements Impairment of Goodwill”; Note 11 “Impairment of investment in subsidiary”; Note 16 “Goodwill”; and Note 23 “Non-current assets held for sale”. 	<p>valuation which had been withheld by the Group.</p> <p>We did not identify any concerns with regard to the qualifications and expertise or objectivity of the management’s experts.</p> <ul style="list-style-type: none"> We assessed the reliability of the estimated future cash flows, including growth rate assumptions underpinning these through <ul style="list-style-type: none"> comparison of actual outcomes against historical projections performed on the same basis of cash flows; discussion with management; and by comparing these with specific business trends in the subsidiary we had observed during our current year audit. <p>We found that the estimated future cash flows, including growth rates underpinning these were within an acceptable range of likely outcomes.</p> We developed an independent expectation of an appropriate discount rate utilising our valuation expertise and noted that no material difference in impairment would arise through use of such discount rate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “G4S (Botswana) Limited Consolidated and Separate Financial Statements for the year ended 31 December 2020”, which we obtained prior to the date of this auditor’s report, and the other sections of the document titled “G4S (Botswana) Limited 2020 Annual Report”, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Independent Auditor's Report (Continued)



If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 for the consolidated and separate financial statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Independent Auditor's Report (Continued)



We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink, appearing to read 'Rudi Binedell', is written over a light grey background.

Individual Practicing member: Rudi Binedell
Registration number: 20040091

Gaborone
31 March 2021

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Consolidated and Separate Statements of Profit or Loss
and Other Comprehensive Income**

	Note	Group		Company	
		2020 P	2019 P	2020 P	2019 P
Continuing operations					
Revenue	4	190 436 461	196 731 913	190 436 461	196 731 913
Cost of goods sold	5	(7 684 803)	(6 777 287)	(7 684 803)	(6 777 287)
Cost of providing services	5	(126 699 928)	(126 410 607)	(126 699 928)	(126 410 607)
Gross profit		56 051 730	63 544 019	56 051 730	63 544 019
Other income	6	11 281 559	895 617	11 281 559	895 617
Movement in credit loss allowances	7	(3 626 100)	(3 540 809)	(3 626 100)	(3 540 809)
Impairment of goodwill		(8 350 979)	-	-	-
Administrative expenses	8	(37 434 307)	(35 104 146)	(38 255 406)	(35 966 634)
Operating profit	7	17 921 903	25 794 681	25 451 783	24 932 193
Finance income	9	3 237 055 3	198 794	3 237 055	3 198 794
Finance costs	10	(1 328 436)	(2 194 840)	(1 328 436)	(2 194 840)
Impairment of investment in subsidiary	11	-	-	(1 868 330)	-
Profit before taxation		19 830 522	26 798 635	25 492 072	25 936 147
Taxation	12	(6 307 962)	(7 037 359)	(6 307 962)	(7 037 359)
Profit from continuing operations		13 522 560	19 761 276	19 184 110	18 898 788
Discontinued operations					
(Loss)/profit from discontinued operations	23	(3 075 162)	359 012	-	-
Profit for the year		10 447 398	20 120 288	19 184 110	18 898 788
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		10 447 398	20 120 288	19 184 110	18 898 788
Profit attributable to:					
Owners of the parent of the company		11 049 385	19 778 268	19 184 110	18 898 788
Non-controlling interest		(601 987)	342 020	-	-
		10 447 398	20 120 288	19 184 110	18 898 788
Profit attributable to:					
Owners of the parent:					
From continuing operations		13 522 560	19 761 276	19 184 110	18 898 788
From discontinued operations		(2 473 175)	16 992	-	-
		11 049 385	19 778 268	19 184 110	18 898 788
Non-controlling interest:					
From discontinued operations		(601 987)	342 020	-	-

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Consolidated and Separate Statements of Profit or Loss
and Other Comprehensive Income (Continued)**

	Note(s)	Group		Company	
		2020 P	2019 P	2020 P	2019 P
Earnings per share from operations attributable to the ordinary equity holders of the company					
From continuing and discontinued operations					
Basic earnings per share from continuing operations (thebe)	13	16.90	24.70		
Basic earnings per share from discontinuing operations (thebe)	13	(3.09)	0.02		
Earnings per share (thebe)		13.81	24.72		
Headline earnings per share					
Basic headline earnings per share (thebe) - continuing operations	13	16.39	24.16		
Basic headline earnings per share (thebe) - discontinued operations	13	7.41	0.02		
		23.80	24.18		

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Consolidated and Separate Statements of
Financial Position**

	Note(s)	Group		Company	
		2020 P	2019 P	2020 P	2019 P
Assets					
Non-Current Assets					
Property, plant and equipment	14	8 782 553	12 742 840	8 782 553	12 387 297
Right-of-use assets	15	10 728 751	17 707 353	10 728 751	17 707 353
Goodwill	16	9 715 123	18 066 102	9 715 123	9 715 123
Investments in subsidiaries	17	-	-	-	7 444 017
Deferred tax	19	4 597 840	2 359 181	4 597 840	2 166 999
		33 824 267	50 875 476	33 824 267	49 420 789
Current Assets					
Inventories	20	3 944 697	4 451 604	3 944 697	3 959 853
Amounts due from related parties	18	54 731 987	51 148 713	55 697 518	51 148 713
Trade and other receivables	21	23 834 540	34 904 770	23 834 540	33 619 008
Current tax receivable		-	3 254 748	-	2 793 706
Cash and cash equivalents	22	31 888 346	18 862 793	31 888 346	17 557 224
		114 399 570	112 622 628	115 365 101	109 078 504
Non-current assets held for sale	23	6 479 106	-	5 575 687	-
Total Assets		154 702 943	163 498 104	154 765 055	158 499 293
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Stated capital	24	1 804 557	1 804 557	1 804 557	1 804 557
Retained income		111 145 652	100 096 267	113 864 286	94 680 176
		112 950 209	101 900 824	115 668 843	96 484 733
Non-controlling interest		1 753 101	2 355 088	-	-
		114 703 310	104 255 912	115 668 843	96 484 733
Liabilities					
Non-Current Liabilities					
Lease liabilities	15	6 249 724	10 584 455	6 249 724	10 584 455
Current Liabilities					
Trade and other payables	26	19 953 953	25 486 505	19 953 951	24 386 984
Amounts due to related parties	25	1 170 685	9 791 605	1 170 685	13 663 494
Lease liabilities		15 739 256	12 466 460	7 392 568	12 466 460
Current tax payable		3 728 257	-	3 728 257	-
Provisions	27	601 027	913 167	601 027	913 167
		32 846 490	48 657 737	32 846 488	51 430 105
Non-current liabilities of held for sale	23	903 419	-	-	-
Total Liabilities		39 999 633	59 242 192	39 096 212	62 014 560
Total Equity and Liabilities		154 702 943	163 498 104	154 765 055	158 499 293

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Consolidated and Separate Statements
of Changes in Equity**

	Stated capital	Retained income	Total	Non-controlling interest	Total equity
	P	P	P	P	P
Group					
Balance at 1 January 2019	1 804 557	101 797 999	103 602 556	2 013 068	105 615 624
Profit for the year	-	19 778 268	19 778 268	342 020	20 120 288
Dividends paid	-	(21 480 000)	(21 480 000)	-	(21 480 000)
Balance at 31 December 2019	1 804 557	100 096 267	101 900 824	2 355 088	104 255 912
Balance at 1 January 2020	1 804 557	100 096 267	101 900 824	2 355 088	104 255 912
Profit for the year	-	11 049 385	11 049 385	(601 987)	10 447 398
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2020	1 804 557	111 145 652	112 950 209	1 753 101	114 703 310
Note	24				
Company					
Balance at 01 January 2019	1 804 557	97 261 388	99 065 945	-	99 065 945
Profit for the year	-	18 898 788	18 898 788	-	18 898 788
Other comprehensive income	-	-	-	-	-
Dividends paid	-	(21 480 000)	(21 480 000)	-	(21 480 000)
Balance at 31 December 2019	1 804 557	94 680 176	96 484 733	-	96 484 733
Balance at 1 January 2020	1 804 557	94 680 176	96 484 733	-	96 484 733
Profit for the year	-	19 184 110	19 184 110	-	19 184 110
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2020	1 804 557	113 864 286	115 668 843	-	115 668 843
Note	24				

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Consolidated and Separate Statements of Cash Flows

	Note	Group		Company	
		2020 P	2019 P	2020 P	2019 P
Cash flows from operating activities					
Cash flows generated from operations	29	40 748 355	35 220 683	34 411 841	53 181 198
Finance costs		(1 328 436)	(2 194 840)	(1 328 436)	(2 194 840)
Taxation paid	30	(1 180 330)	(10 636 307)	(2 216 840)	(10 222 390)
Cash flows (used in)/generated from assets held for sale		(4 907 889)	432 037	-	-
Net cash flows generated from operating activities		33 331 700	22 821 573	30 866 565	40 763 968
Cash flows from investing activities					
Purchase of property, plant and equipment	14	(5 092 208)	(6 418 492)	(5 092 208)	(6 282 811)
Sale of property, plant and equipment		1 287 377	388 468	1 287 377	356 207
Cash flows of assets held for sale		(354 585)	-	-	-
Interest received		17 161	25 073	17 161	12 374
Net cash flows utilised in investing activities		(4 142 255)	(6 004 951)	(3 787 670)	(5 914 230)
Cash flows from financing activities					
Payment on lease liabilities	28	(12 747 773)	(12 343 955)	(12 747 773)	(12 343 955)
Dividends paid	31	-	(21 480 000)	-	(21 480 000)
Net cash flows utilised in financing activities		(12 747 773)	(33 823 955)	(12 747 773)	(33 823 955)
Movement in cash and cash equivalents		16 441 672	(17 007 333)	14 331 122	1 025 783
Cash and cash equivalents at the beginning of the year		18 862 793	35 870 126	17 557 224	16 531 441
Cash and cash equivalents of discontinued operations		(3 416 119)	-	-	-
Total cash and cash equivalents at the end of the year	22	31 888 346	18 862 793	31 888 346	17 557 224

G4S (Botswana) Limited

Consolidated and Separate Financial Statements

for the year ended 31 December 2020

Significant Accounting Policies

General information

G4S (Botswana) Limited is a public limited company registered under the Companies Act, Chapter 42:01 of Botswana and domiciled in Botswana. G4S (Botswana) Limited is listed on the Botswana Stock Exchange and primarily operates in Botswana.

These financial statements represent its statutory financial statements. The consolidated financial statements of the company comprises the company and its subsidiary (together referred to as the 'Group').

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all years presented, and are unchanged from those applied in previous years, unless noted otherwise.

These financial statements have been approved by the board of directors on 31 March 2021.

1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The financial statements are prepared under the historical cost convention, as modified by the valuation of certain financial assets and liabilities at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements are disclosed in the "Critical accounting estimates and judgements" section of the financial statements.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group annual financial statements incorporate the results and financial position of the company and its sole subsidiary. The results of the subsidiary are included from the effective dates of gaining control and up to the date of relinquishing control.

Intercompany transactions, balances and unrealised gains on transactions between the company and its subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary are consistent with the policies adopted by the Group.

Foreign currency transaction

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Botswana Pula currency units which is G4S (Botswana) Limited's functional and presentation currency.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.1 Basis of preparation (Continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or administrative expenses.

Both Group and company utilise the Botswana Pula as the functional currency.

Impact of COVID-19

COVID-19 has not, and is not expected to have a significant impact on the group or its subsidiary. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. While COVID-19 has had a detrimental impact on the Group's results for 2020, and it is expected that COVID-19 might have some impact on future results, the impact is not expected to be material.

1.2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

Key sources of estimation uncertainty

Impairment of goodwill

The Group tests annually whether goodwill (as disclosed in note 16) has suffered any impairment, in accordance with accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined by the Directors based on forecast pre-tax free cash flows of each cash-generating unit. These calculations require the use of estimates, the most significant of which are assumptions of growth rate and discount rates (refer to note 16).

Impairment of trade receivables

The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period (refer to note 3 and 21).

The group recognises revenue from the following major sources:

- Sales of fire alarm equipment
- Sales of CCTV and access control
- Installation of intruder detection devices
- Rendering of services

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.3 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

No significant judgments are required for the determination of the amount and timing of revenue from contract with customers.

Sale of fire alarm equipment, CCTV and access control goods - retail

The group sells goods directly to customers.

Revenue is recognised at a point in time for sales of goods.

For sales of fire equipment alarms, CCTV and access control goods to customers, revenue is recognised when control of the goods has transferred, being at the point when the goods have been provided or delivered to the customer. A receivable is recognised by the entity when the goods are delivered or handed to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are generally made in cash or with a credit term of 30 days, which is consistent with market practice.

Under the group standard contract terms, customers have a right of return within 30 days. At the point of sale, there is no refund liability, as instances of refunds are remote. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal will not occur given the consistent level of returns over previous years.

The Group facilitates or manages the customer warranty claims with the vendor in line with vendor warranty periods.

Provision of Cash in transit, intruder and fire alarm monitoring, guard services, facilities management services and cleaning services

The group provides cash in transit, intruder and fire alarm monitoring, guard services, facilities management services and cleaning services. Revenue from providing services is recognised when the services are rendered and the group is entitled to receive such income.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables. In these cases the deliverables are accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. If the contract includes a monthly fee, revenue is recognised in the amount to which the group or company has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.3 Revenue from contracts with customers (continued)

If the contract includes an hourly fee, revenue is recognised in the amount to which the group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced. No financing element is recognised as the payment terms are within 30 days.

Management is of the view that the methods described above to recognised revenues provide a faithful depiction of the transfer of goods and services as it closely reflect the commercial arrangements between the group and its customers.

1.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	5 - 10 years
Leasehold improvements	Straight line	5 - 15 years
Furniture, fittings and equipment	Straight line	3 - 10 years
Motor vehicles	Straight line	5 years
Radio and alarm equipment	Straight line	2 - 10 years
Uniforms	Straight line	1.5 years

The residual values of property, plant and equipment items, if not insignificant, are reassessed annually. The useful lives and depreciation methods are also reassessed annually and adjusted if appropriate.

Repairs and maintenance costs are recognised in profit or loss during the financial year in which these costs are incurred. Gains and losses on disposal of plant and equipment, which arise in the normal course of business, are determined by comparing the proceeds with the carrying amounts and are included in profit or loss.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.5 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.6 Intangible assets

Goodwill

Goodwill represents amounts arising on acquisition of a business. The goodwill consists of the difference between the fair value of the consideration transferred to acquire the business and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.6 Intangible assets (continued)

Goodwill is allocated to the individual cash-generating units and is tested annually for impairment. Any impairment loss is recognised if the present value of the estimated future cash flows arising from the identified units is exceeded by the carrying amount of goodwill. An impairment loss is recognised in profit or loss in the year in which it is identified. An impairment loss in respect of goodwill is not reversed.

1.7 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification which are adopted by the group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

- Amortised cost.

Note 3 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Amounts due from related parties at amortised cost

Classification

Amounts due from related parties (refer to note 18) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Amounts due from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The related party receivables are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the related party receivables initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.7 Financial instruments (continued)

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in finance income (refer to note 9).

The application of the effective interest method to calculate interest income on amounts due from related parties is dependent on the credit risk of the related party receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the related party receivable, provided the related party receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a related party receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the related party receivable, even if it is no longer credit-impaired.
- If a related party receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the related party receivable in the determination of interest. If, in subsequent periods, the related party receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group recognises a loss allowance for expected credit losses on all amounts due from related parties measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.7 Financial instruments (continued)

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in administrative expenses in profit or loss as a movement in credit loss allowance (refer to note 7).

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.7 Financial instruments (continued)

Credit risk

Details of credit risk related to amounts due from related parties are included in the specific notes and the financial instruments and risk management (refer to note 3).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains / (losses) on financial assets at amortised cost.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (refer to note 21).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables.

They are measured, at initial recognition, at fair value plus transaction costs, if any, and subsequently measured at amortised cost.

The amortised cost is the amount initially recognised on the receivable, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.7 Financial instruments (continued)

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments.

The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 21.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in administrative expenses in profit or loss as a movement in credit loss allowance.

Credit risk

Details of credit risk are included in the trade and other receivables note (refer to note 21) and the financial instruments and risk management note (refer to note 3).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains / (losses) on financial assets at amortised cost.

Trade and other payables and amounts due to related parties

Classification

Trade and other payables and amounts due to related parties (refer to note 26), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value less transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.7 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (refer to note 10).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period.

Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (refer to note 3).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents is initially measured at fair value and subsequently measured at amortised cost which is deemed to approximate fair value.

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts are measured at amortised costs, using the effective interest rate method

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.7 Financial instruments (continued)

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.8 Inventories

Security alarms, fire alarms, equipment and operational consumables are stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

1.9 Stated capital

Ordinary shares are classified as equity and stated at the fair value of the consideration received. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.10 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.11 Income tax

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the related taxation is also recognised in other comprehensive income or equity.

Current taxation is the expected taxation payable on the taxable income for the year using taxation rates enacted or substantively enacted at the reporting date after taking account of income and expenditure which is not subject to taxation and any adjustment to taxation for previous years.

Deferred taxation is provided on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using taxation rates enacted or substantively enacted at the reporting date.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- Taxable temporary differences arising on the initial recognition of goodwill.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused taxation losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

1.12 Employee benefits

Pension obligations

The Group established a defined contribution pension scheme in July 2009, managed by Fiducia Services (Pty) Ltd, a privately administered pension insurance plan, for all citizen employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A gratuity scheme is in place for expatriate employees in terms of their employment contracts.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after balance sheet date are discounted to present value. Contract staffs are paid terminal gratuities in accordance with their respective employment contract.

Other benefits

(i) Severance payments and gratuities

In terms of the Labour Law legislation, severance pay is due to employees who are not eligible for gratuities or with respect to whom no contributions are made to the pension scheme. Provision for severance and gratuity benefits are raised in the period in which they accrue.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

I.12 Employee benefits (continued)

(ii) Leave pay

The costs of paid leave is recognised as an expense as the employee render services that increases the entitlement or, in the case of non-accumulating absence, when absence occurs.

(iii) Medical aid

In terms of the employment contracts and the rules of relevant medical aid scheme, medical benefits are provided to employees.

The Group subsidises a portion of medical aid contribution for certain employees. Contributions in relation to Group's obligations in respect of these benefits are charged against profit or loss in the period of payment.

There are no post-employment medical funding requirements.

I.13 Provisions and accruals

Provisions and accruals are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Such amounts are raised as accruals unless the measurement thereof is subject to significant judgement. Provisions are not recognised for future operating losses.

Provisions and accruals are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

I.14 Earnings per share

The Group presents basic and diluted earnings per share (EPS) information for its ordinary shares. Basic EPS is calculated by dividing the profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss after taxation attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

I.15 Segment reporting

An operating segment is a component of the Group that engages in unique business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group has three primary operating segments: Cash Solutions, Manned Security Services and Electronic Security Services. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services. Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.15 Segment reporting (continued)

All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods or services. For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. This primarily applies to the Group's headquarters in Gaborone.

The basis of segmental reporting has been set out in note 34.

1.16 Finance expense and interest income

Interest received is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Interest received is recognised in profit or loss. Finance expense is recognised in profit or loss in the period in which these expenses are incurred using the effective interest rate method.

1.17 Leases (IFRS 16)

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (refer to note 7) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 15.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

I.17 Leases (IFRS 16) (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 15).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 10).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.17 Leases (IFRS 16) (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

The initial measurement of the right-of-use assets includes the lease payments in the measurement of the lease liability, which comprise of the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.18 Dividends

Dividend income

Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of preacquisition profits. However, the investment may need to be tested for impairment as a consequence.

Dividend liability

Accrual is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.19 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Pula unless otherwise stated.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Significant Accounting Policies

1.20 Non-current assets held for sale or distribution to owners

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of assets classified as held for sale (distribution to owners) are recognised in profit or loss.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

Temporary exceptions have been created by the IASB concerning the application of specific hedge accounting requirements as a result of the interest rate benchmark reform. These exceptions apply only to those hedging relationships which are directly affected by the reform, being those where the reform gives rise to uncertainties about:

- (a) the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or
- (b) the timing or the amount of interest rate benchmark -based cash flows of the hedged item or of the hedging instrument.
The exceptions are as follows:
 - (a) When determining whether a forecast transaction is highly probable, it shall be assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.
 - (b) When assessing the economic relationship between the hedged item and the hedging instrument, entities shall, in their prospective assessments, assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the reform.
 - (c) Entities applying IAS 39 for hedge accounting are not required to undertake the IAS 39 retrospective assessment for hedging relationships directly affected by the reform.
 - (d) For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at inception of such hedging relationships.

Entities shall cease applying the exceptions when the uncertainty arising from the reform is no longer present or when the hedging relationship is discontinued.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group has adopted the amendment for the first time in the 2020 consolidated and separate financial statements.

The impact of the amendment is not material.

Definition of a business - Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

2. New Standards and Interpretations (continued)

- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group has adopted the amendment for the first time in the 2020 consolidated and separate financial statements.

The impact of the amendment is not material.

Amendments to IAS 1, “Presentation of financial statements” and IAS 8, “Accounting policies, changes in accounting estimates and error” and the definition of materiality

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group has adopted the amendment for the first time in the 2020 consolidated and separate financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 January 2021 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

Notes to the Consolidated And Separate Financial Statements

2. New Standards and Interpretations (continued)

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group expects to adopt the amendment for the first time in the 2023 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the group is for years beginning on or after 01 January 2022.

The group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Reference to the Conceptual Framework: Amendments to IFRS 3

The amendment makes reference to the Conceptual Framework for Financial Reporting issued in 2018 rather than to the IASC's Framework for the Preparation and Presentation of Financial Statements. The amendment specifically points to the treatment of liabilities and contingent liabilities acquired as part of a business combination, and which are in the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies. It clarifies that the requirements of IAS 37 or IFRIC 21 should be applied to provisions, contingent liabilities or levies to determine if a present obligation exists at the Acquisition date. The amendment further clarifies that contingent assets of acquirees share not be recognised as part of the business combination.

The effective date of the group is for years beginning on or after 01 January 2022.

The group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the group is for years beginning on or after 01 January 2022.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

2. New Standards and Interpretations (continued)

The group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts is now specifically required.

The effective date of the group is for years beginning on or after 01 January 2022.

The group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract.

These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the group is for years beginning on or after 01 January 2022.

The group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41

"Taxation" has been removed from the list of cash flows excluded from the fair value determination of biological assets.

The effective date of the group is for years beginning on or after 01 January 2022.

The group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4

An insurer applying the temporary exemption from IFRS 9 shall apply the new requirements of IFRS 9 concerning situations where a change in the basis for determining the contractual cash flows of a financial asset or financial liability is required by interest rate benchmark reform.

The effective date of the group is for years beginning on or after 01 January 2021.

The group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

Notes to the Consolidated And Separate Financial Statements

2. New Standards and Interpretations (continued)

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7

The amendment sets out additional disclosure requirements related to interest rate benchmark reform.

The effective date of the group is for years beginning on or after 01 January 2021.

The group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9

When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the group is for years beginning on or after 01 January 2021.

The group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16

If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment. The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the group is for years beginning on or after 01 January 2021.

The group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39

Temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of financial items as hedged items have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the group is for years beginning on or after 01 January 2021.

The group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

2. New Standards and Interpretations (continued)

COVID-19 - Related Rent Concessions - Amendment to IFRS 16

The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for if it were not a lease modification.

This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payment affects only payments originally due on or before 30 June 2021 and
- there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after 01 June 2020.

The group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management

Financial risk management

Overview

The Group has exposure to foreign currency, liquidity and credit risk that arises in the normal course of business. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks and the Group's management of capital.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The board of directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The following table indicates the carrying value of financial instruments are recoverable and payable within a short period of time.

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P
Financial assets				
Trade receivables	23 331 048	33 837 037	23 331 048	32 624 013
Other receivables	75 152	850 664	75 152	777 926
Amounts due from related parties	54 731 987	51 148 713	55 697 518	51 148 713
Cash and cash equivalents	31 888 346	18 862 793	31 888 346	17 557 224
	110 026 533	104 699 207	110 992 064	102 107 876
Financial liabilities				
Trade payables	3 472 784	6 639 846	3 472 782	6 194 193
Other payables	959 145	5 241 410	959 145	4 735 126
Amounts due to related parties	1 170 685	9 791 605	1 170 685	13 663 494
Accrued audit fees	718 462	472 341	718 462	377 026
Other accrued expenses	761 602	1 002 902	761 602	1 002 902
Lease liabilities	13 642 292	23 050 915	13 642 292	23 050 915
	20 724 970	46 199 019	20 724 968	49 023 656

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk exposure arising on cash and cash equivalents is managed by the group by dealing with well-established financial institutions.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

Credit risk (continued)

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

In determining the level of likely credit losses on write-off of trade receivables, the Group has taken cognisance of historical collections from external debt collection processes and delayed settlement arrangements with debtors, as well as the impact which the expected future development of macro-economic indicators (specifically Gross Domestic Product) may have on historical collection and default rates.

In doing so the Group and Company have estimated credit losses at write-off to be equal to 41% and 41% of defaulted amounts, respectively.

These have resulted in an impairment loss allowance of P25 931 828 and P25 931 828, respectively for Group and Company.

The assessment of expected credit losses for the Group and Company will increase by P3 626 100 and P3 626 100, respectively, for every percentage point increase in these estimates.

The Group and Company has assessed the impact of improving macro-economic factors (as precipitated by the anticipated improvement in Gross Domestic Product over the ensuing financial period) as decreasing the assessment of expected credit losses by P2 565 444 and P2 565 444, respectively. Actual credit losses may exceed the current assessments should the improving economic conditions not impact on losses at write-off as anticipated.

Trade receivables are considered irrecoverable where

- the customer has not made any payment within 180 days from the date of invoice (at which stage amounts are considered in full default),
- no alternative payment arrangements have been made and adhered to by the customer during the first 180 days after date of invoice; and
- alternative collection efforts (mainly through external debt collection agencies), initiated once the invoice has been outstanding for more than 180 days, have failed.

On the above basis the expected credit loss for trade receivables as at 31 December 2020 and 31 December 2019 was determined as follows, (refer to note 21):

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, amounts due from related parties and its investments in cash and cash equivalents.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Note	Group		Company	
		2020 P	2019 P	2020 P	2019 P

3. Financial instruments and risk management (Continued)

The carrying amount of financial assets represents the maximum credit exposure and is summarised as follows:

Trade receivables (net of impairment)	Not rated	23 331 048	33 837 037	23 331 048 3	2 624 013
Other receivables	Not rated	75 152	850 664	75 152	777 926
Amounts due from related parties	Not rated	54 731 987	51 148 713	55 697 518	51 148 713
Cash and cash equivalents	Not rated	31 888 346	18 862 793	31 888 346	17 557 224
		110 026 533	104 699 207	110 992 064	102 107 876

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes.

Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

The below table shows an age analysis of gross trade receivables at their carrying value respectively as at the balance sheet date:

Fully performing	13 388 053	25 963 368	13 388 053	25 604 977
Past due not impaired	14 913 295	8 941 822	14 913 295	8 269 514
Impaired	29 098 787	22 290 017	29 098 787	21 055 249
	57 400 135	57 195 207	57 400 135	54 929 740
Aging of trade receivables				
Fully performing	13 388 053	25 963 368	13 388 053	25 604 977
Past due 31-90 days	4 957 401	4 915 037	4 957 401	4 340 671
Past due 91 -180	1 812 635	4 026 784	1 812 635	3 928 843
Past due more than 180 days	29 104 787	22 290 018	29 104 787	21 055 249
Total gross receivables	49 262 876	57 195 207	49 262 876	54 929 740
Less impairment on receivables:				
Impairment loss allowance	(25 931 828)	(23 358 170)	(25 931 828)	(22 305 727)
Net trade receivables	23 331 048	33 837 037	23 331 048	32 624 013

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Note	Group		Company	
		2020 P	2019 P	2020 P	2019 P

3. Financial instruments and risk management (Continued)

The impairment accrual consists of all impaired gross trade receivables net of value added tax (VAT) of 12% charged on the trade receivables.

Movement in impairment allowance:

Opening balance of the year	23 358 170	20 688 931	22 305 727	18 764 918
Amounts recovered	-	(150 655)	-	-
Additional impairment recognised during the year	3 626 101	3 540 809	3 626 101	3 540 809
Provisions reversed on settled trade receivables	-	(948 339)	-	-
Transferred to assets held for sale	(1 052 443)	227 424	-	-
Balance at the end of the year	25 931 828	23 358 170	25 931 828	22 305 727

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing its liquidity risk is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group utilises overdraft facilities and funds placed in call accounts as well as with G4S plc to ensure that liquidity risk is managed appropriately. Management monitors rolling forecasts of the Group's liquidity reserve (comprising amounts due from G4S plc) and cash and cash equivalents on the basis of expected cashflow. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group.

Maturities of financial liabilities

The maturity profile of non-derivative financial liabilities based on contractual maturities is disclosed in the table below as the contractual undiscounted cash flows. All balances are due within 12 months and equal their carrying balances as the impact of discounting is not significant.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

Group - 2020

	Note	Within 1 year	1 to 5 years	Over 5 years	Contractual cash flows	Carrying amount Carrying amount
Non-current liabilities						
Lease liabilities		-	6 154 787	94 937	6 249 724	6 249 724
Current liabilities						
Trade payables	26	3 472 784	-	-	3 472 784	3 472 784
Amounts due to related parties	25	1 170 685	-	-	1 170 685	1 170 685
Lease liabilities		7 392 568	-	-	7 392 568	7 392 568
Other payables	26	959 145	-	-	959 145	959 145
Other accrued expenses	26	761 602	-	-	761 602	761 602
Accrued audit fees	26	718 462	-	-	718 462	718 462
		14 475 246	6 154 787	94 937	20 724 970	20 724 970

Group - 2019

	Note	Within 1 year	1 to 5 years	Over 5 years	Contractual cash flows	Carrying amount Carrying amount
Non-current liabilities						
Lease liabilities		-	10 584 455	-	10 584 455	10 584 455
Current liabilities						
Trade payables	26	6 639 846	-	-	6 639 846	6 639 846
Amounts due to related parties	25	9 791 605	-	-	9 791 605	9 791 605
Lease liabilities	12	466 460	-	-	12 466 460	12 466 460
Bank overdraft	22	-	-	-	-	1
Other payables	26	5 686 609	-	-	5 686 609	5 686 609
Other accrued expenses	26	1 002 902	-	-	1 002 902	1 002 902
Accrued audit fees	26	472 341	-	-	472 341	472 341
		36 059 763	10 584 455	-	46 644 218	46 644 219

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

Group - 2020

	Note	Within 1 year	1 to 5 years	Over 5 years	Contractual cash flows	Carrying amount Carrying amount
Non-current liabilities						
Lease liabilities		-	6 154 787	94 937 6	249 724	6 249 724
Current liabilities						
Trade payables	26	3 472 782	-	-	3 472 782	3 472 782
Amounts due to related parties	25	1 170 685	-	-	1 170 685	1 170 685
Finance lease liabilities		7 392 568	-	-	7 392 568	7 392 568
Other payables	26	959 145	-	-	959 145	959 145
Other accrued expenses	26	761 602	-	-	761 602	761 602
Accrued audit fees	26	718 462	-	-	718 462	718 462
		14 475 244	6 154 787	94 937	20 724 968	20 724 968

Group - 2019

	Note	Within 1 year	1 to 5 years	Over 5 years	Contractual cash flows	Carrying amount Carrying amount
Non-current liabilities						
Lease liabilities		-	10 584 455	-	10 584 455	10 584 455
Current liabilities						
Trade payables	26	6 194 193	-	-	6 194 193	6 194 193
Amounts due to related parties	25	13 663 494	-	-	13 663 494	13 663 494
Lease liabilities		12 466 460	-	-	12 466 460	12 466 460
Other payables	26	5 677 214	-	-	5 677 214	5 677 214
Other accrued expenses	26	1 002 902	-	-	1 002 902	1 002 902
Accrued audit fees	26	377 026	-	-	377 026	377 026
		39 381 289	10 584 455	-	49 965 744	49 965 744

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

3. Financial instruments and risk management (Continued)

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars and South Africa Rand.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exchange rates

Year end translation rate (ZAR/BW)	1.3421	1.3179	1.3421	1.3179
Year end translation rate (USD/BW)	-	0.0943	-	0.0943
Year end translation rate (NAD/BW)	-	1.3179	-	1.3179
Year end translation rate (GBP/BW)	0.0676	0.0711	0.0676	0.0711

Foreign currency sensitivity analysis

The Group is exposed to currency risk mainly the Namibian Dollar (NAD), British Pound (GBP), South Africa Rand (ZAR) and United States Dollar (USD) through its purchases from South Africa, Namibia, United Kingdom and India (in USD). The Group's total liabilities payable in NAD at the reporting date were NAD Nil: P Nil (2019: NAD145 928: P110 726), GBP at the reporting date were GBP 32 749: P 484 453 (2019: GBP73: P1 030), ZAR at the reporting date were R 522 993: P 701 909 (2019: R1 661 347: P1 260 580), payable in USD at the reporting date were USD Nil: P Nil (2019: USD173 641: P 1 841 953).

A 10 percent strengthening of the Botswana Pula against the Namibia Dollar (NAD) at the reporting date would have increased the company's profit before taxation by P Nil (2019: P11 073). A 10 percent strengthening of the Botswana Pula against the British Pound at the reporting date would have increased the company's profit before taxation by P 48 445 (2019: P103). A 10 percent strengthening of the Botswana Pula against the South African Rand at the reporting date would have increased the company's profit before taxation by P 52 299 (2019: P126 058). A 10 percent strengthening of the Botswana Pula against the United States Dollar at the reporting date would have increased the company's profit before taxation by P Nil (2019: P184 195).

This analysis assumes that all other variables, in particular interest rates remain constant. A 10 percent weakening of the Botswana Pula against the South African Rand and United States Dollar at the reporting date would have had the equal but opposite effect on the company's profit before taxation, based on the assumption that all other variables, in particular interest rates remain constant.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (continued)

	2020	2020	2019	2019
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate by 10%				
Impact on profit or loss:				
ZAR/BWP	(52 299)	52 299	(126 058)	126 058
USD/BWP	-	-	(184 195)	184 195
GBP/BWP	(48 445)	48 445	(103)	103
NAD/BWP	-	-	(11 073)	11 073
	(100 744)	100 744	(321 429)	321 429
Impact on equity:				
ZAR/BWP	(40 793)	40 793	(98 325)	98 325
USD/BWP	-	-	(143 672)	143 672
GBP/BWP	(37 787)	37 787	(80)	80
NAD/BWP	-	-	(8 637)	8 637
	(78 580)	78 580	(250 714)	250 714

Interest rate risk

The Group's interest rate risk arises from and cash and cash equivalents and amounts due from related parties. The Group does not make use of financial instruments to manage this risk. Fluctuation in interest rates impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risk. Finance costs relate to the group's finance lease liabilities which do not give rise to interest rate risk.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

3. Financial instruments and risk management (continued)

	2020	2020	2019	2019
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate by 1%				
Impact on profit or loss:				
Interest income	547 601	(547 601)	494 786	(494 786)
Impact on equity:				
Interest income	427 129	(427 129)	385 933	(385 933)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group equity attributable to equity holders of the parent. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group has no externally imposed capital requirements and the group's targeted gearing ratio is 0% for the foreseeable future.

The gearing ratios at 31 December 2020 and 31 December 2019 were as follows;

Total borrowings		-	-	-	-
Cash and cash equivalents	22	31 888 346	18 862 793	31 888 346	17 557 224
Net debt		31 888 346	18 862 793	31 888 346	17 557 224
Equity		114 703 310	104 255 912	115 668 843	96 484 733
Gearing ratio		0.00 %	0.00 %	0.00 %	0.00 %

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

3. Financial instruments and risk management (continued)

Categories of financial instruments

Categories of financial assets

Group - 2020

	Note(s)	Amortised cost P	Total P
Amounts due from related parties	18	54 731 987	54 731 987
Trade and other receivables	21	23 406 200	23 406 200
Cash and cash equivalents	22	31 888 346	31 888 346
		110 026 533	110 026 533

Group - 2019

	Note(s)	Amortised cost P	Total P
Amounts due from related parties	18	51 148 713	51 148 713
Trade and other receivables	21	34 687 701	34 687 701
Cash and cash equivalents	22	18 862 794	18 862 794
		104 699 208	104 699 208

Company - 2020

	Note(s)	Amortised cost P	Total P
Amounts due from related parties	18	55 697 518	55 697 518
Trade and other receivables	21	23 406 200	23 406 200
Cash and cash equivalents	22	31 888 346	31 888 346
		110 992 064	110 992 064

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (continued)

Company - 2019

	Note(s)	Amortised cost P	Total P
Amounts due from related parties	18	51 148 713	51 148 713
Trade and other receivables	21	33 401 939	33 401 939
Cash and cash equivalents	22	17 557 224	17 557 224
		102 107 876	102 107 876

Categories of financial liabilities

Group - 2020

	Note(s)	Amortised cost P	Total P
Trade and other payables	26	9 652 627	9 652 627
Amounts due to related parties	25	1 170 685	1 170 685
Finance lease liabilities		13 176 028	13 176 028
		23 999 340	23 999 340

Group - 2019

	Note(s)	Amortised cost P	Total P
Trade and other payables	26	13 436 058	13 436 058
Amounts due to related parties	25	9 791 605	9 791 605
Finance lease liabilities		23 050 915	23 050 915
		46 278 578	46 278 578

Company - 2020

	Note(s)	Amortised cost P	Total P
Trade and other payables	26	9 652 629	9 652 629
Amounts due to related parties	25	1 170 685	1 170 685
Finance lease liabilities		13 176 028	13 176 028
		23 999 342	23 999 342

Company - 2019

	Note(s)	Amortised cost P	Total P
Trade and other payables	26	12 388 806	12 388 806
Loans from group companies	25	13 663 494	13 663 494
Finance lease liabilities		23 050 915	23 050 915
		49 103 215	49 103 215

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020 P	2019 P	2020 P	2019 P
4. Revenue				
Revenue from contracts with customers				
Sale of goods	6 478 499	7 567 383	6 478 499	7 567 383
Rendering of services	183 957 962	189 164 530	183 957 962	189 164 530
	190 436 461	196 731 913	190 436 461	196 731 913
Disaggregation of revenue from contracts with customers				
The group disaggregates revenue from customers as follows:				
Sale of goods				
Security services				
Alarm equipment sales	1 955 639	2 649 756	1 955 639	2 649 756
Cash solutions				
Cash solutions - seals sales	4 343 621	4 706 243	4 343 621	4 706 243
Cash solutions - zip and key sales	179 239	211 384	179 239	211 384
	6 478 499 7	567 383	6 478 499	7 567 383
Rendering of services				
Security systems				
Alarm monitoring and response services	45 599 401	56 410 152	45 599 401	56 410 152
Systems installations services	1 015 713	1 218 089	1 015 713	1 218 089
Systems repairs and maintenance services	542 327	815 539	542 327	815 539
Manned security				
Casual guarding services	1 716 958	1 476 745	1 716 958	1 476 745
Guarding statics services	81 229 432	72 592 072	81 229 432	72 592 072
Cash solutions				
Cash services -deposits, ATM, CIT, courier, courier box and cash centre	53 735 799	56 214 330	53 735 799	56 214 330
Facilities management				
Facility management services	118 332	437 603	118 332	437 603
	183 957 962	189 164 530	183 957 962	189 164 530
Total revenue from contracts with customers	190 436 461	196 731 913	190 436 461	196 731 913
Timing of revenue recognition				
At a point in time				
Sale of goods	(6 478 499)	(7 567 383)	(6 478 499)	(7 567 383)
Over time				
Rendering of services	(183 957 962)	(189 164 530)	(183 957 962)	(189 164 530)
Total revenue from contracts with customers	(190 436 461)	(196 731 913)	(190 436 461)	(196 731 913)

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2020 P	2019 P	2020 P	2019 P
5. Cost of sales				
Sale of goods	7 684 803	6 777 287	7 684 803	6 777 287
Rendering of services:				
Rendering of services: Employee costs	90 134 747	86 373 331	90 134 747	86 373 331
Rendering of services: Depreciation/amortisation	16 986 177	15 451 377	16 986 177	15 451 377
Rendering of services: Expenses	19 579 004	24 585 899	19 579 004	24 585 899
	134 384 731	133 187 894	134 384 731	133 187 894
Rendering of services: Employee costs				
Employee costs - salaried staff	90 134 747	86 373 331	90 134 747	86 373 331
Rendering of services: Depreciation/amortisation				
Property, plant and equipment	6 668 425	4 681 021	6 668 425	4 681 021
Right-of-use assets	10 317 752	10 770 356	10 317 752	10 770 356
	16 986 177	15 451 377	16 986 177	15 451 377
Rendering of services: Expenses				
Customer claims	581 958	768 475	581 958	768 475
Data, fixed line and mobile costs	1 864 951	1 524 529	1 864 951	1 524 529
Fines and penalties	44 489	255 846	44 489	255 846
Goods transportation	195 925	464 384	195 925	464 384
Operating expenses	1 123 248	2 348 548	1 123 248	2 348 548
Insurance vehicles	1 017 394	1 652 089	1 017 394	1 652 089
Lease rentals on operating lease	-	1 730 005	-	1 730 005
Motor vehicle expenses	7 785 643	8 396 844	7 785 643	8 396 844
Other expenses - manned security and facility management services	2 808 061	3 051 190	2 808 061	3 051 190
Other expenses - security systems	2 859 806	798 500	2 859 806	798 500
Property costs	36 256	-	36 256	-
Radio and software licenses	795 610	871 980	795 610	871 980
Training and recruitment costs	45 872	244 240	45 872	244 240
Travel and accommodation expenses	419 791	310 012	419 791	310 012
Uniforms and related equipment	-	2 169 257	-	2 169 257
	19 579 004	24 585 899	19 579 004	24 585 899
6. Other income				
COVID-19 wage subsidy	8 836 606	-	8 836 606	-
Insurance claims received	2 255 540	1 165 435	2 255 540	1 165 435
Profit on disposal of plant and equipment	337 714	356 207	337 714	356 207
Foreign exchange loss	(148 301)	(626 025)	(148 301)	(626 025)
	11 281 559	895 617	11 281 559	895 617

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

7. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fees	778 240	688 499	778 240	688 499
Adjustment for previous year	582 888	-	582 888	-
	I 361 128	688 499	I 361 128	688 499

Remuneration, other than to employees

Administrative and managerial services	371 859	640 484	371 859	640 484
Consulting and professional services	I 343 298	2 207 150	I 343 298	2 207 150
Secretarial services	56 841	232 821	56 841	232 821
	I 771 998	3 080 455	I 771 998	3 080 455

Employee costs

Salaries, wages, bonuses and other benefits	82 643 480	76 083 356	82 643 480	76 083 356
Defined contribution expense	2 852 316	2 843 869	2 852 316	2 843 869
Other benefits	20 355 939	23 621 835	20 355 939	23 621 835
Total employee costs	105 851 735	102 549 060	105 851 735	102 549 060
Employee costs included in cost of rendering services	(90 134 747)	(86 373 331)	(90 134 747)	(86 373 331)
Total employee costs expensed	I 15 716 988	I 16 175 729	I 15 716 988	I 16 175 729

**Number of persons employed at year end
for continued operations**

Number of employees	2 578	2 675	2 578	2 675
---------------------	-------	-------	-------	-------

Depreciation

Depreciation of property, plant and equipment	7 747 289	5 917 207	7 747 289	5 917 207
Depreciation of right-of-use assets	10 317 752	10 770 356	10 317 752	10 770 356
Total depreciation	I 18 065 041	I 16 687 563	I 18 065 041	I 16 687 563
Depreciation included in cost of rendering services	(16 986 177)	(15 451 377)	(16 986 177)	(15 451 377)
Total depreciation expensed	I 078 864	I 236 186	I 078 864	I 236 186

Impairment losses

Goodwill	8 350 979	-	-	-
----------	-----------	---	---	---

Movement in credit loss allowances

Trade and other receivables	3 626 100	3 540 809	3 626 100	3 540 809
-----------------------------	-----------	-----------	-----------	-----------

Directors and key management personnel emoluments including administrative expenses and are analysed as follows:

Non executive directors fees	615 000	514 064	615 000	514 064
Executive directors and key management personnel for management services	4 344 116	4 248 615	4 344 116	4 248 615
	4 959 116	4 762 679	4 959 116	4 762 679

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020 P	2019 P	2020 P	2019 P
8. Administrative expenses				
Audit fees	778 240	688 499	778 240	688 499
Bad debts	6 676 649	3 195 635	6 676 649	3 195 635
Bank charges	745 294	743 563	745 294	743 563
Cleaning fees	(81 262)	(22 863)	739 837	839 624
Depreciation	1 078 864	1 236 186	1 078 864	1 236 186
Consulting fees	794 130	1 034 260	794 130	1 034 260
Electricity and water	1 082 878	793 541	1 082 878	793 541
Employee costs	15 716 988	16 175 729	15 716 988	16 175 729
Fines and penalties	-	248 634	-	10 779
Goods transportation	870 246	912 097	870 246	912 097
Insurance	545 951	501 632	545 951	501 632
Legal and professional fees	549 168	1 172 890	549 168	1 172 890
Listing fees	80 500	133 520	80 500	133 520
Office expenses	(456 582)	730 594	(456 582)	730 594
Premises and motor vehicle	430 470	270 580	430 470	270 580
Printing and stationery	1 340 818	718 626	1 340 818	718 626
IT expenses	415 476	243 608	415 476	243 608
Repairs and maintenance	228 561	557 195	228 561	557 195
Royalties	1 911 155	1 976 174	1 911 155	1 976 174
Transport and freight	870 246	912 097	870 246	912 097
Secretarial fees	56 841	232 821	56 841	232 821
Security	708 610	777 992	708 610	777 992
Telephone and fax	1 053 428	1 951 425	1 053 428	1 951 425
Other expenses	2 037 638	(80 289)	2 037 638	157 567
	37 434 307	35 104 146	38 255 406	35 966 634

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P
Advertising	78 945	425 889	78 945	425 889
Auditors remuneration	7 1 361 128	688 499	1 361 128	688 499
Bad debts	6 676 649	3 195 635	6 676 649	3 195 635
Bank charges	745 294	743 563	745 294	743 563
Cleaning	(81 262)	(22 863)	739 837	839 624
Computer expenses	413 128	244 282	413 128	244 282
Consulting and professional fees	794 130	1 034 260	794 130	1 034 260
Corporate social responsibilities	-	80 946	-	80 946
Depreciation	1 078 864	1 236	186 1 078 864	1 236 186
Electricity and water	1 082 878	793 541	1 082 878	793 541
Employee costs	15 716 988	16 175 729	15 716 988	16 175 729
Fines and penalties	-	10 779	-	10 779
Insurance	545 951	501 632	545 951	501 632
Legal fees	549 168	1 172 890	549 168	1 172 890
Listing expenses	80 500 1	33 520	80 500	133 520
Management fees and service charges	371 859	640 484	371 859	640 484
Motor vehicle expenses	254 386	381 335	254 386	381 335
Office expenses	(456 582)	730 594	(456 582)	730 594
Office rent and operating vehicle leases	374 862	(1 692 104)	374 862	(1 692 104)
Postage and publication expenses	143 275	100 941	143 275	100 941
Printing and stationery	1 340 818	718 626	1 340 818	718 626
Protective personal equipment	189 368	-	189 368	-
Repairs and maintenance	228 561	557 195	228 561	557 195
Royalties and license fees	1 911 155	1 976 174	1 911 155	1 976 174
Secretarial expenses	56 841	232 821	56 841	232 821
Security	708 610	777 992	708 610	777 992
Software and communication expenses	568 835	476 472	568 835	476 472
Subscription expenses	56 645	187 906	56 645 1	87 906
Teas and refreshments	1 644	2 384	1 644	2 385
Telephone and fax	1 053 428	1 951 425	1 053 428	1 951 425
Training and recruitment	302 210	257 231	302 210	257 231
Training expenses	176 568	298 721	176 568	298 721
Transport and customs	870 246	912 097	870 246	912 097
Travel and subsistence	239 217	179 364	239 217	179 364
	37 434 307	35 104 146	38 255 406	35 966 634
9. Finance income				
Income from investments				
Investments in financial assets:				
Interest received - bank	17 161	12 374	17 161	12 374
Loans to related companies				
Interest received - intercompany	3 219 894	3 186 420	3 219 894	3 186 420
Total interest income	3 237 055	3 198 794	3 237 055	3 198 794

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P
10. Finance costs				
Interest on finance lease liabilities	1 313 311	2 141 967	1 313 311	2 141 967
Other interest paid	15 125	52 873	15 125	52 873
Total finance costs	1 328 436	2 194 840	1 328 436	2 194 840
11. Impairment of investment in subsidiary				
Impairment losses on Investment in subsidiary	-	-	(1 868 330)	-
12. Taxation				
Major components of the tax expense				
Current				
Basic company tax	8 738 803	6 887 090	8 738 803	6 887 090
Deferred				
Originating and reversing temporary differences	(2 430 841)	(1 104 672)	(2 430 841)	(1 104 672)
Originating and reversing temporary differences from prior periods adjusted in the current year	-	1 254 941	-	1 254 941
	(2 430 841)	150 269	(2 430 841)	150 269
	6 307 962	7 037 359	6 307 962	7 037 359
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit from continuing operations	19 830 522	26 798 635	25 492 072	25 936 147
Tax at the applicable tax rate of 22% (2019: 22%)	4 362 715	5 895 700	5 608 256	5 705 952
Tax effect of adjustments on taxable income				
Tax penalties	16 847	58 658	16 847	58 658
Corporate social responsibilities	-	17 808	-	17 808
Prior years tax charge recognised in current year	682 859	1 254 941	682 859	1 254 941
Tax effect of discontinued operations	1 245 541	(189 747)	-	-
	6 307 962	7 037 360	6 307 962	7 037 359
13. Earnings per share				
Basic earnings per share				
From continuing operations (thebe per share)	16.90	24.70	-	-
From discontinued operations (thebe per share)	(3.09)	0.02	-	-
Earnings per share (thebe)	13.81	24.72	-	-

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P
13. Earnings per share (continued)				
Earnings per share calculation				
Profit or loss for the year attributable to owners of the parent company	11 049 385	19 778 268	19 184 110	18 898 788
Profit or loss for the year attributable to equity holders of the parent - continuing operations	13 522 560	19 761 276	19 184 110	18 898 788
Profit or loss for the year attributable to equity holders of the parent - discontinued operations	(2 473 175)	16 992 19	184 110	18 898 788
Weighted average number of ordinary shares at 31 December	80 000 000	80 000 000	80 000 000	80 000 000
Earnings per share (thebe)	13.81	24.72	23.98	23.62
Weighted average number of shares				
Issued ordinary shares 1 January/31 December	80 000 000	80 000 000	80 000 000	80 000 000
Weighted average number of ordinary shares for the year ended 31 December	80 000 000	80 000 000	80 000 000	80 000 000

Headline earnings and diluted headline earnings per share

Headline earnings and diluted headline earnings are determined by adjusting basic earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

Headline earnings per share (continuing operations)	16.39	24.16		
Headline earnings per share (discontinued operations)	7.41	0.02		
	23.80	24.18		
Reconciliation between earnings and headline earnings from continuing operations				
Earnings for the year attributable to owners of the company	13 522 560	19 761 276		
Adjusted for:				
Profit on disposal of plant and equipment	(337 714)	(356 207)		
Tax effect on re-measurement	(74 297)	(78 366)		
	13 110 549	19 326 703		
Reconciliation between earnings and headline earnings from discontinued operations				
Earnings for the year attributable to owners of the company	(2 473 175)	16 992		
Adjusted for:				
Loss on disposal of plant and equipment	49 604	-		
Impairment losses	8 350 988	-		
	5 927 417	16 992		

G4S (Botswana) Limited

Consolidated and Separate Financial Statements

for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P
13. Earnings per share (continued)				
Dividends per share				
Interim Dividend				
<i>For the current financial year (declared and paid in the current year)</i>				
Normal - Paid Nil thebe gross of tax (2019: 26.85 thebe gross of tax)	-	10 840 000	-	10 840 000
Final Dividend				
<i>For the preceding financial year (declared and paid in the current year)</i>				
Proposed - Paid Nil thebe gross of tax (2019: Nil thebe gross of tax)	-	10 640 000	-	10 640 000
	-	21 480 000	-	21 480 000
Issued shares at 31 December	80 000 000	80 000 000	80 000 000	80 000 000
Dividend per share (thebe) - gross of tax	-	26.85	-	26.85

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

14. Property, plant and equipment

Reconciliation of property, plant and equipment - Group - 2020

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Uniforms	Total
Opening balance							
Cost	553 521	16 089 504	32 550 818	41 004 688	4 524 035	-	94 722 566
Accumulated depreciation	(28 010)	(14 524 004)	(28 794 776)	(35 251 295)	(3 381 641)	-	(81 979 726)
Net book value at 01 January 2020	525 511	1 565 500	3 756 042	5 753 393	142 394	-	12 742 840
Additions	-	93 059	68 014	283 532	-	4 647 603	5 092 208
Disposals and scrappings - cost	-	(32 120)	(9 161 030)	(4 349 831)	-	-	(13 542 981)
Disposals and scrappings - accumulated depreciation and impairment	-	892	9 161 030	3 431 396	-	-	12 593 318
Transfers to assets classified as held for sale	-	(286 421)	(69 122)	-	-	-	(355 543)
Depreciation	(80 204)	(570 228)	(2 122 516)	(2 063 613)	(401 555)	(2 509 173)	(7 747 289)
Net book value at 31 December 2020	445 307	770 682	1 632 418	3 054 877	740 839	2 138 430	8 782 553
Made up as follows:							
Cost	553 521	11 760 040	20 012 554	39 596 741	4 524 035	5 536 621	81 983 512
Accumulated depreciation	(108 214)	(10 989 358)	(18 380 136)	(36 541 864)	(3 783 196)	(3 398 191)	(73 200 959)
	445 307	770 682	1 632 418	3 054 877	740 839	2 138 430	8 782 553

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

14. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment - Group - 2019

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Total
Opening balance						
Cost	-	15 421 738	37 664 714	36 477 273	4 524 035	94 087 760
Accumulated depreciation	-	(14 729 545)	(31 737 357)	(32 488 359)	(2 901 103)	(81 856 364)
Net book value at 01 January 2019	-	692 193	5 927 357	3 988 914	1 622 932	12 231 396
Additions	553 521	748 206	589 350	4 527 415	-	6 418 492
Disposals and scrappings - cost	-	(48 859)	(5 703 248)	-	-	(5 752 107)
Disposals and scrappings - accumulated depreciation	-	16 598	5 703 248	-	-	5 719 846
Assets held for sale	-	(116 769) 867	-	-	(115 902)	
Other changes	-	480 404	(141 466)	(180 616)	-	158 322
Depreciation	(28 010)	(206 273)	(2 620 066)	(2 582 320)	(480 538)	(5 917 207)
Net book value at 31 December 2019	525 511	1 565 500	3 756 042	5 753 393	1 142 394	12 742 840
Made up as follows:						
Cost or revaluation	553 521	16 089 504	32 550 818	41 004 688	4 524 035	94 722 566
Accumulated depreciation and impairment	(28 010)	(14 524 004)	(28 794 776)	(35 251 295)	(3 381 641)	(81 979 726)
	525 511	1 565 500	3 756 042	5 753 393	1 142 394	12 742 840

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

14. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment - Group - 2020

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Uniforms	Total
Opening balance							
Cost	553 521	13 184 141	31 800 134	41 004 688	4 524 035	-	91 066 519
Accumulated depreciation	(28 010)	(11 905 062)	(28 113 214)	(35 251 295)	(3 381 641)	-	(78 679 222)
Net book value at 01							
January 2020	525 511	1 279 079	3 686 920	5 753 393	1 142 394	-	12 387 297
Additions	-	93 059	68 014	283 532	-	4 647 603	5 092 208
Disposals and scrappings - cost	-	(32 120)	(9 161 030)	(4 349 831)	-	-	(13 542 981)
Disposals and scrappings - accumulated depreciation	-	892	9 161 030	3 431 396	-	-	12 593 318
Depreciation	(80 204)	(570 228)	(2 122 516)	(2 063 613)	(401 555)	(2 509 173)	(7 747 289)
Net book value at 31							
December 2020	445 307	770 682	1 632 418	3 054 877	740 839 2	1 138 430	8 782 553
Made up as follows:							
Cost	553 521	11 760 040	31 800 134	39 596 741	4 524 035	5 536 621	93 771 092
Accumulated depreciation	(108 214)	(10 989 358)	(28 113 214)	(36 541 864)	(3 783 196)	(3 398 191)	(82 934 037)
	445 307	770 682	3 686 920	3 054 877	740 839 2	1 138 430	10 837 055

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

14. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment - Group - 2019

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Total
Opening balance						
Cost	-	12 571 616	36 799 901	36 477 273	4 524 035	90 372 825
Accumulated depreciation	-	(12 179 193)	(30 940 799)	(32 488 359)	(2 901 103)	(78 509 454)
Net book value at						
01 January 2019	-	392 423	5 859 102	3 988 914	1 622 932	11 863 371
Additions	553 521	612 525	589 350	4 527 415	-	6 282 811
Disposals and scrappings - cost	-	-	(5 589 117)	-	-	(5 589 117)
Disposals and scrappings - accumulated depreciation and impairment	-	-	5 589 117	-	-	5 589 117
Other changes, movements	-	480 404	(141 466)	(180 616)	-	158 322
Depreciation	(28 010)	(206 273)	(2 620 066)	(2 582 320)	(480 538)	(5 917 207)
Net book value at						
31 December 2019	525 511	1 279 079	3 686 920	5 753 393	1 142 394	12 387 297
Made up as follows:						
Cost	553 521	13 184 141	31 800 134	41 004 688	4 524 035	91 066 519
Accumulated depreciation	(28 010)	(11 905 062)	(28 113 214)	(35 251 295)	(3 381 641)	(78 679 222)
	525 511	1 279 079	3 686 920	5 753 393	1 142 394	12 387 297

Property, plant and equipment encumbered as security

None of the plant and equipment has been pledged as security or has a restricted title.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

15. Right-of-use asset

Details pertaining to leasing arrangements, where the group is lessee are presented below. The group enters into buildings, motor vehicles and operational equipment leases based on operational requirements.

Net carrying amounts of right-of-use assets

Reconciliation of right-of-use asset - Group - 2020

	Buildings	Motor vehicles	Operating equipment	Total
Cost	8 891 932	19 585 777	-	28 477 709
Accumulated amortisation	(3 350 896)	(7 419 460)	-	(10 770 356)
Net book value at 01 January 2020	5 541 036	12 166 317	-	17 707 353
Additions	-	980 852	2 896 298	3 877 150
Disposal	(538 000)	-	-	(538 000)
Depreciation	(2 514 639)	(7 043 917)	(759 196)	(10 317 752)
	2 488 397	6 103 252	2 137 102	10 728 751

Reconciliation of right-of-use asset - Group - 2019

	Buildings	Motor vehicles	Operating equipment	Total
Additions	8 891 932	19 585 777	-	28 477 709
Depreciation	(3 350 896)	(7 419 460)	-	(10 770 356)
	5 541 036	12 166 317	-	17 707 353

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

Buildings	2 488 397	5 541 036	2 488 397	5 541 036
Motor vehicles	6 103 252	12 166 317	6 103 252	12 166 317
Operating equipment	2 137 102	-	2 137 102	-
	10 728 751	17 707 353	10 728 751	17 707 353

Other disclosures

Interest expense on lease liabilities	1 313 311	2 141 967	1 313 311	2 141 967
---------------------------------------	-----------	-----------	-----------	-----------

The group and company did not have any short-term or low value leases during the year.

Lease liabilities

The maturity analysis of finance lease liabilities is as follows:

Within one year	8 125 554	13 800 712	8 125 554	13 800 712
Two to five years	6 967 330	11 860 300	6 967 330	11 860 300
More than five years	94 938	-	94 938	-
	15 187 822	25 661 012	15 187 822	25 661 012

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2020 P	2019 P	2020 P	2019 P
15. Right-of-use asset (Continued)				
Less finance charges component	(1 545 530)	(2 610 095)	(1 545 530)	(2 610 095)
	13 642 292	23 050 917	13 642 292	23 050 917
Non-current liabilities	6 249 724	10 584 455	6 249 724	10 584 455
Current liabilities	7 392 568	12 466 460	7 392 568	12 466 460
	13 642 292	23 050 915	13 642 292	23 050 915

16. Goodwill

Group	2020			2019		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	9 715 123	-	9 715 123	18 066 102	-	18 066 102
Company	2020			2019		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	9 715 123	-	9 715 123	9 715 123	-	9 715 123

Reconciliation of goodwill

	Group		Company	
	2020 P	2019 P	2020 P	2019 P
At the beginning of the year	18 066 102	18 066 102	9 715 123	9 715 123
Impairment during the year	(8 350 979)	-	-	-
Closing net book balance	9 715 123	18 066 102	9 715 123	9 715 123

Goodwill is not amortised but is tested for impairment annually and more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020 P	2019 P	2020 P	2019 P
16. Goodwill (continued)				
Impairment test of goodwill				
For the purpose of impairment testing, goodwill is attached to the following:				
Manned Security	9 715 123	9 715 123	9 715 123	9 715 123
G4S Facilities Management Botswana (Proprietary) Limited	8 350 979	8 350 979	-	-
	18 066 102	18 066 102	9 715 123	9 715 123

The Group did not identify any impairment for the Manned Security division, however, the Group identified impairment for its subsidiary G4S Facilities Management Botswana (Pty) Ltd (which houses the cleaning services segment) as CGUs of the business.

The recoverable amount of Manned Security CGU was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on most recent financial budgets approved by the directors covering a 1-year period together with medium term business plan prepared by management which covers an additional four financial years. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the country in which the CGU operates. The fair value of G4S Facilities Management Botswana (Proprietary) Limited was determined using fair value less costs to sell and is classified as level 3 in line with IFRS 13 fair value hierarchy.

Key assumptions used in the calculation of recoverable amounts, discount rates and gross profit growth rates, are as follows:

Group	2020		2019	
	Manned Security	G4S facilities management	Manned Security	G4S facilities management
Discount rate	14.70 %	16.93 %	14.73 %	14.73 %
Long term growth rate	2.50 %	4.00 %	2.50 %	2.50 %
Company			2020	2019
Discount rate			14.70 %	14.73 %
Long term growth rate			2.50 %	2.50 %

The value-in-use and fair value calculations are most sensitive to inputs of budget and planned cash flows, discount rate and long-term growth rate.

The table below shows the values at which each of these key inputs and assumptions would have to be set in the impairment calculation, which would result in goodwill being impaired (whilst holding all other inputs and assumptions at the original values utilised).

Group	2020		2019	
	Manned Security	G4S facilities management	Manned Security	G4S facilities management
Discount rate	53.30 %	- %	39.67 %	39.67 %
Long term growth rate	(41.30)%	- %	(78.75)%	(78.75)%
Budgeted cash flow (% of base value)	33.00 %	- %	35.50 %	35.50 %

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

16. Goodwill (continued)

Company

	2020 Manned Security	2019 Manned Security
Discount rate	53.30 %	39.67 %
Long term growth rate	(41.30)%	(78.75)%
Budgeted cash flow (% of base value)	22.00 %	35.50 %

The group and company do not believe that any of these values at which impairment would have been indicated are reasonably likely to occur.

17. Investment in subsidiary

The company has one subsidiary, G4S Facilities Management Botswana (Pty) Ltd, that is material to the Group in 2020. The company holds majority of voting rights in the subsidiary (72%) and exercises control over the entity.

Company

Name of company	Equity shares 2020	Equity shares 2019	% holding 2020	% holding 2019	Carrying amount 2020	Carrying amount 2019
G4S Facilities Management Botswana (Pty) Ltd	305	305	72.00 %	72.00 %	-	7 444 017

Restrictions relating to subsidiary

There no restriction on the group and its subsidiary rights to acquire and use assets or settle liabilities.

Subsidiary with material non-controlling interests

The company has one subsidiary, G4S Facilities Management Botswana (Pty) Ltd, that is material to the Group in 2020 and 2019. The company holds majority of voting rights in the subsidiary (72%). The investment in subsidiary was reclassified as a non current asset held for sale, refer to 23. The following subsidiary has material NCI:

Subsidiary	Country of incorporation and primary place of business	% Ownership interest held by non-controlling interest	
		2020	2019
G4S Facilities Management Botswana (Pty) Ltd	Botswana	28 %	28 %

The following is the summarised financial information for G4S Facilities Management Botswana (Pty) Ltd, prepared in accordance with IFRS and the Group's accounting policies. The information is before intercompany eliminations with G4S (Botswana) Ltd. The investment in subsidiary was reclassified as a non current asset held for sale, refer to 23.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

17. Investment in subsidiary (Continued)

Summarised statement of financial position

	G4S Facilities Management Botswana (Pty) Ltd	
	2020	2019
	P	P
Assets		
Non-current assets	857 572	547 725
Current assets	5 613 366	7 407 846
Total assets	6 470 938	7 955 571
Liabilities		
Non-current liabilities	-	-
Current liabilities	1 764 843	1 099 521
Total liabilities	1 764 843	1 099 521
Total net assets	4 706 095	6 856 050
Carrying amount of non-controlling interest	1 753 101	2 355 088

Summarised statement of profit or loss and other comprehensive income

	G4S Facilities Management Botswana (Pty) Ltd	
	2020	2019
	P	P
Revenue	6 599 809	10 622 605
Other income and expenses	(9 236 963)	(8 717 234)
Profit before tax	(2 637 154)	1 905 371
Tax expense	487 200	(683 872)
(Loss)/profit	(2 149 954)	1 221 499
Total comprehensive income	(2 149 954)	1 221 499
(Loss)/profit allocated to non-controlling interest	(601 987)	342 020

Summarised statement of cash flows

	G4S Facilities Management Botswana (Pty) Ltd	
	2020	2019
	P	P
Cash (used in)/generated from operating activities	(2 713 829)	1 331 423
Cash generated from/(used in) investing activities	3 858 847	(1 381 535)
Cash generated from/(used in) financing activities	965 531	(17 983 003)
Net increase/(decrease) in cash and cash equivalents	2 110 549	(18 033 115)

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

		Group		Company	
		2020	2019	2020	2019
		P	P	P	P
18. Amounts due from related parties					
	Basis of accounting				
G4S plc	Amortised cost	54 128 802	50 908 908	54 128 802	50 908 908
G4S Facilities Management Botswana (Pty) Ltd	Amortised cost	-	-	965 531	-
G4S Cash Solutions SA (Pty) Ltd	Amortised cost	603 185	233 017	603 185	233 017
G4S International Logistics (South Africa) (Pty) Ltd	Amortised cost	-	6 788	-	6 788
		54 731 987	51 148 713	55 697 518	51 148 713

The amount due from G4S plc. bears interest at 3 months Botswana's inter bank rate plus 1.5% margin per annum. The remaining balances are interest free. The amounts due from related parties are unsecured and payable on demand.

Exposure to credit risk

Amounts receivable from related parties inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for its amounts due from related parties. This is because the amounts due from related parties that are expected to be repaid within one year. The amounts due from G4S plc arise from cash pooling (or sweep) arrangements fall into this category.

A loss allowance is recognised for all amounts due from related parties, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, amounts due from related parties are written off when there is no reasonable expectation of recovery, for example, when a related party is placed or has been placed under liquidation. Amounts due from related parties which have been written off are not subject to enforcement activities.

The group measures the loss allowance for amounts due from related parties by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on amounts due from related parties is determined as the lifetime expected credit losses on amounts due from related parties. These lifetime expected credit losses are estimated using a provision matrix. The provision matrix has been developed by making use of past default experience of amounts due from related parties but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The estimation techniques explained have been applied consistently in the current and prior financial period.

The lifetime ECL is expected to be immaterial or almost nil as a result of low risk of default and no amounts are past due.

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined internally because external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	Lifetime ECL

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

18. Amounts due from related parties (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for amounts due from related parties.

Group - 2020

Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)	Basis of allowance	Basis of loss	Amortised cost
Amounts due from related parties						
G4S plc	N/a	N/a	Performing	Lifetime ECL	54 128 802	54 128 802
G4S Cash Solutions (SA) (Pty) Ltd	N/a	N/a	Performing	Lifetime ECL	603 185	603 185
					54 731 987	54 731 987

Group - 2019

Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)	Basis of allowance	Basis of loss	Amortised cost
Amounts due from related parties						
G4S plc	N/a	N/a	Performing	Lifetime ECL	50 908 908	50 908 908
G4S Cash Solutions (SA) (Pty) Ltd	N/a	N/a	Performing	Lifetime ECL	233 017	233 017
G4S International Logistics (South Africa) (Pty) Ltd				Lifetime ECL (not credit impaired)	6 788	6 788
					51 148 713	51 148 713

Group - 2020

Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)	Basis of allowance	Basis of loss	Amortised cost
Amounts due from related parties						
G4S plc	N/a	N/a	Performing	Lifetime ECL	54 128 802	54 128 802
G4S Facilities Management Botswana (Pty) Ltd	N/a	N/a	Performing	Lifetime ECL	965 531	965 531
G4S Cash Solutions (SA) (Pty) Ltd	N/a	N/a	Performing	Lifetime ECL	603 185	603 185
					55 697 518	55 697 518

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

18. Amounts due from related parties (continued)

Group - 2019

Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)	Basis of allowance	Basis of loss	Amortised cost
Loans to fellow subsidiaries						
G4S plc	N/a	N/a	Performing	Lifetime ECL	50 908 908	50 908 908
G4S Cash Solutions (SA) (Pty) Ltd	N/a	N/a	Performing	Lifetime ECL	233 017	233 017
G4S International Logistics (South Africa) (Pty) Ltd				Lifetime ECL (not credit impaired)	6 788	6 788
					51 148 713	51 148 713

19. Deferred tax

Deferred tax liability

	Group 2020 P	Group 2019 P	Company 2020 P	Company 2019 P
Prepayments	(74 547)	(47 755)	(74 547)	(47 755)
Right-of-use assets	(801 557)	(266 953)	(801 557)	(266 953)
Total deferred tax liability	(876 104)	(314 708)	(876 104)	(314 708)

Deferred tax asset

Operating lease accrual	357 707	-	357 707	-
General provision - trade receivables	3 551 306	2 265 468	3 551 306	2 094 465
Unrealised exchange differences and deferred income	1 050 164	211 057	1 050 164	211 057
Accelerated capital allowances	514 767	197 364	514 767	176 185
Total deferred tax asset	5 473 944	2 673 889	5 473 944	2 481 707

Deferred tax liability	(876 104)	(314 708)	(876 104)	(314 708)
Deferred tax asset	5 473 944	2 673 889	5 473 944	2 481 707
Total net deferred tax asset	4 597 840	2 359 181	4 597 840	2 166 999

Reconciliation of deferred tax asset / (liability)

At beginning of year	2 359 181	1 445 938 2	166 999	1 283 935
Charge to the income statement	2 430 841	(120 090)	2 430 841	(150 269)
Charge to statement of changes in equity (note 2)	-	1 033 333	-	1 033 333
Transferred to assets held for sale	(192 182)	-	-	-
	4 597 840	2 359 181	4 597 840	2 166 999

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

19. Deferred tax (Continued)

Recognition of deferred tax asset

The group's management is certain that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

20. Inventories

Security alarms, fire alarms and equipment	2 784 122	2 342 007	2 784 122	2 342 007
Operational consumables	1 160 575	2 109 597	1 160 575	1 617 846
	<u>3 944 697</u>	<u>4 451 604</u>	<u>3 944 697</u>	<u>3 959 853</u>
Amount of inventories recognised as an expense in profit or loss	<u>7 684 803</u>	<u>6 777 287</u>	<u>7 684 803</u>	<u>6 777 287</u>

21. Trade and other receivables

Financial instruments:

Trade receivables	49 262 876	57 195 207	49 262 876	54 929 740
Less: impairment	(25 931 828)	(23 358 170)	(25 931 828)	(22 305 727)
Trade receivables at amortised cost	<u>23 331 048</u>	<u>33 837 037</u>	<u>23 331 048</u>	<u>32 624 013</u>
Other receivable	75 152	850 664	75 152	777 926

Non-financial instruments:

VAT	89 489	-	89 489	-
Prepayments	338 851	217 069	338 851	217 069
Total trade and other receivables	<u>23 834 540</u>	<u>34 904 770</u>	<u>23 834 540</u>	<u>33 619 008</u>

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

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

The expected loss rates are based on the payment profiles of credit sales over a period of 36 months before 31 December 2020 and 37 before 31 December 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the nominal GDP to be the most relevant factors, and accordingly adjusted the historical loss rates based on expected changes in this.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

21. Trade and other receivables (Continued)

The average credit period on trade receivables is 30 days (2019: 30 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9.

In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below.

The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows. Refer to note 3 (financial instruments and risk management) for details of credit risk management trade receivables.

Group	2020 Estimated gross carrying amount at default	2020 Loss allowance (Lifetime expected credit loss)	2019 Estimated gross carrying amount at default	2019 Loss allowance (Lifetime expected credit loss)
Expected credit loss rate (average):				
Current 16.27% (2019: 12.3%)	13 388 053	2 178 859	25 963 368	3 195 325
31 - 60 days past due: 27.64% (2019: 18.3%)	2 324 446	642 420	2 408 695	441 421
61 - 90 days past due: 43.71% (2019: 30.2%)	2 632 955	1 150 883	2 506 342	757 598
91 - 180 days past due: 55.07% (2019: 38.6%)	1 812 635	998 138	4 026 784	1 552 399
181 - 365 days past due: 72.02% (2019: 62.1%)	4 975 467	3 583 375	6 709 161	4 166 380
More than 365 days past due: 72.02% (2019: 85.0%)	24 129 320	17 378 152	15 580 857	13 245 047
Total	49 262 876	25 931 827	57 195 207	23 358 170

Company 2020 2020 2019 2019
Expected credit loss rate (average):
Estimated
gross carrying
amount at
default

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

21. Trade and other receivables (Continued)

Company	2020 Estimated gross carrying amount at default	2020 Loss allowance (Lifetime expected credit loss)	2019 Estimated gross carrying amount at default	2019 Loss allowance (Lifetime expected credit loss)
Expected credit loss rate (average):				
Current 16.27% (2019: 12.3%)	13 388 053	2 178 859	25 604 977	3 136 833
31 - 60 days past due: 27.64% (2019: 18.3%)	2 324 446	642 420	2 265 784	415 231
61 - 90 days past due: 43.71% (2019: 30.2%)	2 632 955	1 150 883	2 074 884	627 181
91 - 180 days past due: 55.07% (2019: 38.4%)	1 812 635	998 138	3 928 843	1 507 512
181 - 365 days past due: 72.02% (2019: 62.1%)	4 975 467	3 583 375	6 621 128	4 111 712
More than 365 days past due: 72.02% (2019: 86.7%)	24 129 320	17 378 152	14 434 124	12 507 258
Total	49 262 876	25 931 827	54 929 740	22 305 727

Reconciliation of impairment loss allowances

The following table shows the movement in the impairment loss allowance (lifetime expected credit losses) for trade and other receivables:

Opening balance as at 1 January	(23 358 170)	(20 688 931)	(22 305 727)	(18 764 918)
Provision raised on new trade receivables	(3 626 101)	(3 540 809)	(3 626 101)	(3 540 809)
Provisions reversed on settled trade receivables	-	1 098 994	-	-
Transferred to assets held for sale	1 052 443	(227 424)	-	-
Closing balance	(25 931 828)	(23 358 170)	(25 931 828)	(22 305 727)

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

22. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	14 217	18 699	14 217	18 200
Cash at bank	28 692 139	4 049 720	28 692 139	2 815 890
Deposits at call	3 181 990	14 794 374	3 181 990	14 723 134
	31 888 346	18 862 793	31 888 346	17 557 224

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

23. Non-current assets held for sale

The group has decided to dispose the operations of G4S Facility Management Botswana (Proprietary) Limited. The group expects that the disposal will be effected by 30 June 2021. The assets and liabilities of the assets held for sale are set out below.

The decision was made by the board of directors to discontinue these operations due the lack of return on investment stemming from the unfavourable changes in the regulatory environment. The discontinued operation is reported in note 34 as part of the cleaning services segment.

Profit and loss

Revenue	5 778 709	9 760 119	-	-
Cost of sales	(686 079)	(873 081)	-	-
Cost of rendering services	(4 883 175)	(6 687 718)	-	-
Loss on sale of asset	(49 604)	-	-	-
Administrative expenses	(3 619 063)	(1 169 135)	-	-
Operating profit	(3 459 212)	1 030 185	-	-
Interest income	958	12 699	-	-
Net (loss) profit before tax	(3 458 254)	1 042 884	-	-
Losses on measurement to fair value less cost to sell	(104 108)	-	-	-
Tax thereon	487 200	(683 872)	-	-
	(3 075 162)	359 012	-	-

Assets and liabilities

Non-current assets held for sale

Property, plant and equipment	178 189	-	-	-
Deferred tax	679 382	-	-	-
Inventories	698 997	-	-	-
Receivables and tax receivable	1 506 419	-	-	-
Cash and cash equivalents	3 416 119	-	-	-
	6 479 106	-	-	-

Assets of disposal groups

Investments in subsidiaries	-	-	5 575 687	-
	6 479 106	-	5 575 687	-

Non-current liabilities of held for sale

Trade and other payables	903 419	-	-	-
--------------------------	---------	---	---	---

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

24. Stated capital

80 000 000 Ordinary shares at no par value	1 804 557	1 804 557	1 804 557	1 804 557
--	-----------	-----------	-----------	-----------

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company's residual assets. All shares are fully paid up.

25. Amounts due to related parties

G4S Facilities Management Botswana (Pty) Ltd	-	-	-	3 871 889
G4S Africa (Pty) Ltd	12 838	4 862	12 838	4 862
Indo British Garments (South Africa) (Pty) Ltd	-	100 487	-	100 487
Deposita Systems (Pty) Ltd	673 399	1 270 156	673 399	1 270 156
G4S plc	484 448	8 329 791	484 448	8 329 791
G4S Corporate Services Ltd	-	86 309	-	86 309
	1 170 685	9 791 605	1 170 685	13 663 494

These amounts are interest free, unsecured and payable within 30 days from invoice date.

26. Trade and other payables

Financial instruments:

Trade payables	3 472 784	6 639 846	3 472 782	6 194 193
Accrued audit fees	718 462	472 341	718 462	377 026
Other accrued expenses	761 602	1 002 902	761 602	1 002 902
Advances from customers	3 740 638	79 559	3 740 638	79 559
Other payables	959 145 5	241 410	959 145	4 735 126
Non-financial instruments:				
Value added tax	-	433 443	-	396 958
Payroll accruals	10 301 322	11 617 004	10 301 322	11 601 220
	19 953 953	25 486 505	19 953 951	24 386 984

Other payables include unpaid dividends, customer claims and deferred income.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

27. Provisions

Reconciliation of provisions - Group and Company - 2020

	Opening balance	Net movement	Total in provision
Legal proceedings	913 167	(312 140)	601 027

Reconciliation of provisions - Group and Company - 2019

	Opening balance	Additions	Total
Legal proceedings	572 001	341 166	913 167
Current liabilities	601 027	913 167	601 027
			913 167

Litigation is in the process against the company relating to disputes and claims by customers. The total amount relating to these disputes is P601 027 (2019: P743 915). The group's lawyers and management consider the likelihood of the actions against the company being successful as unlikely.

28. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2020

	Opening balance	New leases	Total non-cash movements	Cash flows	Closing balance
Finance lease liabilities	23 050 915	1 479 043	1 479 043	(10 887 666)	13 642 292
Total liabilities from financing activities	23 050 915	1 479 043	1 479 043	(10 887 666)	13 642 292

Reconciliation of liabilities arising from financing activities - Group - 2019

	Opening balance	New leases	Total non-cash movements	Cash flows	Closing balance
Finance lease liabilities	- 35 394 870	35 394 870	(12 343 955)		23 050 915
Total liabilities from financing activities	- 35 394 870	35 394 870	(12 343 955)		23 050 915

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P

28. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Company - 2020

	Opening balance	New leases	Total non-cash movements	Cash flows	Closing balance
Finance lease liabilities	23 050 915	1 479 043	1 479 043	(10 887 666)	13 642 292
	23 050 915	1 479 043	1 479 043	(10 887 666)	13 642 292
Total liabilities from financing activities	23 050 915	1 479 043	1 479 043	(10 887 666)	13 642 292

Reconciliation of liabilities arising from financing activities - Company - 2019

	Opening balance	New leases	Total non-cash movements	Cash flows	Closing balance
Finance lease liabilities	-	35 394 870	35 394 870	(12 343 955)	23 050 915
	-	35 394 870	35 394 870	(12 343 955)	23 050 915
Total liabilities from financing activities	-	35 394 870	35 394 870	(12 343 955)	23 050 915

29. Cash generated from operations

Profit before taxation	19 830 522	26 798 635	25 492 072	25 936 147
Adjustments for:				
Depreciation and amortisation	18 065 041	16 687 563	18 065 041	16 687 563
Gains on disposal of property, plant and equipment	(337 714)	(356 207)	(337 714)	(356 207)
Finance income - bank	(17 161)	(12 374)	(17 161)	(12 374)
Finance income - related party	(3 219 894)	(3 186 420)	(3 219 894)	(3 186 420)
Finance costs	1 328 436	2 194 840	1 328 436	2 194 840
Net impairments and movements in credit loss allowances	11 977 079	3 540 809	5 494 430	3 540 809
Increase/(decrease) in provisions	(312 140)	341 166	(312 140)	341 166
Changes in working capital:				
(Increase)/decrease in net amounts due from related parties	(8 984 300)	(269 533)	(13 821 720)	19 004 289
Inventories	506 907	(2 220 562)	15 156	(2 587 858)
Increase/(decrease) in trade and other receivables	7 444 130	(6 998 420)	6 158 368	(7 701 881)
Increase/(decrease) in trade and other payables	(5 532 551)	(1 298 814)	(4 433 033)	(678 876)
	40 748 355	35 220 683	34 411 841	53 181 198

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020 P	2019 P	2020 P	2019 P
30. Tax paid				
Amounts payable at the beginning of year	3 254 748	(494 469)	2 793 706	(541 594)
Taxation per profit or loss from continuing operations	(8 738 803)	(6 887 090)	(8 738 803)	(6 887 090)
Adjustment in respect of assets held for sale	575 468	-	-	-
Amounts payable at end of year	3 728 257	(3 254 748)	3 728 257	(2 793 706)
	(1 180 330)	(10 636 307)	(2 216 840)	(10 222 390)
31. Dividends paid				
Dividends	-	(21 480 000)	-	(21 480 000)

32. Related parties

Relationships

Holding company

Ultimate Holding and controlling Company

Fellow subsidiary

G4S International 105 (UK) Limited

G4S plc

G4S Corporate Services Ltd

G4S Africa (Pty) Ltd

Indo British Garments (South Africa) (Pty) Ltd

G4S Cash South Africa (Pty) Ltd

Deposita Systems (Pty) Ltd

G4S North America & Technology Outbound

G4S International Logistics (South Africa) (Pty) Ltd

G4S Facilities Management Botswana (Pty) Ltd

Subsidiary

The first parent in the group above the immediate parent that produces consolidated financial statements available for public use is G4S plc.

Related party balances

Amounts due from related parties (Note 21)

G4S plc

G4S Cash Solutions (SA) (Pty) Ltd

G4S International Logistics (South Africa) (Pty) Ltd

54 128 802	50 908 908	54 128 802	50 908 908
603 185	233 017	603 185	233 017
-	6 788	-	6 788
54 731 987	51 148 713	54 731 987	51 148 713

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

	Group		Company	
	2020	2019	2020	2019
	P	P	P	P
32. Related parties				
Amounts due to related parties (Note 26)				
G4S Africa (Pty) Ltd	(12 838)	(4 862)	(12 838)	(4 862)
Indo British Garments (South Africa) (Pty) Ltd	-	(100 487)	-	(100 487)
Deposita Systems (Pty) Ltd	(673 399)	(1 270 156)	(673 399)	(1 270 156)
G4S plc	(484 448)	(8 329 791)	(484 448)	(8 329 791)
G4S Corporate Services Ltd	-	(86 309)	-	(86 309)
G4S Facilities Management Botswana (Pty) Ltd	-	-	965 531	(3 871 889)
	(1 170 685)	(9 791 605)	(205 154)	(13 663 494)
Related party transactions				
Interest received from related parties				
G4S plc	3 219 894	3 186 420	3 219 894	3 186 420
Purchases from related parties				
Deposita Systems (Pty) Ltd	-	-	-	(396 917)
Indo British Garments (South Africa) (Pty) Ltd	-	(3 795 524)	-	(3 795 524)
G4S Cash Solutions (SA) (Pty) Ltd	(1 080 311)	-	(1 080 311)	-
G4S Facilities Management (Pty) Ltd	-	-	(821 100)	(862 487)
G4S Africa (Pty) Ltd	(323 328)	-	323 328	-
G4S Cash International FZCO	-	-	-	(7 421 826)
Management fees				
G4S North America & Technology Outbound	(302 884)	-	(302 884)	-
G4S plc	-	(3 457 124)	-	(3 457 124)
G4S Corporate Services Ltd	-	(511 418)	-	(511 418)
G4S Africa (Pty) Ltd	-	(960 001)	-	(960 001)
Global Insurance				
G4S Corporate Services Ltd	(189 742)	-	(189 742)	-
Sales to related parties				
G4S Cash Solutions (SA) (Pty) Ltd	1 948 945	2 624 979	1 948 945	2 624 979
G4S International Logistics (South Africa) (Pty) Ltd	-	256 796	-	256 796
Royalty fees received from/(accrued in favour of) related parties				
G4S plc	(2 072 560)	(1 976 174)	(2 072 560)	(1 976 174)
Dividends paid to related parties				
G4S International I05 (UK) Ltd	-	(13 012 720)	-	(13 012 720)

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

Notes to the Consolidated And Separate Financial Statements

33. Directors' emoluments

The directors of the company perform duties for a number of entities within the G4S group and are remunerated at a group level.

The following remuneration were paid at a group level to the directors who were involved with the daily management of these entities during the year:

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors.

Executive directors and key management personnel

2020

	Salary	Short-term benefits	Long-term employment benefits	Total
H Swanepoel	1 056 600	33 690	-	1 090 290
J du Plooy	358 350	-	-	358 350
RVorster	305 155	7 516	64 488	377 159
M F Magapa	1 485 084	107 360	107 360	1 699 804
J Mothudi	309 693	15 539	23 476	348 708
J Motswagole-Konings	419 432	13 518	36 855	469 805
	3 934 314	177 623	232 179	4 344 116

2019

	Salary	Short-term benefits	Long-term employment benefits	Total
H Swanepoel	915 443	-	-	915 443
J Motswagole-Konings	1 013 851	-	73 292	1 087 143
M F Magapa	1 491 397	-	106 853	1 598 250
M Grobblaar	24 339	-	-	24 339
RVorster	623 440	-	-	623 440
	4 068 470	-	180 145	4 248 615

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

33. Directors' emoluments (Continued)

Non-executive

2020

	Director's sitting fees	Director's retainer fees	Total
L N Moselelhanyane	216 000	18 000	234 000
BT Mbaakanyi	180 000	18 000	198 000
G S Macholo	120 000	63 000	183 000
	516 000	99 000	615 000

2019

	Director's sitting fees	Director's retainer fees	Total
L N Moselelhanyane	108 000	18 000	126 000
BT Mbaakanyi	108 000	18 000	126 000
G S Macholo	72 000	18 000	90 000
L Mpotokwane	109 064	63 000	172 064
	397 064	117 000	514 064

34. Segmental Reporting

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 per cent or more of the consolidated revenue and assets reported by the group. Facilities management and cleaning services are not considered reportable segments as they do not exceed 10% or more of the reportable revenue and assets individually or in aggregate.

Group and Company Business Segments -2020	Security Systems P	Manned Security P	Cash Solutions P
Revenue	49 113 080	82 946 390	58 258 658
Direct labour	(14 751 013)	(58 762 580)	(16 221 835)
Direct vehicles	(2 405 903)	(2 501 485)	(5 656 841)
Direct other costs	(12 087 040)	(8 193 982)	(11 193 714)
Cost of sales	(29 243 956)	(69 458 047)	(33 072 390)
Gross profit	19 869 123	13 488 342	25 186 268
SG&A labour	(3 935 299)	(6 669 446)	(4 915 808)

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

Group and Company Business Segments -2020	Security Systems P	Manned Security P	Cash Solutions P
34. Segmental Reporting (Continued)			
SG&A vehicles	(57 227)	(96 646)	(67 913)
SG&A other costs	(4 306 810)	(8 092 392)	(5 953 828)
SG&A expenses	(8 299 336)	(14 858 487)	(10 937 549)
Trading profit	11 569 788	(1 370 145)	14 248 719
Other income/expenses	2 812 930	4 750 719	3 335 740
Profit before taxation	14 382 718	3 380 574	17 584 459
Taxation	(1 340 651)	(2 264 206)	(1 590 300)
Profit for the period	13 042 067	1 116 368	15 994 159
Material non-cash items			
Group and company - 2020			
Depreciation	(4 395 481)	(2 665 895)	(6 121 511)
Finance income	834 828	1 409 930	990 286
Finance cost	(342 600)	(578 613)	(406 397)
Segment assets			
Group and company - 2020			
Total assets	66 580 014	37 829 553	45 395 464
Total liabilities	(13 949 404)	(7 925 798)	(9 510 957)

G4S (Botswana) Limited
Consolidated and Separate Financial Statements
for the year ended 31 December 2020

**Notes to the Consolidated And Separate
Financial Statements**

Group and Company Business Segments -2019	Security Systems P	Manned Security P	Cash Solutions P
34. Segmental Reporting (Continued)			
Revenue	61 093 535	74 068 818	61 131 956
Direct labour	(16 602 023)	(52 277 748)	(17 009 244)
Direct vehicles	(3 177 404)	(2 837 404)	(7 689 062)
Direct other costs	(13 842 020)	(7 488 976)	(7 432 762)
Cost of sales	(33 621 447)	(62 604 128)	(32 131 068)
Gross profit	27 472 088	11 464 690	29 000 888
SG&A labour	(4 491 071)	(5 637 542)	(4 977 388)
SG&A vehicles	392 681	234 273	824 166
SG&A other costs	(5 503 873)	(6 444 071)	(6 686 313)
SG&A expenses	9 602 263	(11 847 340)	(10 839 535)
Trading profit	17 869 825	(382 650)	18 161 353
Other income/expenses	(222 693)	(269 990)	(222 824)
Profit before taxation	17 647 132	(652 640)	17 938 529
Taxation	(2 188 743)	(2 653 597)	(2 190 119)
Profit for the period	15 458 389	(3 306 237)	15 748 410
Material non-cash items			
Group and company - 2019			
Depreciation	6 275 757	4 243 968	5 460 618
Finance income	993 360	1 204 334	993 985
Finance cost	(681 590)	826 349	682 019
Segment assets			
Group and company - 2019			
Total assets	38 194 505	57 705 379	48 224 813
Total liabilities	(18 051 781)	(21 235 881)	(18 063 134)
35. Contingencies			
The company has issued a guarantee for the amount of P I 200 000 in favour of Vivo Energy Botswana (Pty) Ltd. There are no other known contingent liabilities and assets as at the end of 31 December 2020.			
36. Events after the reporting period			
The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.			

Notice and Agenda for the 2021 Annual General Meeting

Notice is hereby given that the 2021 Annual General Meeting of G4S Botswana Limited will be held at 13:30 hrs on Thursday, 24 June 2021 Via Video Conferencing.

A. Ordinary Resolutions

1. To read the notice convening the meeting.
2. Welcome and opening remarks by the Chairman
3. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2020 together with the Directors and Auditors report thereon.
4. To re-elect the following Directors to the company in terms of Clause 20.10.2 of the Constitution:
 - Lorato Mosetlhanyane
 - Boitumelo Tumie Mbaakanyi
 - Albert Ueckermann
5. To note the retirement of the following Director who retires by rotation in terms of Clause 20.10.2 of the Constitution and being eligible, offers herself up for re-election.
 - Gaone Macholo
6. To confirm the appointment of Mothusi Molokomme as the Managing Director for the Company.
7. To ratify the remuneration paid to Non-Executive Directors for the year ended 31 December 2020.
8. To consider and approve the remuneration to be paid to Non-Executive Directors for the ensuing year ending 31 December 2021:
 - 8.1 Chairman of the Board to receive a sitting fee of P12 000 per meeting and Board Members to receive a sitting fee of P12 000 per meeting.
 - 8.2 Members of Sub-Committees to receive a sitting fee of P12 000 per meeting.
9. To ratify the remuneration paid to the auditors, PricewaterhouseCoopers for the year ended 31 December 2020.
10. To appoint PWC as auditors for the ensuing year ending 31 December 2021 and authorize the Directors to fix their remuneration.

B. Special Resolution

11. To consider and, if thought fit, pass with or without amendment in terms of Section 128 of the Companies Act Cap 42:01 and ratify the donations made by the Company for the year ended 31 December 2020.

C. Any Other Business

12. To answer any questions raised by shareholders in respect of the affairs and the business of the company.
13. To close the meeting

Voting and Proxies

Any member entitled to attend and vote may appoint a proxy (who need not be a member of the company) to attend and vote for him/her on his/her behalf. The proxy form must be forwarded at or posted to reach the Company Secretary at the below stated address not less than 48 hours before the meeting. Grant Thornton is authorized to receive and count postal votes.

By order of the Board

Company Secretary
Grant Thornton Business Services (Pty) Ltd
Acumen Park
Plot 50370, Fairgrounds Office Park
P.O. Box 1157
Gaborone

03 June 2021

Proxy Form

For completion by holders of ordinary shares

Please read the notes overleaf before completing this form

For use at the 2021 Annual General Meeting of the Shareholders of the company to be held on 24 June 2021 via Zoom Video Conferencing Platform, at 1330Hours.

I/We _____

(Name in block letters)

Of (Address) _____

Hereby appoint _____

Or failing him/her, _____

Or failing him/her, _____

The chairman of the meeting.

As my/ our proxy to act for me/us at the 2021 Annual General Meeting, to vote for or against the resolutions and/or abstain from voting in respect of the Ordinary Shares registered in my/our name in accordance with the following instruction

Number of ordinary shares

		For	Against	Abstain
Ordinary resolution 1	Agenda No 3			
Ordinary resolution 2	Agenda No 4			
Ordinary resolution 3	Agenda No 5			
Ordinary resolution 4	Agenda No 6			
Ordinary resolution 5	Agenda No 7			
Ordinary resolution 6	Agenda No 8			
Ordinary resolution 7	Agenda No 9			
Ordinary resolution 8	Agenda No 10			
Special resolution 1	Agenda No 11			

Signed at _____

Date _____

Signature _____

Proxy Form

For completion by holders of ordinary shares

Please read the notes overleaf before completing this form

For use at the 2021 Annual General Meeting of the Shareholders of the company to be held on 24 June 2021 via Zoom Video Conferencing Platform, at 1330Hours.

Assisted by (where applicable) _____

Each shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the shareholder at the Annual General Meeting and the proxy so appointed need not be a member of the company.

Please read notes 1-7 below.

1. A shareholder must insert the names of two alternative proxies of the Shareholders choice in the space provided with or without deleting "Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those names follow.
2. A shareholders instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorize the proxy to vote in favour of the resolution. A shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or his/her proxy.
3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting.
4. The Chairman of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.
5. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.
6. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.
7. Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/ her guardian.



G4S (Botswana) Limited
P O Box 1488, Gaborone
Plot 20584, Western Bypass
Gaborone, Botswana

Telephone: +267 369 8000
Fascimile: +267 391 2779
E-mail: head.office@bw.g4s.com