G4S

ANNUAL REPORT 2022

MISSION

The company, through its unparalleled customer relationships, provides proactive solutions, cutting-edge smart technology, and tailored services that allow customers to focus on their core business.

OUR VISION

Be the world's most trusted services partner.

OUR PURPOSE

There for you™, serving and safeguarding customers, communities, and people around the world.

OUR VALUES

WE ARE
**AGILE,
RELIABLE**
AND
INNOVATIVE.

OUR
CARING
CULTURE PUTS
PEOPLE AND
SAFETY
FIRST.

WE
DELIVER THROUGH
TEAMWORK
AND ALWAYS
ACT WITH
INTEGRITY.

An ALLIED UNIVERSAL® Company

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.

Our audacious expansion plans include increasing our national footprint and therefore maintaining strategic geographical presence. Growing into new regions calls for location specific products and services and our ever-ready staff members willingly adapt to serve each demographic in a way that derives the highest level of value for our customers.

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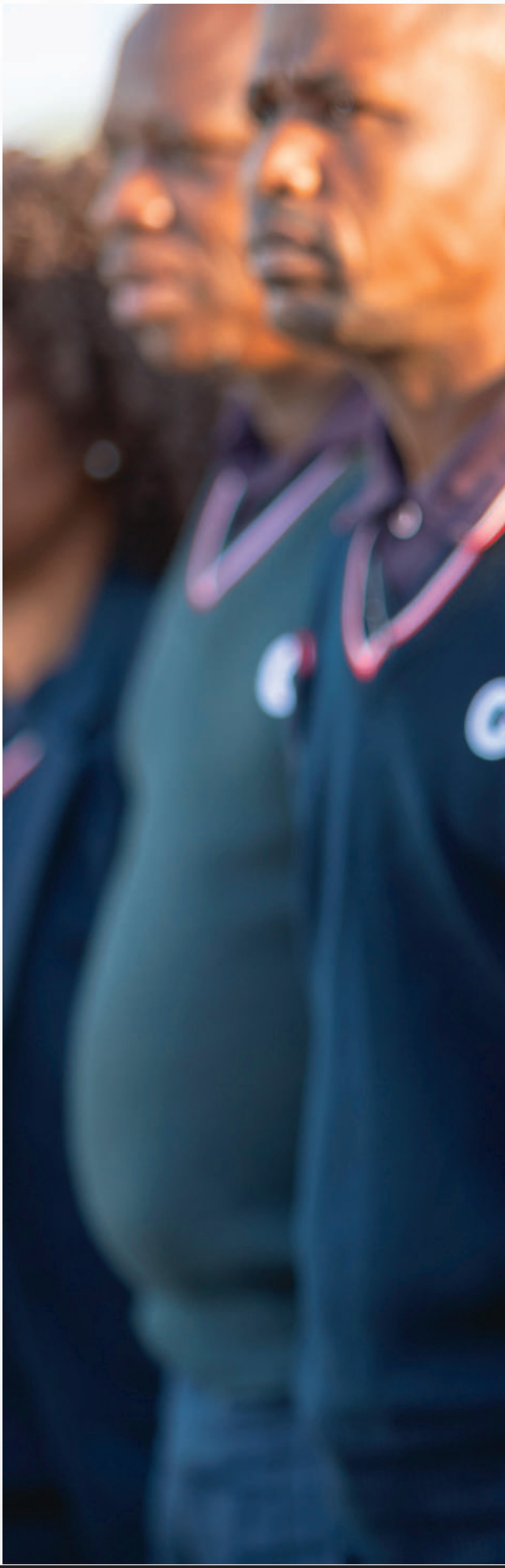



CANNOT OPEN

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 its shares are held by G4S PLC (70%) while the remaining 30% are held by citizens and local institutions.

G4S Botswana has approximately 2,990 employees delivering services to clients across the country with offices in Gaborone, Francistown, Selebi-Phikwe, Jwaneng, Lobatse, Ghantzi,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 and Competitive Edge

MANNED SECURITY SERVICES

G4S Manned Security solutions are customized and can be a combination of on-site guards and security technology where our presence and duties are critical to the smooth running of the site's operations. In this solution, our role is integral to the safety of all who enter or are resident in the property including staff, external visitors, engaged contractors and others. This concept of integrated security solutions means that we aim to deliver value to our customers by offering the most cost effective option backed up by clear service level agreements. In carrying out our duties, we consult with the client regularly, especially regarding risk assessment, performance management and customer care to their satisfaction.

As G4S we continuously advise our clients that purchasing a security solution is not once-off but is rather a long term investment that provides peace of mind, where expectations are met and security requirements understood throughout the lifetime of the service. We also advise, particularly, that the addition of technology can enhance protection and complement a security officer(s).

G4S also provides secure mobility and close protection. These include crowd management and security services where the client can focus on the main event. In this area we are unmatched as our breadth and depth of experience extends to sporting events, conferences, exhibitions and community events and also includes collaboration with the Botswana Police, hospitals and other emergency services.

ELECTRONIC SECURITY

At G4S our electronic security solutions cater for all sizes and complexity of projects, from domestic or commercial to large industrial. We are excellent at understanding our client's needs to ensure that we not only meet and exceed their expectations, but that our systems can integrate with existing ones.

Our range of services, which are available in wired or wireless options, include amongst others, the Fire Alarm Systems, Fire Suppression Systems, Intrusion Detection Systems, CCTV, Assets Monitoring (Fridge and Tower monitoring) and Access Control Systems. While some electronic security solutions mentioned rely on the client's intervention, our Intrusion Detection System is automated to trigger any event, sending a signal directly to our central monitoring station for immediate attention. This is particularly useful when properties or homes are left unattended. With these types of solutions vacations can be worry free and premises with overnight valuables, somewhat secure.

Access Control Systems not only play an essential role in protecting a building and its occupants, they are also important in the evolution of smart building technologies, particularly where the management is in the cloud. G4S has a wide range of solutions including Biometric-Fingerprint Readers, RFID-Proximity Card Readers, Keypad-Basic Access Control via codes, and others.

The Closed Circuit Television (CCTV) service assists clients to collect evidence in the form of visual information, which works as a form of crime deterrent.

> *"In this area we are unmatched as our breadth and depth of experience extends to sporting events, conferences, exhibitions and community events and also includes collaboration with the Botswana Police, hospitals and other emergency services."*

We also provide asset management and monitoring such as Telco Tower and Fridge monitoring. These services assist clients to save costs on vandalism, theft and losing food stock. Finally, we have the capability to design all manner of electronic solutions for gates, booms, turnstiles and perimeter defense.

CASH SOLUTIONS

Local and regional consumers remain loyal to cash and unlike in the developed world, most consumer transactions are cash-based and growing at rates of between 6-10%. These statistics underline the need for secure, reliable and efficient cash services.

Our Business and Competitive Edge

Besides the large volumes of cash, security and efficiency are of paramount importance.

G4S is the local industry expert in cash solutions offering secure transportation, storage and processing of cash, and a wide range of services for Automated Teller Machines (ATM) networks. G4S provides these services to a diverse customer base including banks and retailers.

Bank branches and local retailers still deal with significant amounts of Cash in Botswana; G4S therefore ensures that cash is handled and maintained with absolute accuracy and strict security. This has seen our service being in demand and expanding to other towns and areas outside Gaborone. Our secure vehicles, fully vetted and trained personnel and the cooperation of the Botswana Police, make safe transportation of cash possible, thereby giving our clients peace of mind. To enhance efficiency, G4S has also developed smart partnerships with other security providers.

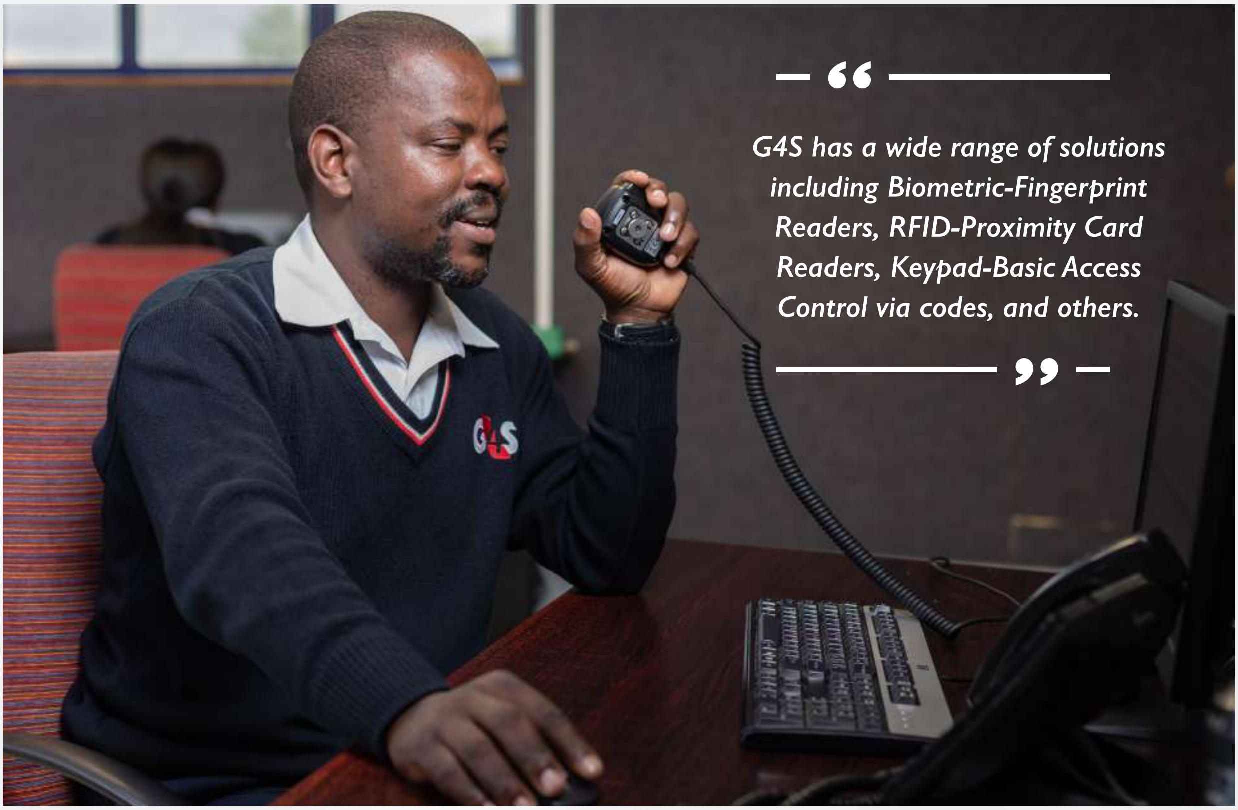
G4S also operates a Deposita system that registers and reconciles each cash note deposited to an identifiable source using an automated banking machine called the ABM. G4S Deposita can manage the complete cash management process of our clients through innovative processes and enhanced products and business partnerships.

G4S FACILITIES MANAGEMENT(BOTSWANA) (PTY) Ltd

G4S Facilities management (Botswana) (PTY) Ltd offers end-to-end solutions for the effective management of facilities and services and can be trusted to deliver a superior service consistently in a secure environment.The company is a subsidiary of G4S (Botswana) Limited and has existed since 2012.

As the facilities management business is quite competitive in Botswana, G4S chose to distinguish itself by being an accredited affiliate of the National Cleaning Contractors Association of South Africa (NCCA). As part of our profession and culture, we are committed to continually improving our processes and services and delivering on time, to the highest quality and standards.

Our range of services include contract cleaning; hygiene and clinical waste management services; specialist cleaning services; utility management; facilities management; maintenance works and other building services works.



Board Chairperson's Report

Board Chairperson's Report

REFLECTING BACK ON A DIFFICULT TRADING YEAR

2022 was a year of hope and new beginnings, marking a return to "normal life" as the COVID pandemic tapered off, mainly due to a successful worldwide vaccination campaign, which the Government of Botswana, and its partners, partook in. Even though G4S, being a provider of mainly manned services was greatly affected, the board, management, and employees have persevered to ensure that the company is sustainable and continues as a going concern.

The 2022 operating environment turned out to be particularly difficult due to significantly higher operating costs, mainly led by fuel and other operating inputs. Therefore, despite a fair increase of 6% in revenue, the bottom line results were negative. The majority of our clients faced similar operating difficulties and we were only able to partially recover these costs. Innovative pricing mechanisms were introduced, instead of retention of clients, however, in some cases, this proved futile. Even though we are effectively 30% citizen owned, the recently introduced Economic Inclusion Act has contributed to the company's loss of some key clients. Cash-In-Transit attacks remained a threat and we are grateful for the protection and assistance offered by the Botswana Police and the Botswana Defence Force.

As part of our transformation strategy, during the year, we added value services through our retail offering of technology-focused solutions. The flagship outlet, Access, and Beyond, is located at Setlhoa Park and will serve a wide network of resellers and customers in various sectors.

GOVERNANCE

The Board continues to take its oversight role seriously and restructure itself, whenever necessary, to be more effective and responsive to the evolving needs of the company. During the year, two additional non-executive Directors, Mrs. Colleen Motswaiso and Mr Thabo Matthews joined the Board bringing in the right levels of skills, experience, and diversity. It is however with great sadness that we bade farewell to our former Chairman, Mrs Gaone Macholo who had done a sterling job leading the Board. We, at G4S, will forever remain grateful to her for her focus and dedication to ensuring the growth and sustainability of the company and wish her well in her future endeavors.

The Board has worked well with management during the year, managing a dynamic strategy toward scaled-up operations and viability. It is with sadness though that, during the year, we bade farewell to two Senior Management colleagues the Finance Director, Mr Johann Du Plooy, and the Operations Director, Mr Hennie Swanepoel, who parted ways with the company in November 2022 and August 2022 respectively. We would like to thank them for their commitment to the growth of G4S Botswana and wish them well in their future endeavors. Recruitment plans, for their replacements, are ongoing.

After the seamless acquisition of G4S by Allied Universal in 2021, we continue to see a unified purpose, vision, mission, and one set of combined company values. G4S Botswana has benefited greatly from being part of this international group arrangement through continuous tapping of niche skills, and economies of scale, adding to our competitive advantage. As we embark upon an innovation journey, regarding our offerings, there is no doubt that the group's tried and tested products and services will come in handy once customized to our local environment.

> *"Therefore, despite a fair increase of 6% in revenue, the bottom line results were negative. The majority of our clients faced similar operating difficulties and we were only able to partially recover these costs."*

OUR BEAUTIFUL BOTSWANA JOURNEY

G4S Botswana has been operating in Botswana since 1987 and has undergone various transformations throughout the years. We are proud to have been servicing Botswana for the past 34 years. Please look out for our 35th Year celebrations next year, in 2023. We have been listed on the Botswana Stock Exchange (BSE) since 1991, for the past 31 years, with 30% shareholding by Institutional Investors representing Batswana, individual Batswana, and so forth. G4S acquired Securicor in 2006 (about 15 years ago). **Re a leboga Betsho!!**

Board Chairperson's Report (Continued)

RESPONSIBLE BUSINESS

Besides the close to 3000 jobs we have created for Batswana, G4S Botswana continues to ensure the security of not only locals but all those residents in our lovely country. At least 30% of our workforce is female and efforts are ongoing to ensure an increase in this number as part of our inclusion strategy. Our training academy has ensured robust learnings and relevant skills transfers for our employees, making them astute and well-rounded to make an impact in not only the Botswana security industry but regionally as well. I'm proud that most of our employees have been with the company for decades and promise that we will continue creating a conducive environment for those who work with, and for, us so that we enable, in extension, their families to be looked after.

I find it commendable that G4S Botswana continues to be a responsible corporate citizen with a local procurement spend of about 75% during the year, a figure which is anticipated to rise in the coming years as our supply chain localization efforts fully take off. We continue to support the local communities in which we operate, especially in the locality of our 12 branches throughout Botswana. Our updated robust socio-economic strategy will be launched soon and this will further cement our collaborations with local communities and vulnerable sectors in Botswana.

LOOKING FORWARD

Looking forward, we can only continue to passionately implement our strategy while being AGILE enough to respond to the ever-changing environment. Faced with increasing competition and Citizen Economic Empowerment legislation, amongst other challenges, we are committed to the development of technologically advanced security solutions for our clients. This we believe will be the differentiating factor from our competitors and will help us drive value for all.

G4S remains one of the leading employers in the security services industry in the country, contributing to the Government's employment creation initiative. We are also a firm proponent of health, safety, and security bringing forth a CARING culture for the good of our employees, customers, and stakeholders.

I wish to thank our employees for charging forth into 2022 with bravery and vigor. Without you, we would not be able to achieve our vision. I also want to thank Management, the Executive Leadership, and my Board for their unwavering support throughout the year. Let us continue to live our values of AGILITY, INNOVATION, CARE, SAFETY, INTEGRITY, and TEAMWORK.

PULA!

"At least 30% of our workforce is female and efforts are ongoing to ensure an increase in this number as part of our inclusion strategy. Our training academy has ensured robust learnings and relevant skills transfers for our employees, making them astute and well-rounded to make an impact in not only the Botswana security industry but regionally as well."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Managing Director's Report

Mr Mothusi Molokomme
G4S Botswana Managing Director

Managing Directors's Report

PERFORMANCE HIGHLIGHTS

Revenue growth despite the economic headwinds

Growth on topline by 6.5% year on year represented general growth across all service lines but mainly driven by the satisfactory growth in the Man guarding service line (MSS) which grew by 9% compared to prior year. The BWP13m increase in total revenue year on year represents the highest increase for the Group in 5 years and back to back revenue increases since 2021 halting revenue declines experienced from 2018 to 2020.

NEW BUSINESS DEVELOPMENT

A significant focus in developing a healthy sales pipeline over the last 18 months has resulted in good revenue growth across all service lines. Actual revenue growth of BWP 12.4m was realised on the basis of acquisition of new & growing existing business. This was largely due to increasing our exposure in the retail sector (MSS) and other avenues driven by the deployment of our technology-infused security solutions (instacom). The Cash service line growth (by 4%) was largely aided by a continued drive on selling the deposita solution to new and existing customers. This is despite the service line losing some significant revenue due to the in-sourcing of some bank ATM services owing to service level concerns due to the Group´s reliance on Police escorts which are inconsistent. The security systems service line (ESS) improved its performance marginally - growing by 2% year on year compared to prior year where it recorded a revenue regression by 8%.

PRICE INCREASE PROGRAMME

Generally the price increase (PI) programme was successful across the service lines with the MSS PI driven by the Government´s legislated wage increase of 8.4% in January 2022 which was passed on to our MSS customers while on the Cash service line, although an inflationary adjustment of 8% was requested from customers, negotiations resulted in an average of 6% being accepted - offsetting the input costs that were abnormally high due to high inflation experienced for the period. In the ESS service line only a 5% PI was passed on monthly subscriber customers in July to marginally offset the high cost of fuel.

CONTRACT LOSSES

2022 saw an unprecedented number of contract losses primarily due to the implementation of the Citizen Economic Empowerment legislation (CEE). The main loss experienced was Debswana Orapa Mine contract which was re-tendered with the requirements for 100% citizen-ownership. Additionally Cresta group contract was lost due to the customer rejecting the statutory PI as levied by the Government and contractually passed on. Total contract losses amounted to BWP 13.7m in-year impact on revenue.

In addition to contract losses, there were notable contract pricing reductions during the period. Most significant was the contract scope reduction of 40% by the US Embassy which had an impact for 2 months of the year (November & December 2022). This also had a margin impact as the new US Embassy contract was retained at a significantly lower margin than the previous contract. Noting the impact of the citizen economic empowerment, Management also approached Khomacaue mine at the expiry of our contract in September 2022 to negotiate its retention but had to shed margin on the previous contract by 6% - contract renewed for an additional 2 years.

> “*Actual revenue growth of BWP 12.4m was realised on the basis of acquisition of new & growing existing business. This was largely due to increasing our exposure in the retail sector (MSS) and other avenues driven by the deployment of our technology-infused security solutions (instacom).*”

Managing Directors's Report (Continued)

BOTTOM LINE

Despite a healthy topline growth, the period under review resulted in a loss for the year resulting in the main on the abnormal cost pressures occasioned by high fuel costs, a heavy investment on security upgrades specifically in the Cash service line (live-monitoring of all Cash vehicles), and general increase in administrative expenses as the business fully returned to capacity after the Covid-era reductions. Additionally the loss of high value contracts (and replacing these with lower margin opportunities) resulted in a gross margin reduction which added to the significant reduction in Profit before Tax year on year. The period under reviews' loss was also primarily due to an increase in movement in credit loss allowances from a gain of BWP 4.4m (2021) to a loss of BWP 4.3m (2022). The BWP 8.7m swing was triggered mainly by a higher loss given default (LGD) percentage applied to the 2022 receivables above 365 days, compared to 2021.

LOOKING AHEAD

Management´s priority is to return to profitability in the short term with specific focus for the year on cost management and driving efficiencies. The Group will continue to drive revenue following encouraging increases in revenue quarter on quarter for both Q3 and Q4 2022, indicating that revenue lost during H1 2022 is systematically being recovered.

The strategy to drive the sale of integrated security solutions will once again be a priority area to ensure that we remain at the forefront of security capability in Botswana. The setting up of the Access & Beyond subsidiary will offer the Group the opportunity to further tap into the security technological sector with competitive pricing and the opportunity to extend our sales to more customers.

The trading conditions are projected to remain challenging with significantly fewer opportunities than in prior years (primarily due to CEE legislation). As a response, Management continues to drive its commercial strategy of focusing on industry-specific growth (such as the retail growth strategy that has driven the H2 MSS revenue growth). The Group is also engaging the Government through the relevant Ministry to address the CEE challenges to ensure the sustainability of the business in the long term.

"The period under reviews' loss was also primarily due to an increase in movement in credit loss allowances from a gain of BWP 4.4m (2021) to a loss of BWP 4.3m (2022). The BWP 8.7m swing was triggered mainly by a higher loss given default (LGD) percentage applied to the 2022 receivables above 365 days, compared to 2021."

BOARD OF DIRECTORS

BOARD CHAIRPERSON

1 **MS BOITUMELO TUMI MBAAKANYI** (BA, FCCA, FCPA)

2 **MS COLLEEN M. MOTSWAISO**

3 **MS LORATO MOSETLHANYANE** (B.Com, ACCA, MBA, ACC, PCC)

4 **MR THABO MATTHEWS**

BOARD CHAIRPERSON
MS BOITUMELO TUMI MBAAKANYI
(BA, FCCA, FCPA)

Boitumelo is an astute Project, and Financial, Management Expert skewed towards Private Sector Development. She is in private practice in Gaborone, Botswana. Boitumelo is a BA (Economics/ Accounting) graduate, certified chartered accountant and certified auditor. She is a Fellow member of both the Association of Certified Chartered Accountants (ACCA) and Botswana Institute of Chartered Accountants (BICA) and has been a Member of the Association of Certified Fraud Examiners (ACFE). She has 20+ years' experience in Private Sector Development, Corporate Governance, Corporate Renewals, Business Valuations & Brokerage, Due Diligences, Project and Financial Management, Audit/Assurance, Quality Management Systems (QMS), Judicial Management.

Boitumelo is currently contracted as Project Manager of the United Nations Development Programme (UNDP)'s flagship Sustainable Private Sector Development (SPSD) Project which encompasses the Country Office's private sector initiatives across the 3 portfolios of: Just, Green and Prosperity. Key project components include: ATISA Supplier Development Programme (SDP), Youth Connekt (YC), Private Sector Recovery Plan (PSRP) support, Green Energy Interventions support, Conducive Business Environment support, Research/ Innovation Interventions etc. Focus value chains of the SDP include; Mining, Energy, Infrastructure, Agro Processing, Other Manufacturing, Health, Digital, Leather and Textiles. Boitumelo ensures that the project is adequately resourced and oversees its implementation, re efficiency and effectiveness.

Boitumelo serves, and has served, as both a non-executive director and audit committee member for large entities, in vast industries, across the Private Sector, Government and NGOs spectrum. Their diversity demonstrates her agility in matters of overall corporate governance and business sustainability. She currently chairs the Boards of Directors of Old Mutual Life Insurance Botswana and G4S Botswana, the only security company listed on the Botswana Stock Exchange (BSE). She is the past chairperson of G4S's audit and risk committee. She also serves as a Non-Executive Director on the Board of Riscura Botswana (a global investment advisory firm).

She is the past President of the Women in Business Association (WIBA) and was a member of the Public Procurement Assets Disposal Board (PPADB)'s Independent Complaints Review Committee (ICRC). She was a board member at Tebelopele Voluntary Counselling and Testing Centre and also chaired its Audit and Risk Committee (ARC). She has served on the Business Botswana Council and its ARC. At the Botswana Institute of Chartered Accountants (BICA), she was a member of both the Public Sector Committee and the Technical Committee.

Boitumelo spends her leisure time reading, entertaining, travelling and spending time with family. Her most cherished role is being a mother to Maita (aka the King) and Fungo (aka Princess) who are both toddlers and a pleasure to nurture.

MS LORATO MOSETLHANYANE (B.Com, ACCA, MBA, ACC, PCC)

Lorato is a well-seasoned, highly strategic, self-driven, disruptive leader with over 25years experience, seventeen years corporate experience and ten years as a businesswoman practicing as Certified Coach (ICF), 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 these tough and uncertain times.

Lorato currently serves as the chairperson of the Access Bank Botswana board.

MS COLLEEN M. MOTSWAISO

Colleen is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and Botswana Institute of Chartered Accountants (BICA) with a vast experience as senior Finance Executive. She holds a Bachelor of Commerce (Accounting) from the University of Botswana.

Colleen is the General Manager Corporate Services at Public Procurement Regulatory Authority (PPRA) where she is in charge of managing finance and support functions including Human Resources. She was formerly employed as General Manager Corporate Services at Motor Vehicle Accident Fund (MVAF) where she provided strategic leadership to the organisation, and was responsible for managing finance and support functions. Colleen had also previously led the Finance functions of Metropolitan Life Botswana and Engen Marketing Botswana, and held various positions in the Finance Division at the Botswana Telecommunications Corporation.

She has been a Board Member of the Botswana Postal Services, the Botswana Bureau of Standards (BOBS) as well as the National Development Bank (NDB), and served in their Finance, Risk and Audit Committees.

MR THABO MATTHEWS

Thabo is a seasoned executive having worked in senior management roles for prominent local companies and multi-nationals being Barclays Bank, Mascom Wireless, KPMG Consulting, Accenture and Deloitte Consulting. He was also the Managing Director of Sechaba Brewery Holdings Limited from January 2020 to June 2021.

For much of his career, Thabo has provided management consulting services to organisations in the public and private sector in Botswana and South Africa. After heading Deloitte Botswana's consulting offering, he established his own consulting firm providing services to clients directly and through subcontractor services. Recently Thabo expanded his entrepreneurial interests by venturing into the information technology and transportation spaces. He is the Managing Director of Fibre Sourcing Botswana, a fledgling internet services provider offering fibre broadband services to residential and business clients.

Thabo's experience on various boards and board committees of companies and other organisations has enhanced his business development and governance experience. He previously served on the boards of Botswana Life Retirement Annuity Fund, Bayport Financial Services, Standard Chartered Bank Education Trust, Sechaba Brewery Holdings Limited and Kgalagadi Breweries Limited. He is currently an Independent Non-Executive Director of Absa Bank Botswana Limited and serves Maru-A-Pula Secondary School as a Trustee and member of the School Council. Thabo holds a Bachelor of Arts (Honours) in Economics and Computer Science from the University of Sussex University (United Kingdom).

MR RENSO SMIT

Renso serves as the Regional Cluster Director – Southern Africa for the G4S Group. As Regional Cluster Director Renso oversees and provides support to G4S businesses in South Africa, Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, and Zambia. Renso has significant experience across the African region.

He began his career in G4S in 2006 as the National Legal Manager for Secure Solutions – South Africa. He was promoted to a Regional Operations Director role in 2009 and later held the role of Regional General Counsel – Africa before returning to the South African business as Managing Director. Renso assumed his current role within the group in September 2021. Renso holds a Bachelor's degree in Commerce (B.comm) and one in Law (LL.B).


CAUTION
WET
FLOOR

The Audit and Risk Committee (ARC) Report

MS COLLEN MOTSWAISO (Chairperson)

ARC RISK-BASED OVERSIGHT ROLE

During 2022, the Audit and Risk Committee of the Board continued to deliver on its delegated mandate in an independent manner in collaboration with other statutory committees of the Board, other assurance providers and executive management. In performing its duties the Committee identified several strategic risks highlighted below:

AN OVERVIEW OF THE YEAR 2022

- **CASH-IN-TRANSIT HEISTS & ATTACKS**

G4S Botswana continued to face the threat of cash-in-transit heists during 2022 with some attacks leveled directly at our vehicles and security personnel. Attacks were also targeted at some ATMs at premises for which we are responsible. As the country laws do not allow security personnel to carry firearms, we were assisted by Botswana Police and Botswana Defense Force escorts during these trying times. At material times, the security intelligence provided by the police was useful in preventing more attacks. G4S found the escorts to be most helpful as the incidence of cash in transit heists reduced significantly.

- **SECURITY TECHNOLOGY ENHANCEMENTS**

In the face of the threat, G4S responded to the risk by introducing enhanced security solutions, most of which were technology enabled, to fulfill our main mandate of providing safety and peace of mind to our customers and clients.

- **A MOST DIFFICULT TRADING ENVIRONMENT**

Post covid, G4S faced many operating challenges as did others; chief amongst them being reduced revenues and very high operating costs:

- *Our customers also faced operating difficulties during and after covid. New business was hard to come by and collections were badly affected. This resulted in a significant increase in our bad debt provision.*

- *Operating expenses increased mainly due to a large increase in fuel prices, increased insurance premiums as a reaction to increased crime and CIT heists, and increased investment in technology to manage the emerging security threats. The record fuel price increases were caused in part by the Ukraine war and resulting sanctions on Russia leading to reduced global supplies.*

The Audit and Risk Committee (ARC) Report

AUDIT AND RISK COMMITTEE GOVERNANCE

ROLES AND RESPONSIBILITIES	• Accounting & financial reporting • External and Internal Audit • Internal Controls & Risk Management • Integrated Sustainability Reporting
OPERATIONS AND COMMITTEE	• The committee shall comprise of at least three (3) members who shall be non-executive and who will have the relevant experience and qualifications to discharge their duties. A non-executive director chairs the committee. • A quorum shall be duly constituted by the presence of fifty (50%) of the members. • The Managing Director, Finance Director and Board Secretary shall attend committee meetings by invitation. • Appointments to the committee will be for a period of up to three (3) years, extended by no more than two additional three-year periods if two (2) members are always independent. • The meetings of the committee will be held not less than three times a year, to coincide with key dates within the financial reporting and external audit cycle.
COMMITTEE RESOLUTIONS	• Each committee member has one vote on matters before the committee. • A majority of the votes cast on a committee resolution is sufficient to prove that resolution and, in a tied vote, the committee chairperson shall not have a casting vote and the matter being voted on fails, and is referred to the Board for a decision.
COMMITTEE REPORTING	• The committee chairperson shall report to the Board at the first Board meeting following the last committee meeting on the activities of the committee. • The committee shall report on an annual basis to the stakeholders of the company and through the Integrated Annual Report on matters as specified in the Terms of Reference.
COMMITTEE TRAINING & EVALUATION	• The committee via the company secretary shall make available to new members of the committee a suitable induction process and for existing members, ongoing training as appropriate • The committee will be evaluated as required by legislation and best practice governance and actions from the evaluation should be agreed and implementation tracked and reported to the Board.

2022 COMMITTEE EVALUATION

A full performance evaluation of the committee was done to ensure that the members developed a shared understanding of their roles and responsibilities. In experience noted elsewhere, continuous improvement, learning and teamwork have been the result of effective and formal evaluation processes. It is also a process that allows the committee to be aware of and be able to correct key governance lapses before they turn to reputational damage and disasters.

The ARC committee evaluation was done in accordance with best practices set in the King Codes of Corporate Governance and the Botswana Code of Corporate Governance. In general, the performance of the Audit and Risk Committee was Excellent, scoring 89.4% overall.

The Audit and Risk Committee (ARC) Report

THE FOLLOWING RECOMMENDATIONS WERE MADE POST THE REVIEWS:

EVALUATION AREA	RECOMMENDATIONS
Performance Reviews	• The committee should conduct regular performance assessments. • As the effective "guardians" of the organization, the committee has a responsibility to ensure that it is working effectively as a team and continues to be capable of meeting the demands of the role.
Governance reviews	• The committee should ensure that it regularly reviews the following governance documents: • Constitution, committee mandates and/or charters, corporate governance policies & guidelines, board & committee calendars, codes of business conduct/ ethics, internal audit charter, delegation and reservation of authorities policies. • The regular review will enable the company to incorporate any changes prompted by new stakeholder demands or evolving standards of good governance.
Skills mix	• All members of the committee should have the necessary financial literacy, skills and experience to execute their duties effectively.
Meeting management	• Meetings must have a purpose, provide enough notice and appropriate material for the members to be prepared and follow proper meeting procedures • They must be documented with minutes and action items and clearly worded resolutions
Induction of new members	• The committee should carry out well prepared induction processes for new members to ensure their effectiveness. • A thorough induction program should include: • Welcoming the new members and introducing them to the board, other committee members and key stakeholders including the Managing Director and executive staff members. • An introduction to the strategic plan and financial position of the organization. • An introduction to the governance arrangements that are in place.

GOING CONCERN, INTERNAL CONTROLS AND RISK MANAGEMENT

The committee ensured the maintenance of adequate accounting records and followed International Financial Reporting Standards in the preparation of the Company and Group financial statements. We are satisfied that suitable accounting policies have been used and applied consistently and reasonable and prudent estimates have been made. We have reviewed the Company and Group budget and forecasted cash flow for the year to 10 May 2024 and on this basis are satisfied that G4S (Botswana) Limited is a going concern.

We have satisfied ourselves as to the appropriateness and effectiveness of the internal control systems and risk management activities delegated to the Managing Director and management, and consider that they may be relied upon to provide reasonable assurance that assets are safeguarded against material loss or unauthorized use and that transactions are properly authorized and recorded. During the review of internal controls and preparation of the financial statements, the Group and Company have noted certain deficiencies. The improvement in internal controls will therefore be a focal point within 2023 via our Group Internal Audit function.

The company was expected to have finalised and published the audited financial statements by the end of April 2023, however, due to the departure of the Finance Director in November 2022, there was an unavoidable delay in the audit process, resulting in the financial statements being ready in May 2023.

During May 2023 therefore, the Audit and Risk Committee recommended approval of the 2022 Group and Company financial statements to the Board of Directors for the year ended 31 December 2022, and the Board approved the audited financial statements on 10 May 2023.

The Audit and Risk Committee (ARC) Report (Continued)

Key:

✔ = Compliant ▲ = Under review ✕ = Not compliant **P** = Partially compliant **n/a** = Not applicable

CHAPTER 1: ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP			
		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 strategy, risk performance and sustainability are inseparable.	The Board has met and discussed business risk, short- and long-term strategic initiatives as well as impact on the sustainability of the operations of the Group.	√
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 section 3 below.	√
2.7	The board should be responsible for the governance risk.	Refer to section 4 below.	√
2.8	The board should be responsible for information technology (IT) governance.	Refer to section 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 in section 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 section 7 below – Internal audit.	√

The Audit and Risk Committee (ARC) Report (Continued)

CHAPTER 2 : BOARDS AND DIRECTORS			
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 section 8 below – Governing stakeholder relationships.	√
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 section 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 section 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, the Board takes 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. The Board is satisfied that the Group is a going concern.	√
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 fulfil 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 has historically been appointed by the G4S Africa Regional Office; however, the Board takes part in the selection process. The Board has established a Nomination and Remuneration Committee to which this responsibility and authority for future appointments has subsequently been delegated.	√
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	The Board presently comprises four 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 consideration of the existing balance of skills and experience on the Board and a continuous assessment of 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 continued corporate governance updates. New directors will be inducted to the Group as applicable.	√
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 Board completed a review of the performance of the Board and its subcommittees and chairpersons during the year.	√

The Audit and Risk Committee (ARC) Report (Continued)

CHAPTER 2 : BOARDS AND DIRECTORS			
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.	√
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.	✕
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 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 completes a formal evaluation of the effectiveness and independence of the Audit & Risk Committee on an annual basis.The Audit Committee met four times in the 2021 financial year and also can elect to meet with internal and external auditors without management being present.The Board is satisfied with the effectiveness and independence of the Audit and Risk Committee.	√
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 Executive Management to prepare 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 and internal 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 Remuneration Committee.	√
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 the risk and compliance function.	√

The Audit and Risk Committee (ARC) Report (Continued)

CHAPTER 3: AUDIT COMMITTEES			
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. Auditors are appointed from a list of reputable audit firms.	**P**
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.	√
CHAPTER 4: THE GOVERNANCE OF RISK			
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 2021 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.		√
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. The Board is currently in the process of reviewing and renewing its IT governance strategy and policies.	√

The Audit and Risk Committee (ARC) Report (Continued)

CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY			
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 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.	√
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.	√

The Audit and Risk Committee (ARC) Report (Continued)

CHAPTER 7: INTERNAL AUDIT			
7.5	Internal audit should be strategically positioned to achieve its objectives.	Internal audit planning is aligned to the strategy of the Group and augmented with risks specifically identified to impact the local business. The Internal Audit manager attends the Audit & Risk Committee meeting0s on invitation and meets with management as and when required.	√
CHAPTER 8: GOVERNING STAKEHOLDER RELATIONSHIPS			
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 stakeholder groupings, in the interests of the company.	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 the continued improvement of its reporting quality.	**P**
9.3	Sustainability reporting and disclosure should be independently assured.	The sustainability reporting included in the annual report has been prepared by management and has not been independently assured.	✕

The Audit and Risk Committee (ARC) Report (Continued)

CONFIRMATION OF EVALUATION OF THE BOARD, AUDIT & RISK COMMITTEE, REMUNERATION & NOMINATIONS COMMITTEE

The Directors confirm that full evaluations were conducted on the Board, Audit & Risk Committee and Remuneration & Nominations Committee as at 31 December 2022.

However, in terms of s 5.11 (h) and 5.11 (i) of the Requirements, the Finance Director and Company Secretary were not specifically assessed. The Board commits to comply with the Requirements going forward.

KING CODE

The Board confirms that in governing the company, it has applied the principles of the King III code of conduct. The table below has been completed to enable the shareholders to evaluate how the principles have been applied, reasons for either partial or non-compliance and mitigation strategies where applicable.

Remuneration & Nomination Committee Report

LORATO MOSETLHANYANE (Chairperson)

Reflecting on the year that ended December 2022, where the economy was recovering from the effects of COVID 19, the committee's performance was quite remarkable. The Covid-19 pandemic presented an unprecedented challenge for many organisations, but for the G4S Group it was an opportunity to demonstrate our business resilience and our ability to manage risk and to showcase the expertise and reach of our people. Our people are the core of our business and in 2022, as part of safeguarding our employees against COVID-19, we achieved a vaccination rate of 70% which is quite impressive.

It is crucial to note that the Remuneration & Nominations Committee (REMCO) is governed by a charter and during the year under review, full compliance was achieved. The Committee´s key focus areas included the development of the learning & development programme, manpower rationalisation exercise to support Management efficiency programmes, employee engagement, and diversity & inclusion. In 2022 the Group in line with Allied Universal, also launched its new Purpose, Mission, Vision and Values - further cementing the core purpose of our existence.

COMPOSITION OF THE COMMITTEE

The committee consists of non-executive directors whose biographies are set out in the report. There were four scheduled meetings held in the year ended 31 December 2022. Attendees at committee meetings include the Managing Director, Finance Director, Africa & Middle East Compensation & Benefits Specialist, Human Resources Director and the Company Secretary.

Committee membership during 2022 comprised of the following.

	Member since
Lorato Mosetlhanyane (Chairlady)	2020
Gaone Macholo (Member)	2020

Mrs Gaone Macholo retired from the Board in June 2022 following the expiry of her term and following that the committee initiated a nominations and recruitment process. The process resulted in the appointment of Mr Thabo Matthews as the Committee Member in November 2022 replacing Mrs Macholo.

Ms Macholo was very instrumental in setting up the Remunerations and Nominations Committee which is in its second year. On behalf of the committee, I would like to extend our sincere gratitude to her and also welcome Mr Matthews to the committee.

MAIN ACTIVITIES OF THE COMMITTEE DURING THE YEAR

MANPOWER RATIONALISATION

The company continually reviews its structures to ensure that they are fit-for purpose. In 2022 the business reviewed the Finance and Cash structures with the aim of improving efficiencies, safety, and security in our operations following the heightened security landscape in the country. Following a comprehensive manpower rationalisation exercise, a total of twenty-nine (29) employees were unfortunately retrenched from the Cash service line as a result of optimisation.

Remuneration & Nomination Committee Report (Continued)

LEARNING & DEVELOPMENT

Learning & Development is one of the key pillars of our Employee Value Proposition and we take pride in the fact that we invest in our people. We strongly believe that having competent people makes us a smarter and effective workforce, enhances our competitive edge, and presents us with more business opportunities and market share. At G4S we believe our people are the most appreciable asset and we employ the best candidates, develop and strengthen their competencies, provide growth and career opportunities. In 2022 the Group invested in learning and development initiatives. Some executive team members were enrolled for the Next Level Leadership (NLL) Program offered by the Regional Group.

EMPLOYEE ENGAGEMENT

An Employee Engagement Survey was conducted in April 2022 and the organisation achieved a 89.7% participation rate. This is a 20% improvement from the last survey conducted in 2019. We believe that employee engagement is an important driver of sustainable business performance, as employees who are fully engaged will do their very best at work and care passionately about delivering first-rate service for our customers.

DIVERSITY & INCLUSION

G4S employs approximately three thousand (3000) employees spread across the eleven (11) branches in Botswana, with an impressive 25% of the workforce being women in a highly male dominated industry. The Group is committed to increasing the representation of women in its workforce and is actively working towards this goal. The Group´s Board of Directors that is predominantly women-dominated also showcases this.

We emphasise pay for performance 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.	*We emphasise pay for achieving company goals* Incentivise and reward employees for delivery of the company's objectives as we aim to make G4S the company of choice.	*We emphasise fair pay for performance* 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.

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.

Finance Director's Report

MR. KETSHEPEMANG MOTHETHO
Finance Director (Acting)

REVENUE

After a decline between 2018 and 2020, Group Revenue increased by 6% from 2021 driven by all the service lines of Manned Security Services (up 9%), Security Systems (up 5%), Cash Solutions (up 4%) and Facilities Management (up 12%). The growth was boosted by both new and growth contracts and inflationary price increases. While the revenue was overshadowed by fuel increases that almost doubled, the company was not able to effect recoveries from clients who were also trading under difficult conditions.

During the year the company lost a few contracts and also renewed some at reduced margins mainly due to increased competition and CEE regulations. There was also heavy investment in technology and hardware in the cash solutions business caused by increased crime and cash in transit heists.

DIRECT AND DIRECT COSTS

Costs of sale have increased by 17% from 2021, mainly because of increases in fuel and labour costs. Labour costs increased mainly due to an increase in personnel deployed on manned patrols post covid. The company is focussed more than ever on reducing both direct and indirect costs through different strategies such as the introduction of one-man crews armed with body-cams and the elimination of unnecessary shifts.

CREDIT LOSS ALLOWANCES

During 2022, G4S performed a thorough review on its credit loss allowance, mainly due to a change in the debt profile of the customer base. Both public, personal and commercial clients have faced difficulties during covid and have emerged bruised, with slow business growth, decreased cash flow and profitability being the order of the day.

As a result, the 2022 results had an increase in the trade receivables provision of P8.7 M (P4.4 M in 2021), which we believe was necessary to reflect reality in our books. The effect of this was an operating loss of P7.1 M (P23.1 M profit in 2021). We believe that post 2022, we should see a reduction in the credit loss allowance both because of improved collection strategies and a gradual improvement in the quality of our book.

LOOKING TOWARDS THE FUTURE

G4S has made the tough decisions required to ensure that it emerges strong and confident. The 2021 annual financial statements were restated to reflect the fact that the Facilities business was no longer for sale. We also made a realistic adjustment to our credit loss allowance to recognise the adverse trading environment.

The company remains bullish and is certain of its position as a market leader. The new store in Setlhoa, Access and Beyond which was planned for 2022 opened in the first quarter of 2023 with much expectation. The retail store sells the latest security

Finance Director's Report

technology products and is targeted towards both customers and competitors.

We see the future as one driven by practical and affordable technological security solutions for our clients and will continue to increase our market share in this space. We also remain strong in the knowledge that being part of the largest regional and global security team will enable us to continue providing value to our clients, communities and environment.

I would like to extend our thanks and gratitude to our Board, management and staff for keeping the company relevant and energetic and our customers for entrusting us with their safety and security.

Here's to another year of innovation, safety, teamwork and integrity.

Thank you


CAUTION
WET FLOOR

EXECUTIVE COMMITTEE

1 **MR KETSHEPEMANG MOTHETHO ACA, BFP**
FINANCE DIRECTOR (Acting)

2 **MR GALEIKANNGWE GALEBONWE**
OPERATIONS DIRECTOR (Acting)

3 **MS JOSEPHINE MOTHUDI**
HUMAN RESOURCE DIRECTOR

4 **MR MOTHUSI MOLOKOMME**
MANAGING DIRECTOR

MR MOTHUSI MOLOKOMME
MANAGING DIRECTOR

Mothusi Molokomme is the Managing Director of G4S Botswana. His working career spans over 19 years in various roles and industries including mining, financial services, fast moving consumer goods (FMCG) and currently, the security sector. He was previously the Managing Director for Distell Botswana for 6 years; and before that stints at Kgalagadi Breweries Limited, Barclays Bank of Botswana and Debswana Diamond Company.

Mothusi holds a Master of Philosophy degree (MPhil) in Corporate Strategy from the University of Pretoria's Gordon Institute of Business Science (GIBS), a Master's degree in Business Administration (MBA) and a Bachelor's degree in Business Administration; both obtained from the University of Botswana. He has also attended senior executive leadership training specifically the SABMiller-Africa Accelerated Leadership Programme and the Distell Sales Leadership Development Programme.

He has previously served as Chairman of the Botswana Alcohol Industry Association (BAIA), Chairman of the South Africa Business Forum (SABF - Botswana), Chairman of the Gaborone Liquor Control Authority and is currently Vice Chairman of the Kalahari Conservation Society (KCS).

MR KETSHEPEMANG MOTHETHO ACA, BFP
FINANCE DIRECTOR (Acting)

Mr Mothetho joined G4S Botswana in Novemeber 2021 as a Financial Controller and was appointed as the acting Finance Director for G4S Botswana, effective November 2022. He has more than 13 years work experience in audit and finance. Before joining G4S, Ketshepemang spent his career as an external auditor at Deloitte and with the Woolworths Botswana Group.

Ketshepemang is a qualified Chartered Accountant, member of Botswana Institute of Chartered Accountants (BICA) and also a member of the Institute of Chartered accountants of England and Wales (ICAEW). He also holds a Bachelor of Accountancy Degree from the University of Botswana.

MS JOSEPHINE MOTHUDI
HUMAN RESOURCE DIRECTOR

Josephine Mothudi, Executive Director of Human Resources, is a professional with over 16 years of progressive and loyal experience in the transport, manufacturing, health, and security sectors. She joined G4S Botswana in September 2020 after a successful career with Lenmed Health Bokamoso Private Hospital where she worked as the Head of Human Resources.

She has notable experience in strategic human resources planning, performance management, compensation & benefits, training & development, and health and Safety. She holds a Master's in Business Administration from the University of Botswana and is currently pursuing a Doctorate in Business Administration with the Paris School of Business. Ms Mothudi was recently appointed as a Board Member of Botswana Energy Regulatory Authority where she serves as the Chairperson of the Human Resource Committee. Ms Mothudi brings a wealth of multi-national human resources experience to the G4S Botswana team.

MR GALEIKANNGWE GALEBONWE
OPERATIONS DIRECTOR (Acting)

Galeikanngwe Galebonwe is a professional with over 27 years experience in the security industry. He joined G4S in March 2004 as an ATM Custodian when G4S took over cash management for the then Barclays Bank of Botswana, now ABSA Botswana.

He became the Assistant Cash Centre Manager in 2005 and was transferred to the Manned Security Department in 2008 as an Administration Manager. He was appointed an Operations Manager in 2018 and now the Acting Operations Director from November 2022 to date.

He has a wealth of expertise and knowledge in the security industry. He has passion for service excellence and safety, which are key in the security industry. He holds a Diploma in Accounting and Business Studies from the University of Botswana.

G4S Botswana Sustainability Report 2022

EMPLOYEE HEALTH, SAFETY AND WELLBEING

Achievement of our strategic goals relies upon our 3000 employees delivering service to customers across the country. In order to achieve this in a safe, ethical and sustainable way, it is critical to the success of G4S that we embed the right culture across the company. Our values underpin our culture and are fundamental tools in setting, communicating and implementing our standards across the organisation in order to shape the way we work.

The nature of our work and the environments in which we operate mean that security and safety present an operational and strategic risk for our business. We believe that setting the highest standards for health and safety across our industry helps to keep our customers safe and builds employee loyalty and commitment to G4S.

Our incidents and accidents are tracked on an ongoing basis, and lessons learnt compiled and communicated with staff. This also assists to ensure continuous improvement of our health & safety standards.

The table below distinguishes incidents according to severity. Our High Potential Incidents reduced from 20 to 11 in 2022 compared to prior year despite the increasing rate of crime in Botswana. In 2021 we reported a high number of High Potential Incidents as a result of car accidents which resulted in a fatality and cash heists. Some High Potential Incidents reported included attacks at gun point.

CLASSIFICATION OF INCIDENTS/ACCIDENTS	2020	2021	2022
Fatality	0	1	0
HIPO-Fire Arm Related	0	0	0
HIPO-Attacks	4	16	10
HIPO-Transport	2	3	0
HIPO-Critical Hazards	0	0	0
HIPO-Other Attacks	0	0	1
Total	6	20	11

HEALTH & SAFETY TRAINING

G4S recognises that all personnel must be appropriately trained to client-required standards and specific mission needs and that this training is maintained through recurring training. G4S is committed to producing officers that meet or exceed all contract requirements and standards

All employees are trained on Health & Safety. As part of the training, employees attend internal and external programs. Health & Safety is also included in our induction program and the topics are based on hazards identified, regulatory requirements and lessons learnt from incidents.

On an annual basis the HSE department conducts safety courses and in 2022 training interventions included basic fire fighting and defensive driving. This helps ensure that we have a pool of employees that assist to drive the Health & Safety mandate throughout the organisation.

OUR GOLDEN RULES OF SAFETY

We know that the serious incidents we experience arise from the work that we do, the hazards that are present on customer sites and the actions of third parties that are threatening the people or assets that we protect. Our Golden Rules of Safety are some simple and easily understood behaviours that prevent these incidents from occurring. Our Golden Rules apply in all geographies, service lines and at all times while working for G4S.

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

Securing Your World

G4S Botswana Sustainability Report 2022

BREAKDOWN AND CHANGES IN WORKFORCE

Total headcount as of December 31, 2022 stood at 2812 employees, a decrease of 5.9% compared with 2021. Of this total, 2737 were direct employees and 75 Sales, General and Administration staff. There was an decrease in headcount in 2022 because of contract terminations in the manned guarding service line.

The table below shows the breakdown of the workforce by business unit.

1	Total Headcount as of December 31	2022	%	2021
1.1	Cash Solutions	236	-15.4%	279
1.2	Manned Guarding	2029	-6.4%	2159
1.3	Electronic Security Solutions	317	-7.8%	344
1.4	Sales, General & Administration	75	33.9%	56
1.5	Cleaning	155	2.6%	151
1.6	**Totals**	**2812**		**2989**

CORPORATE SOCIAL INVESTMENT

G4S Botswana Limited is committed to being a good corporate citizen and believe that it is our responsibility to ensure that our actions are both positive and contribute to a safer and more secure society for current and future stakeholders.

G4S Botswana Sustainability Report 2022

The focus for the year 2022 was mainly on schools around the country; where students' welfare was improved for better academic performance and general well-being. G4S Botswana supported the following schools in 2022:

- **Boitumelo Primary School (Sebele)**
- **Kgaphamadi Primary School (Ghanzi)**
- **Boseja Primary School (Maun)**
- **Sehitwa Primary School (Maun)**
- **Ditladi Primary SChool (Ditladi)**

G4S Managing Director also participates in UNICEF-CEO COUNCIL INTERVENTIONS TO END VIOLENCE AGAINST CHILDREN IN BOTSWANA. This initiative goes hand in hand with the G4S CARING CULTURE that puts our employees and safety first and also demands that we care about people we do business with and all people we do any business in their environment with.

BACKGROUND

Following consultations in several meetings by the UNICEF-CEO Council on Child Rights in late 2022, the Council reached a consensus to develop a shared value partnership to harness contributions by the private sector to end violence against children in Botswana. This decision was informed by the high levels of violence against children in the country (as documented in the survey on violence against children, police records and other administrative data sources) and the documented impact of violence on children, families, communities and ultimately the economy. This requires a coordinated effort among stakeholders and the private sector entities who are members of the Council who felt that they have a specific role to play in ending violence against children because of the influence and voice they possess at the family, community, and national levels.

This concept note documents the proposed priority interventions and investment to end violence against children under the partnership, identified through the co-creation workshop held on 28th February 2022, bringing together UNICEF and private sector technical cadres representing the various private sector entities that are part of the council.

WHISTLE BLOWING-SPEAK OUT AND ETHICS HOTLINE

A critical part of ensuring we have the right culture across G4S Botswana is guaranteeing that the company has an effective whistleblowing process in place and the employees know how to raise concerns and feel confident in doing so. If employees have concerns that our standards are not being met, we encourage them to **SPEAK OUT**.

Any employee can use our Speak Out platform anonymously, in confidence in multi languages at any time of the day or night. The International Ethics Committee oversees the implementation of the G4S Whistleblowing Policy, conducts regular reviews of serious cases and oversees investigation progress and resulting actions.

G4S Botswana Share register 31 December 2022

Out of the 769 shareholders, 768 shareholders holding 30% of the shares of the Company are public shareholders, and only 1 non-public shareholder is G4S PLC, which owns 70% of the Company shares.

	NAME OF UNITHOLDER	No.of Units	% Shareholding
1	G4S INTERNATIONAL 105 (UK) LIMITED	56,000,000	70.00%
2	FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ	5,467,598	6.83%
3	STANBIC NOMINEES BOTSWANA RE BPOPF WT PRO PORT MCP	2,358,100	2.95%
4	MOTOR VEHICLE ACCIDENT FUND	1,257,300	1.57%
5	BOTSWANA PUBLIC PENSION FUND VUNANI	1,180,537	1.48%
6	STANBIC NOMINEES BOTSWANA RE BIFM PLEF	999,879	1.25%
7	STANBIC NOMINEES BOTSWANA RE BIFM MLF	797,550	1.00%
8	STANBIC NOMINEES BOTSWANA RE MORULA RE DPF	671,085	0.84%
9	NINETY-ONE-DEBSWANA PENSION FUND (DOMESTIC EQUITIES)	619,715	0.77%
10	GUARANTEED LOANS INSURANCE FUND	603,150	0.75%
11	LEBANG MOGAETSHO MPOTOKWANE	568,300	0.71%
12	BOTSWANA PUBLIC OFFICERS PENSION FUND	506,081	0.63%
13	BANK OF BOTSWANA DEFFERED CONTRIBUTION STAFF PENSION	398,999	0.50%
14	NINETY-ONE-RE BOTSWANA MANAGED FUND	392,691	0.49%
15	SCBN (PTY) LTD RE: NINETY ONE 030/30	361,278	0.45%
16	SCBN (PTY) LTD RE: BIFM 028914400011	287,037	0.36%
17	RONEL VIOLETTA PICKLES	226,960	0.28%
18	JDM INVESTMENTS (PTY) LTD	215,100	0.27%
19	NATIONAL PETROLIUM FUND	212,911	0.27%
20	SBB NOMINEES RE:A/C C00062	170,040	0.21%
21	Other 749 shareholders	6,705,689	8.38%
		80,000,000	**100.00%**

G4S (Botswana) Limited

(Registration number BW00000926722)

Consolidated and Separate Financial Statements

for the year ended 31 December 2022

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Provision of security and related services
Directors	Thabo Matthews (Appointed 1st November 2022) Colleen Motswaiso (Appointed 1st November 2022) Gaone Macholo (Resigned 30 June 2022) Lorato Nthando Mosetlhanyane (Non-executive board member) Boitumelo Tumie Mbaakanyi (Non- executive board member) Johann du Plooy (Finance Director) (Resigned 18 November 2022) Mothusi Molokomme (Managing Director) Renso Smit (Southern Africa Cluster Director)
Business address and registered office	Plot 20584 Block 3 Industrial Western By Pass Gaborone Botswana
Bankers	Absa Bank Botswana Limited First National Bank of Botswana Limited Bank Gaborone Limited Standard Chartered Bank Botswana Limited Stanbic Bank Botswana Limited
Auditor	Deloitte & Touche Chartered Accountants
Secretary	Grant Thornton Business Services (Proprietary) Limited
Company registration number	BW00000926722
Functional currency	Botswana Pula "P"

FINANCIAL REPORT
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Directors' Responsibilities and Approval

The directors are required in terms of the Botswana Companies Act, Chapter 42:01 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. 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 10 May 2024. 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 and the external auditors' review and testing of appropriate aspects of the internal control systems during the course of their statutory examination of the Company and Group.

The Group and Company directors have considered the results of these reviews and are aware of certain internal control deficiencies. The control environment requires improvement and will be a focal point within 2023. In addition this will be a focus point of Group Internal Audit for 2023. 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 2022 and which appear on pages 55 to 118 were authorised for issue by the Board of Directors on 10 May 2023 and were signed on their behalf by:

Director

Director

To the shareholder of G4S (Botswana) Limited

Deloitte.

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Botswana

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

Opinion

We have audited the consolidated and separate financial statements ('the financial statements') of G4S (Botswana) Limited ('the Company') and it's subsidiary ('the Group'), set out on pages 55 to 118, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 31 December 2022, and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Partners: CV Ramatlapeng (Botswana) P Naik (Zimbabwe) MJ Wotherspoon (South Africa)

Independent Auditor's Report *(Continued)*

Deloitte.

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

Key Audit Matter	How the matter was addressed in the audit
Adequacy of the debtors allowance for expected credit losses "ECL" (consolidated and separate)	
The Group and Company has a significant debtor's book which comprises a large number of debtors with a high level of overdue debt. At 31 December 2022, the Group recognised net trade receivables of P29.1 million after recognising a total ECL of P31.3 million and the Company recognised net trade receivables of P28.1 million after recognising a total ECL of P30.3 million. The Directors use a provision model under the simplified approach to estimate the ECL, in accordance with IFRS 9 - Financial Instruments. The Directors apply a provisioning matrix as a practical expedient to determine the ECL for trade receivables. Trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics and by grouping these based on days past due. Expected loss rates are based on the payment profile of credit sales over the thirty-six months preceding 31 December 2022, 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. 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. In determining the impairment, key judgements were applied by the Directors in selecting and applying an appropriate model and in determining the ECL which are expected to be incurred once it is considered irrecoverable. Accordingly, we identified the adequacy of the debtors allowance for ECL as a key audit matter as a result of the judgements applied in determining the allowance by the Directors and the quantitative significance of the ECL. Disclosures with respect to the debtors allowance for ECL are included in: • Note 1.2 "Critical accounting estimates and judgements Impairment of Trade Receivables"; • Note 1.8 - "Financial Instruments – Measurement and recognition of expected credit losses"; • Note 3 - "Financial instruments and risk management - Credit Risk"; and • Note 20 - "Trade and other receivables".	Our procedures included the following: • We assessed the Group's and Company's provision model against the requirements of IFRS 9 - Financial Instruments ("IFRS 9") • We evaluated the design and implementation of relevant controls over the governance processes implemented for credit models and inputs into the ECL models and how the Directors ensure they have appropriate oversight of the ECL. • We tested the mathematical accuracy of the Group's and Company's ECL. • We assessed and challenged the Directors on the data inputs and key assumptions into the ECL models, which includes the evaluation of shared credit risk characteristics, estimated macroeconomic inputs and the estimated probability of default, and loss given default. • We performed a retrospective review of the ECL previously raised against the actual debts still outstanding or written off; • We tested, on a sample basis, the data utilised in the impairment model on 31 December 2022, including ageing of debtor balances and debt recovery rates achieved after initial credit default; • We performed an independent assessment of the allowance for ECL taking into account the above factors by updating the model with our own judgements; and • We evaluated the adequacy of the financial statement disclosures including key assumptions and judgements. In conclusion, we considered the judgements and estimates used for the assessment of the ECL and related disclosures to be appropriate. The assumption used in determining the loss given default for the over 365 days age bracket appeared optimistic and had to be adjusted to better reflect the ECL for this age bracket. From a design and implementation of controls we have concluded that the review control over the governance processes implemented for credit models and inputs into the ECL models and how the Directors ensure they have appropriate oversight of the ECL require enhancement.

Independent Auditor's Report *(Continued)*

Deloitte.

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

Other Matter

The consolidated and separate financial statements of the Company and the Group for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 4 April 2022.

Other Information

The Directors are responsible for the other information. The other information comprises the General Information and the Directors' Responsibilities and Approval Statement which we obtained prior to the date of this auditor's report as the other parts of the Annual Report which will be made available after the date of our independent auditor's report. The other information does not include the 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 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 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.

If, based on the work we have performed on the other information 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 and fair presentation of the consolidated and separate financial statements 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 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.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

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.

Independent Auditor's Report *(Continued)*

Deloitte.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- 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 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 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 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 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. 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 Audit Committee 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 Audit Committee 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, related safeguards.

From the matters communicated with the Audit Committee, 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 matters. 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.

17 May 2023
Gaborone

Deloitte & Touche

Deloitte & Touche
Firm of Certified Auditors
Practicing Member: Magritha Juanita Wotherspoon (CAP 032 2023)

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

		Group		Company	
	Note	2022 P	2021 Restated* P	2022 P	2021 P
Revenue	4	212 460 324	199 565 198	207 021 627	194 688 706
Cost of goods sold	5	(8 065 884)	(5 493 232)	(8 065 884)	(5 493 232)
Cost of providing services	5	(165 478 731)	(142 783 312)	(160 167 541)	(138 314 019)
Gross profit		**38 915 709**	**51 288 654**	**38 788 202**	**50 881 455**
Other income	6	1 129 302	2 517 637	1 076 424	3 707 637
Movement in credit loss allowances	7	(4 326 701)	4 478 601	(3 856 963)	3 854 089
Administrative expenses	8	(42 815 032)	(35 209 326)	(42 622 503)	(34 675 277)
Operating (loss)/profit	7	**(7 096 722)**	**23 075 566**	**(6 614 840)**	**23 767 904**
Finance income	9	2 372 578	3 008 101	2 372 344	3 005 297
Interest paid	10	(1 345 892)	(1 555 779)	(1 345 892)	(1 555 779)
Impairment of investment in subsidiary	11	-	-	(2 522 821)	(1 861 707)
(Loss)/profit before taxation		**(6 070 036)**	**24 527 888**	**(8 111 209)**	**23 355 715**
Taxation	12	97 406	(4 956 945)	1 198 790	(4 803 479)
(Loss)/profit for the year		**(5 972 630)**	**19 570 943**	**(6 912 419)**	**18 552 236**
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/income for the year		**(5 972 630)**	**19 570 943**	**(6 912 419)**	**18 552 236**
(Loss)/profit attributable to:					
Owners of the parent of the company		(5 435 666)	19 415 920	(6 912 419)	18 552 236
Non-controlling interest	24	(536 964)	155 023	-	-
		(5 972 630)	**19 570 943**	**(6 912 419)**	**18 552 236**

(Loss)/earnings per share from operations attributable to the ordinary equity holders of the company

Per share information					
Basic and diluted earnings per share (thebe)	13	(6.79)	24.27		

*See note 35.

Consolidated and Separate Statement of Financial Position

		Group		Company	
	Note(s)	2022 P	2021 P	2022 P	2021 P
Assets					
Non-Current Assets					
Property, plant and equipment	14	23 455 781	14 309 484	23 417 152	14 309 484
Right-of-use assets	15	11 650 847	14 987 688	11 650 847	14 987 688
Goodwill	16	9 715 123	9 715 123	9 715 123	9 715 123
Investments in subsidiaries	24	-	-	1 191 159	-
Deferred tax	17	6 677 657	5 478 867	6 677 657	5 478 867
		51 499 408	**44 491 162**	**52 651 938**	**44 491 162**
Current Assets					
Inventories	18	5 556 272	5 477 540	4 858 455	5 477 540
Amounts due from related parties	19	50 193 868	59 327 088	50 534 580	59 792 078
Trade and other receivables	20	30 451 307	37 470 231	29 450 377	37 462 066
Current tax receivable		5 805 104	672 392	5 805 104	672 392
Cash and cash equivalents	21	12 051 124	16 026 851	10 805 219	16 026 851
		104 057 675	**118 974 102**	**101 453 735**	**119 430 927**
Non-current assets held for sale	22	-	5 264 326	-	3 713 980
Total Assets		**155 557 083**	**168 729 590**	**154 105 673**	**167 636 069**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Stated capital	23	1 804 557	1 804 557	1 804 557	1 804 557
Retained income		109 425 912	114 861 578	109 804 108	116 716 527
		111 230 469	116 666 135	111 608 665	118 521 084
Non-controlling interest	24	861 160	1 398 124	-	-
		112 091 629	**118 064 259**	**111 608 665**	**118 521 084**
Liabilities					
Non-Current Liabilities					
Finance lease liabilities	25	9 351 505	12 117 354	9 351 505	12 117 354
Current Liabilities					
Trade and other payables	26	27 722 501	27 207 778	26 754 055	27 207 778
Amounts due to group companies	27	1 091 609	3 392 643	1 091 609	3 392 643
Finance lease liabilities	25	5 299 839	5 413 451	5 299 839	5 413 451
Provisions	29	-	983 759	-	983 759
		34 113 949	**36 997 631**	**33 145 503**	**36 997 631**
Non-current liabilities of assets held for sale	22	-	1 550 346	-	-
Total Liabilities		**43 465 454**	**50 665 331**	**42 497 008**	**49 114 985**
Total Equity and Liabilities		**155 557 083**	**168 729 590**	**154 105 673**	**167 636 069**

Consolidated and Separate Statements of Changes in Equity

	Stated capital P	Retained income P	Total P	Non-controlling interest P	Total equity P
Group					
Balance at 01 January 2021	**1 804 557**	**111 145 659**	**112 950 216**	**1 753 101**	**114 703 317**
Profit for the year	-	19 415 920	19 415 920	155 023	19 570 943
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**19 415 920**	**19 415 920**	**155 023**	**19 570 943**
Dividends paid	-	(15 700 001)	(15 700 001)	(510 000)	(16 210 001)
Balance at 31 December 2021	**1 804 557**	**114 861 578**	**116 666 135**	**1 398 124**	**118 064 259**
Balance at 1 January 2022	**1 804 557**	**114 861 578**	**116 666 135**	**1 398 124**	**118 064 259**
Loss for the year	-	(5 435 666)	(5 435 666)	(536 964)	(5 972 630)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**(5 435 666)**	**(5 435 666)**	**(536 964)**	**(5 972 630)**
Balance at 31 December 2022	**1 804 557**	**109 425 912**	**111 230 469**	**861 160**	**112 091 629**
Note	23			24	
Company					
Balance at 01 January 2021	**1 804 557**	**113 864 292**	**115 668 849**	**-**	**115 668 849**
Profit for the year	-	18 552 236	18 552 236	-	18 552 236
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**18 552 236**	**18 552 236**	**-**	**18 552 236**
Dividends paid	-	(15 700 001)	(15 700 001)	-	(15 700 001)
Balance at 31 December 2021	**1 804 557**	**116 716 527**	**118 521 084**	**-**	**118 521 084**
Balance at 1 January 2022	**1 804 557**	**116 716 527**	**118 521 084**	**-**	**118 521 084**
Loss for the year	-	(6 912 419)	(6 912 419)	-	(6 912 419)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**(6 912 419)**	**(6 912 419)**	**-**	**(6 912 419)**
Balance at 31 December 2022	**1 804 557**	**109 804 108**	**111 608 665**	**-**	**111 608 665**
Note	23				

Consolidated and Separate Statements of Cash Flows

		Group		Company	
		2022	2021 Restated*	2022	2021
	Note	P	P	P	P
Cash flows from operating activities					
Cash flows generated from operations	31	15 924 693	30 700 065	15 793 017	31 302 189
Taxation paid	28	(5 132 712)	(10 085 155)	(5 132 712)	(10 085 155)
Net cash flows generated from operating activities		**10 791 981**	**20 614 910**	**10 660 305**	**21 217 034**
Cash flows from investing activities					
Purchase of property, plant and equipment	14	(18 127 216)	(13 106 872)	(18 127 216)	(13 106 872)
Proceeds from sale of property, plant and equipment	14	-	60 634	-	60 634
Loans to relared parties repaid		10 000 000	-	10 000 000	-
Interest received	9	14 792	66 044	14 558	66 044
Dividends received		-	-	-	1 190 000
Net cash flows utilised in investing activities		**(8 112 424)**	**(12 980 194)**	**(8 112 658)**	**(11 790 194)**
Cash flows from financing activities					
Payment on lease liabilities	30	(6 423 387)	(8 032 555)	(6 423 387)	(8 032 555)
Dividends paid	32	-	(16 210 001)	-	(15 700 001)
Interest paid	10	(1 345 892)	(1 555 779)	(1 345 892)	(1 555 779)
Net cash flows utilised in financing activities		**(7 769 279)**	**(25 798 335)**	**(7 769 279)**	**(25 288 335)**
Movement in cash and cash equivalents		**(5 089 722)**	**(18 163 619)**	**(5 221 632)**	**(15 861 495)**
Cash and cash equivalents at the beginning of the year		17 140 846	35 304 465	16 026 851	31 888 346
Total cash and cash equivalents at the end of the year	21	**12 051 124**	**17 140 846**	**10 805 219**	**16 026 851**

*See note 35.

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 comprise 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.

The consolidated and separate financial statements ("the financial statements") are prepared in accordance with the International Financial Reporting Standards ("IFRS"), the Botswana Companies Act Chapter 42:01, the Botswana Stock Exchange and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. These financial statements have been approved by the board of directors on 10 May 2023.

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, except for discontinued operations (which are carried at fair value less costs to sell), financial assets and financial liabilities which are measured 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.

Significant Accounting Policies

1.1 Basis of preparation (Continued)

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.

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.

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

Going concern

In determining the appropriate basis of preparation of the annual financial statements, the directors are required by IAS 1: Presentation of Financial Statements to assess the group's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the directors are required to take into account all available information about the future which is at least but not limited to twelve months from the end of the reporting period. Such information may include the current and expected profitability of operations.

The directors have assessed all matters related to the going concern assumption and have determined that the group will continue as a going concern for the foreseeable future. The most significant judgement would be that the forecasted margins would be achievable and the cost containment strategy achieved. Refer to to note 37.

Deferred taxes

Deferred taxation assets represent the amount of income tax recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. These assets are recognised to the extent that it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits

Significant Accounting Policies

1.2 Critical accounting estimates and judgements (Continued)

are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates, and competitive forces.

The deferred tax assets raised relate mainly to G4S (Botswana) Limited in respect of the annual expected credit loss provisions, right of use assets, lease liabilities and tax losses carried forward from current or prior years. These assets are expected to be recoverable against future taxable profits in the normal course of business. Details of the deferred taxation assets are disclosed in note 17.

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.

Useful lives of plant and equipment

Plant and equipment are depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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 20).

Non-controlling interest

For the G4S (Botswana) Limited group consolidated financial statements, the 51% shareholding meets the definition of a non-controlling interest (NCI) per IFRS 10, however, the in-substance ownership held by the NCI represents a 28.5% accounting and economic interest until such time as the purchase consideration of the share holding is settled by the individual. The individual is contractually bound to G4S and not allowed to dispose of his interests in the open market. Therefore, profit attribution will be provided to the NCI at 28.5%.

Investment in subsidiary recoverability

The group reviews and tests the carrying value of its investment in subsidiary when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. Refer to note 11.

1.3 Revenue from contracts with customers

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

Significant Accounting Policies

1.3 Revenue from contracts with customers (Continued)

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.

The Group often enters into customer contracts to supply products and services, for example fire equipment alarms, CCTV, cash consumables and provides cash in transit, intruder and fire alarm monitoring, guard services, facilities management services and cleaning services. The contract is then assessed to determine whether it contains a single combined performance obligation or multiple performance obligations. If applicable the total transaction price is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

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

Sale of security equipment and cash consumables

The group sells goods directly to customers.

Revenue is recognised at a point in time, when (or as) the Group satisfies performance obligations by transferring the promised goods to its customers.

For sales of fire equipment alarms, CCTV, cash consumables 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 warrantee claims with the vendor in line with vendor warranty periods.

Provision of security systems, manned security, cash solutions and facility management 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.

Significant Accounting Policies

1.3 Revenue from contracts with customers (Continued)

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.

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 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales, refer to cost of rendering services in note 5.

1.5 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

Significant Accounting Policies

1.5 Property, plant and equipment (continued)

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.

1.6 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.

Significant Accounting Policies

1.6 Impairment of assets (Continued)

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.

1.7 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.

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.

1.8 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 19) 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.

Significant Accounting Policies

1.8 Financial instruments (Continued)

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.

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 for all amounts due from related parties 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.

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.

Significant Accounting Policies

1.8 Financial instruments (Continued)

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 group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on all amounts due from related parties. 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.

An impairment gain or loss is recognised in (loss)/profit or loss with a corresponding adjustment to the carrying amount of all amounts due from related parties, through use of a loss allowance account. The impairment loss is included in administrative expenses in (loss)/profit or loss as a movement in credit loss allowance.

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 20).

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.

Significant Accounting Policies

1.8 Financial instruments (Continued)

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.

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 by assessing each service line independantly in order to address the risks associated thereof.
Details of the provision matrix is presented in note 20.

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 20) and the financial instruments and risk management note (refer to note 3).

Significant Accounting Policies

1.8 Financial instruments (Continued)

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 and 27), 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.

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 interest paid (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.

Significant Accounting Policies

1.8 Financial instruments (Continued)

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.

Impairment
The group recognises a loss allowance for expected credit losses on cash equivalents 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 cash held with financial institutions.

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).

Write-off
Cash and cash equivalents are written off when its deemed to be unrecoverable.

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.

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. 1.9 Inventories

Significant Accounting Policies

1.9 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.

1.10 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.

1.11 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.

1.12 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.

Current and deferred tax assets and liabilities are off-set in the statement of financial position as the entity has a right to settle its tax affairs on a net basis.

Significant Accounting Policies

1.13 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.

(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.

1.14 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

Significant Accounting Policies

1.14 Provisions and accruals (Continued)

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.

1.15 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.

1.16 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. 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 39.

1.17 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.

1.18 Leases

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

Significant Accounting Policies

1.18 Leases (Continued)

group recognises the lease payments as an operating expense (refer to note 8) 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.

At period end the Group is a party to a number of expired lease contracts, these lease contracts will either expire or be cancelled upon the award of contracts that they relate to. Management is of the view that none of these expired contracts will be extended past a 12 month period.

Details of leasing arrangements where the group is a lessee are presented in note 15 and 29.

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 interest paid (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;

Significant Accounting Policies

1.18 Leases (Continued)

- 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.

Right-of-use assets

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 on a straight line basis 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.

Right-of-use assets are depreciated over their useful lives, which is their lease period. The useful lives are presented in the following

Item	Depreciation method	Average useful life
Buildings	Straight line	5 years
Motor vehicles	Straight line	1 - 3 years
Operating equipment	Straight line	4 years

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.

1.19 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.

Significant Accounting Policies

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.

1.20 Rounding off amounts

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

1.21 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.

1.22 Prior year comparatives

Certain prior year disclosure have been enhanced to ensure appropriate disclosure and uniformity with the current year's presentation. These enhancements have no effect on any of the primary statements other than the adjustments included in note 35.

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:

Standard/ Interpretation:	Effective date: Years beginning on or after	Impact:
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	The impact of the amendments is not material.
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	The impact of the amendments is not material.
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	The impact of the amendments is not material.
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2022	The impact of the amendments 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 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected Impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Still to be determined	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	01 January 2023	Unlikely there will be a material impact

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 which are recoverable and payable within a short period of time.

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
Financial assets				
Trade receivables	29 135 888	32 333 330	28 143 125	32 333 330
Other receivables	671 521	1 798 935	663 354	1 790 770
Amounts due from related parties	50 193 868	59 327 088	50 534 580	59 792 078
Cash and cash equivalents (excluding cash on hand)	12 044 765	16 026 851	10 798 860	16 026 851
	92 046 042	**109 486 204**	**90 139 919**	**109 943 029**
Financial liabilities				
Trade payables	6 111 092	4 017 028	5 869 479	4 017 028
Other payables	6 369 495	9 078 038	6 134 227	9 078 038
Amounts due to related parties	1 091 609	3 392 643	1 091 609	3 392 643
Lease liabilities	14 651 344	17 530 805	14 651 344	17 530 805
	28 223 540	**34 018 514**	**27 746 659**	**34 018 514**

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

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.

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 81% and 80% of defaulted amounts, respectively.

These have resulted in an impairment loss allowance of P31 251 728 (2021: P26 492 103) and P 30 347 596 (2021: P26 492 103), respectively for Group and Company.

The assessment of expected credit losses for the Group and Company will increase by P 603 976 (2021: P 505 694) for every percentage point increase in these estimates.

Forward looking information is considered in the determination of the probability of default.

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 P 1 030 992 (2021: P 66 146). 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), or
- no alternative payment arrangements have been made and adhered to by the customer during the first 180 days after date of invoice, or
- alternative collection efforts (mainly through external debt collection agencies), initiated once the invoice has been outstanding for more than 180 days, have failed, or
- and include the following bullet, notwithstanding the above, the factors above indicate a higher risk of credit default, however, customers are assessed individually and impairment is provided for in accordance with their risk of default profile.

The expected credit loss for trade receivables as at 31 December 2022 and 31 December 2021 is discussed in note 20.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its

Notes to the Consolidated And Separate Financial Statements

		Group		Company	
		2022	2021	2022	2021
		P	P	P	P

3. Financial instruments and risk management (Continued)

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.

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

Trade receivables (net of impairment)	Not rated	29 135 888	32 333 330	28 143 125	32 333 330
Other receivables	Not rated	671 521	1 798 935	663 354	1 790 770
Amounts due from related parties	Not rated	50 193 868	59 327 088	50 534 580	59 792 078
Cash and cash equivalents	Not rated	12 044 765	16 026 851	10 798 860	16 026 851
		92 046 042	**109 486 204**	**90 139 919**	**109 943 029**

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	16 762 418	19 899 700	16 116 272	19 899 700
Past due not impaired	12 373 470	12 433 630	12 026 853	12 433 630
Impaired	31 261 728	26 492 103	30 347 596	26 492 103
	60 397 616	**58 825 433**	**58 490 721**	**58 825 433**

Aging of trade Fully performing;	Amounts are not yet due
Past due not impaired	Amounts are due but not impaired as per the expected credit loss model
Impaired	Amounts impaired as per expected credit loss model.

Aging of trade receivables				
Fully performing	16 762 418	19 899 699	16 116 272	19 899 699
Past due 31-90 days	6 449 645	4 550 169	6 179 258	4 550 169
Past due 91 -180	4 709 845	2 733 132	4 548 030	2 733 132
Past due more than 180 days	32 475 708	31 642 433	31 647 161	31 642 433
Total gross receivables	60 397 616	58 825 433	58 490 721	58 825 433
Less impairment on receivables:				
Impairment loss allowance	(31 261 728)	(26 492 103)	(30 347 596)	(26 492 103)
Net trade receivables	**29 135 888**	**32 333 330**	**28 143 125**	**32 333 330**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	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 14% charged on the trade receivables.

Additional impairment during the year is attributable to financial assets recognised during the year as well as changes in the probability of default assumptions.

Movement in impairment allowance:				
Opening balance of the year	26 492 103	25 931 828	26 492 103	25 931 828
Provisions reversed on settled trade receivables	(4 378 353)	(3 854 089)	(4 124 969)	(3 854 089)
Provision raised on trade receivables	11 691 345	4 414 364	11 094 221	4 414 364
Amounts recovered	(3 241 145)	-	(3 113 759)	-
Transfer from assets held for sale	697 778	-	-	-
Balance at the end of the year	**31 261 728**	**26 492 103**	**30 347 596**	**26 492 103**

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 has access to fund through related party treasury and fund placed in call accounts 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.

Liquidity risk impacts all current and non-current liabilities of the company mainly, lease liabilities, trade and other payables and taxation.

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.

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

Group - 2022

	Note	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Finance lease liabilities	25	-	10 788 325	10 788 325	9 351 505
Current liabilities					
Trade and other payables	26	6 111 092	-	6 111 092	6 111 092
Amounts due to related parties	27	1 091 609	-	1 091 609	1 091 609
Finance lease liabilities	25	6 550 391	-	6 550 391	5 299 839
Other payables	26	6 369 495	-	6 369 495	6 369 495
		20 122 587	**10 788 325**	**30 910 912**	**28 223 540**

Group - 2021

	Note	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Finance lease liabilities	25	-	12 117 354	12 117 354	12 117 354
Current liabilities					
Trade and other payables	26	4 017 028	-	4 017 028	4 017 028
Amounts due to related parties	27	3 392 643	-	3 392 643	3 392 643
Finance lease liabilities	25	5 413 451	-	5 413 451	5 413 451
Other payables	26	9 078 038	-	9 078 038	9 078 038
		21 901 160	**12 117 354**	**34 018 514**	**34 018 514**

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

Company - 2022

	Note	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Finance lease liabilities	25	-	10 788 325	10 788 325	9 351 505
Current liabilities					
Trade and other payables	26	5 869 479	-	5 869 479	5 869 479
Amounts due to related parties	27	1 091 609	-	1 091 609	1 091 609
Finance lease liabilities	25	6 550 391	-	6 550 391	5 299 839
Other payables	26	6 134 227	-	6 134 227	6 134 227
		19 645 706	**10 788 325**	**30 434 031**	**27 746 659**

Company - 2021

	Note	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Finance lease liabilities	25	-	12 117 354	12 117 354	12 117 354
Current liabilities					
TTrade and other payables	26	4 017 028	-	4 017 028	4 017 028
Amounts due to related parties	27	3 392 643	-	3 392 643	3 392 643
Finance lease liabilities	25	5 413 451	-	5 413 451	5 413 451
Other payables	26	9 078 038	-	9 078 038	9 078 038
		21 901 160	**12 117 354**	**34 018 514**	**34 018 514**

Notes to the Consolidated And Separate Financial Statements

		Group		Company	
		2022	2021	2022	2021
	Note	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, British Pound 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

Pula per unit of foreign currency:	Group 2022 P	Group 2021 P	Company 2022 P	Company 2021 P
South African Rand	1.3354	1.3627	1.3354	1.3627
US Dollar	0.0784	0.0855	0.0784	0.0855
British Pound	0.0648	0.0632	0.0648	0.0632

Foreign currency sensitivity analysis

The Group is exposed to currency risk mainly British Pound (GBP), South Africa Rand (ZAR) and United States Dollar (USD) through its purchases from South Africa, United Kingdom and India (in USD). The Group's total liabilities payable in GBP at the reporting date were GBP Nil: P Nil (2021: GBP 68 644: P 1 086 141), ZAR at the reporting date were R158 754: P118 873 (2021: R 2 298 273: P 1 686 508), payable in USD at the reporting date were USD 30 656: P 391 082 (2021: USD 204 400: P 2 390 500).

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 PNil (2021: P108 614). 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 P15 875 (2021: P168 651). 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 P3 066 (2021: P239 050).

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.

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

	2022	2022	2021	2021
Increase or decrease in rate by 10%	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
ZAR/BWP	(15 875)	15 875	(168 651)	168 651
USD/BWP	(3 066)	3 066	(239 050)	239 050
GBP/BWP	-	-	(108 614)	108 614
	(18 941)	**18 941**	**(516 315)**	**516 315**
Impact on equity:				
ZAR/BWP	(12 383)	12 383	(131 548)	131 548
USD/BWP	(2 391)	2 391	(186 459)	186 459
GBP/BWP	-	-	(84 719)	84 719
	(14 774)	**14 774**	**(402 726)**	**402 726**

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 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.

Group	2022	2022	2021	2021
Increase or decrease in rate by 10%	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Interest Income	191 553	(191 553)	156 075	(156 075)
Impact on equity:				
Interest Income	149 411	(149 411)	121 739	(121 739)

Capital risk management

The Group's objectives when managing capital, comprising of cash reserves and investments, 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. 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.

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

The group has no externally imposed capital requirements.The long term capital gearing ratio of the business is considered to be acceptable at 40%, should market opportunities justify borrowings.

The gearing ratios at 31 December 2022 and 31 December 2021 were as follows:

Total borrowings		-	-	-	-
Cash on hand and cash at bank	21	12 051 124	16 026 851	10 805 219	16 026 851
Net cash		**12 051 124**	**16 026 851**	**10 805 219**	**16 026 851**
Equity		112 091 629	118 064 259	111 608 665	118 521 084
Gearing ratio		0.00%	0.00%	0.00%	0.00%

Categories of financial instruments

Categories of financial assets

Group - 2022	Note(s)	Amortised cost	Total
Amounts due from related parties	19	50 193 868	50 193 868
Trade and other receivables	20	29 807 409	29 807 409
Cash and cash equivalents (excluding cash on hand)	21	12 044 765	12 044 765
		92 046 042	**92 046 042**

Group - 2021	Note(s)	Amortised cost	Total
Amounts due from related parties	19	59 327 088	59 327 088
Trade and other receivables	20	34 132 265	34 132 265
Cash and cash equivalents (excluding cash on hand)	21	16 026 851	16 026 851
		109 486 204	**109 486 204**

Company - 2022

	Note(s)	Amortised cost	Total
Amounts due from related parties	19	50 534 580	50 534 580
Trade and other receivables	20	28 806 479	28 806 479
Cash and cash equivalents (excluding cash on hand)	21	10 798 860	10 798 860
		90 139 919	**90 139 919**

Company - 2021	Note(s)	Amortised cost	Total
Amounts due from related parties	19	59 792 078	59 792 078
Trade and other receivables	20	34 124 100	34 124 100
Cash and cash equivalents (excluding cash on hand)	21	16 026 851	16 026 851
		109 943 029	**109 943 029**

Notes to the Consolidated And Separate Financial Statements

3. Financial instruments and risk management (Continued)

Categories of financial liabilities

Group - 2022	Note(s)	Amortised cost	Total
Trade and other payables	26	12 480 587	12 480 587
Amounts due to related parties	27	1 091 609	1 091 609
Lease liabilities	25	14 651 344	14 651 344
		28 223 540	**28 223 540**

Group - 2021	Note(s)	Amortised	cost Total
Trade and other payables	26	13 095 066	13 095 066
Amounts due to related parties	27	3 392 643	3 392 643
Lease liabilities	25	17 530 805	17 530 805
		34 018 514	**34 018 514**

Company - 2022	Note(s)	Amortised cost	Total
Trade and other payables	26	12 003 706	12 003 706
Amounts due to related parties	27	1 091 609	1 091 609
Lease liabilities	25	14 651 344	14 651 344
		27 746 659	**27 746 659**

Company - 2021	Note(s)	Amortised	cost Total
Trade and other payables	26	13 058 712	13 058 712
Amounts due to related parties	27	3 392 643	3 392 643
Lease liabilities	25	17 530 805	17 530 805
		33 982 160	**33 982 160**

Notes to the Consolidated And Separate Financial Statements

	Note	Group 2022 P	Group 2021 Restated* P	Company 2022 P	Company 2021 P
4. Revenue					
Revenue from contracts with customers					
Sale of goods		8 417 680	7 352 154	8 417 680	7 352 154
Rendering of services		204 042 644	192 213 044	198 603 947	187 336 552
		212 460 324	**199 565 198**	**207 021 627**	**194 688 706**

There are no external customers which account for more than 10% of the group's total revenue.

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

	Note	Group 2022 P	Group 2021 Restated* P	Company 2022 P	Company 2021 P
Sale of goods					
Security systems					
Security equipment sales		3 088 521	2 896 708	3 088 521	2 896 708
Cash solutions					
Sale of consumables		5 329 159	4 455 446	5 329 159	4 455 446
		8 417 680	**7 352 154**	**8 417 680**	**7 352 154**
Rendering of services					
Security systems					
Alarm monitoring and response services		42 011 378	40 561 751	42 011 378	40 561 751
Systems installations services		1 621 168	1 088 667	1 621 168	1 088 667
Systems repairs and maintenance services		478 053	566 992	478 053	566 992
Manned security					
Manned guarding services		96 701 507	88 635 904	96 701 507	88 635 904
Cash solutions					
ATM management, cash in transit services and cash processing services		57 791 841	56 483 238	57 791 841	56 483 238
Facilities management					
Rental services		230 056	181 094	-	-
Cleaning services		5 208 641	4 695 398	-	-
		204 042 644	**192 213 044**	**198 603 947**	**187 336 552**
Total revenue from contracts with customers		**212 460 324**	**199 565 198**	**207 021 627**	**194 688 706**
Timing of revenue recognition					
At a point in time					
Sale of goods		8 417 680	7 352 154	8 417 680	7 352 154
Over time					
Rendering of services		204 042 644	192 213 044	198 603 947	187 336 552
Total revenue from contracts with customers		**212 460 324**	**199 565 198**	**207 021 627**	**194 688 706**

*See note 35.

Notes to the Consolidated And Separate Financial Statements

	Note	Group 2022 P	Group 2021 Restated* P	Company 2022 P	Company 2021 P
5. Cost of sales					
Sale of goods		8 065 884	5 493 232	8 065 884	5 493 232
Rendering of services:					
Rendering of services: Employee costs		111 001 173	100 408 539	107 496 704	96 975 178
Rendering of services: Depreciation		14 828 493	14 512 955	14 754 626	14 397 596
Rendering of services: Expenses		39 649 065	27 861 818	37 916 211	26 941 245
		173 544 615	**148 276 544**	**168 233 425**	**143 807 251**
Sale of goods					
Sale of goods		8 065 884	5 493 232	8 065 884	5 493 232
Rendering of services: Employee costs					
Employee costs - salaried staff		111 001 173	100 408 539	107 496 704	96 975 178
Rendering of services: Depreciation/amortisation					
Property, plant and equipment		7 947 722	6 417 963	7 873 855	6 302 604
Right-of-use assets		6 880 771	8 094 992	6 880 771	8 094 992
		14 828 493	**14 512 955**	**14 754 626**	**14 397 596**
Rendering of services: Expenses					
Customer claims		1 599 499	1 205 846	1 599 499	1 205 846
Data, fixed line and mobile costs		1 513 490	1 853 286	1 505 381	1 844 497
Cleaning materials		1 216 065	581 748	-	-
Fines and penalties		-	21 312	-	21 312
Goods transportation		652 821	249 921	652 821	249 921
Operating expenses		3 122 965	2 445 493	3 122 965	2 445 493
Insurance vehicles		1 333 206	1 824 886	1 308 885	1 779 527
Motor vehicle expenses		17 492 494	10 250 740	17 371 174	10 189 145
Other expenses - cleaning services, hire, purchase variance and repairs and maintenance		49 404	28 453	(240)	127
Other expenses - manned security and facility management services		1 506 354	772 977	1 506 354	772 977
Other expenses - security systems		2 834 892	2 580 739	2 834 892	2 580 739
Property costs		91 349	141 280	91 349	141 280
Radio and software licenses		2 033 922	947 347	1 994 236	909 890
Short term leases		4 681 441	3 930 720	4 467 262	3 811 024
Training and recruitment costs		72 300	139 174	72 300	139 174
Travel and accommodation expenses		904 379	887 896	844 849	850 293
Uniforms and related equipment		544 484	-	544 484	-
		39 649 065	**27 861 818**	**37 916 211**	**26 941 245**
6. Other income					
Dividend income		-	-	-	1 190 000
Other sundry items		1 634 123	2 571 528	1 581 245	2 571 528
(Loss)/profit on disposal of plant and equipment		(87 304)	46 178	(87 304)	46 178
Foreign exchange loss		(417 517)	(100 069)	(417 517)	(100 069)
		1 129 302	**2 517 637**	**1 076 424**	**3 707 637**

Other sundry items comprises of credits to the statement of comprehensive income that cannot reasonably be attributed to other financial statement line items.These amounts are individually immaterial.
*See note 35

Notes to the Consolidated And Separate Financial Statements

		Group		Company	
		2022	2021 Restated*	2022	2021
	Note	P	P	P	P

7. Operating (loss)/profit

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

	Group 2022 P	Group 2021 Restated* P	Company 2022 P	Company 2021 P
Auditor's remuneration - external				
Audit fees	1 013 145	826 652	998 229	799 282
Adjustment for previous year	-	59 781	-	59 781
	1 013 145	**886 433**	**998 229**	**859 063**
Remuneration, other than to employees				
Administrative and managerial services	265 476	290 285	265 476	290 285
Consulting, professional services and legal fees	1 542 183	1 425 119	1 396 863	1 285 626
Secretarial services	-	8 068	-	8 068
	1 807 659	**1 723 472**	**1 662 339**	**1 583 979**
Employee costs				
Salaries, wages, bonuses and other benefits	104 153 066	92 617 806	100 467 477	88 903 722
Defined contribution expense	3 062 677	2 819 437	3 054 677	2 818 417
Other benefits	25 222 018	22 323 989	25 173 304	22 242 090
Total employee costs	**132 437 761**	**117 761 232**	**128 695 458**	**113 964 229**
Employee costs included in cost of rendering services	(111 001 173)	(100 408 539)	(107 496 704)	(96 975 178)
Total employee costs expensed	**21 436 588**	**17 352 693**	**21 198 754**	**16 989 051**
Depreciation				
Depreciation of property, plant and equipment	9 463 096	7 194 499	9 389 229	7 079 139
Depreciation of right-of-use assets	6 880 771	8 094 992	6 880 771	8 094 992
Total depreciation	**16 343 867**	**15 289 491**	**16 270 000**	**15 174 131**
Depreciation included in cost of rendering services	(14 828 493)	(14 512 955)	(14 754 626)	(14 397 596)
Total depreciation expensed	**1 515 374**	**776 536**	**1 515 374**	**776 535**
Movement in credit loss allowances				
Trade and other receivables charge/(reversal)	4 326 701	(4 478 601)	3 856 963	(3 854 089)

*See note 35.

Notes to the Consolidated And Separate Financial Statements

		Group		Company	
		2022	2021 Restated*	2022	2021
	Note	P	P	P	P
8. Administrative expenses					
Advertising		16 741	200 704	16 741	200 704
Auditors remuneration	7	1 013 145	886 433	998 229	859 063
Bad debts		2 988 755	1 364 437	2 594 540	1 364 437
Bank charges		763 192	826 975	736 105	801 066
Cleaning		125 781	(120 511)	901 003	530 927
Computer expenses		538 270	418 584	538 270	418 584
Consulting and professional fees		760 497	1 041 010	615 177	901 517
(Reversal of)/fair value less cost adjustment		(301 052)	196 945	-	-
Corporate social responsibilities		17 550	23 895	17 550	23 895
Depreciation		1 515 374	776 536	1 515 374	776 535
Electricity and water		1 092 473	888 703	1 092 473	863 195
Employee costs		21 436 588	17 352 693	21 198 754	16 989 051
Restructing costs		648 838	-	648 838	-
Fines and penalties		78 249	242 527	78 249	242 365
Insurance		120 351	189 699	120 045	188 628
Legal fees		781 686	384 109	781 686	384 109
Listing expenses		58 508	87 300	58 508	87 300
Management fees and service charges		265 476	290 285	265 476	290 285
Medical expenses		48 044	-	48 044	-
Motor vehicle expenses		593 439	359 398	584 809	328 351
Office expenses		326 809	(53 006)	316 923	(55 066)
Other property expenses		6 199	(9 570)	-	-
Postage and publication expenses		195 039	107 479	72 807	107 479
Printing and stationery		-	1 607 218	-	1 607 218
Protective personal equipment		-	354 147	-	309 460
Repairs and maintenance		1 186 848	611 968	1 173 091	581 232
Royalties and license fees		2 277 278	2 150 405	2 277 278	2 150 405
Secretarial expenses		-	8 068	-	8 068
Short term leases		1 435 388	521 962	1 202 827	296 874
Software and communication expenses		749 715	568 575	749 715	568 575
Subscription expenses		127 176	45 000	127 176	45 000
Teas and refreshments		19 822	8 016	19 272	8 016
Telephone and fax		2 362 031	1 438 497	2 319 187	1 376 346
Training and recruitment		338 946	510 412	326 480	499 357
Training expenses		406 548	365 057	406 548	365 057
Transport and customs		466 665	1 208 598	466 665	1 208 598
Travel and subsistence		354 663	356 778	354 663	348 646
		42 815 032	**35 209 326**	**42 622 503**	**34 675 277**
9. Finance income					
Interest income					
Interest received - related party		2 357 786	2 939 253	2 357 786	2 939 253
Investments in financial assets:					
Interest received - bank		14 792	68 848	14 558	66 044
Total interest income		**2 372 578**	**3 008 101**	**2 372 344**	**3 005 297**
10. Interest paid					
Interest on lease liabilities		1 345 892	1 555 779	1 345 892	1 555 779

*See note 35.

Notes to the Consolidated And Separate Financial Statements

	Note	Group 2022 P	Group 2021 Restated* P	Company 2022 P	Company 2021 P
11. Impairment of investment in subsidiary					
Impairment losses					
Impairment of investments in subsidiary		-	-	2 522 821	1 861 707

In 2021 the subsidiary was classified as held for sale and the carrying amount was measured at fair value less cost to sell. In assessing the impairment of the investment in subsidiary, the carrying amount of the investment was measured by considering the higher of:

a) Fair Value less cost to sell
b) Value in use

These valuations were performed at 31 December 2022 taking into account the 2023 approved budget and stratplan to 2027 and resulted in insufficient headroom hence an impairment loss was recognised. In arriving at the impairment loss the increased competition, lack of marketability and net asset value of the investment was considered.

12. Taxation

	Group 2022 P	Group 2021 Restated* P	Company 2022 P	Company 2021 P
Major components of the tax (income) expense				
Current				
Basic company tax	-	5 684 506	-	5 684 506
Basic company tax - relating to prior period	575 468	-	-	-
	575 468	**5 684 506**	**-**	**5 684 506**
Deferred				
Originating and reversing temporary differences	(672 874)	(727 561)	(1 198 790)	(881 027)
	(97 406)	**4 956 945**	**(1 198 790)**	**4 803 479**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting (loss)/profit from operations	(6 070 036)	24 527 888	(8 111 209)	23 355 715
Tax at the applicable tax rate of 22% (2021: 22%)	(1 335 408)	5 396 135	(1 784 466)	5 138 257
Tax effect of adjustments on taxable income				
Donations, tax penalties, impairments and fines	21 076	63 302	576 097	63 266
Fair value less costs to sell and other tax differences	(56 653)	43 328	9 579	-
Dividend income	-	-	-	(261 800)
Impairment of subsidiary	-	-	-	409 576
Reversal of deferred tax no longer probable	698 111	-	-	-
Prior years tax charge recognised in current year	575 468	(545 820)	-	(545 820)
	(97 406)	**4 956 945**	**(1 198 790)**	**4 803 479**

*See note 35.

Notes to the Consolidated And Separate Financial Statements

		Group		Company	
		2022	2021 Restated*	2022	2021
	Note	P	P	P	P
13. (Loss)/earnings per share					
Earnings per share calculation					
(Loss)/profit for the year attributable to equity holders of the parent		(5 435 666)	19 415 920		
Weighted average number of ordinary shares at 31 December		80 000 000	80 000 000		
(Loss) earnings per share (thebe)		**(6.79)**	**24.27**		

*See note 35.

Notes to the Consolidated And Separate Financial Statements

14. Property, plant and equipment

Group	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	401 521	(217 956)	183 565	553 521	(188 418)	365 103
Furniture and fixtures	1 171 388	(589 358)	582 030	5 390 180	(4 655 304)	734 876
Motor vehicles	14 497 310	(3 199 844)	11 297 466	17 720 319	(12 869 522)	4 850 797
Radio and alarm equipment	7 037 514	(3 680 409)	3 357 105	34 546 859	(32 144 365)	2 402 494
Leasehold improvements	1 984 167	(1 297 177)	686 990	3 890 072	(3 224 560)	665 512
Uniforms	11 154 791	(3 806 166)	7 348 625	8 236 502	(2 945 800)	5 290 702
Total	**36 246 691**	**(12 790 910)**	**23 455 781**	**70 337 453**	**(56 027 969)**	**14 309 484**

Company	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	401 521	(217 956)	183 565	553 521	(188 418)	365 103
Furniture and fixtures	1 107 723	(564 322)	543 401	5 390 180	(4 655 304)	734 876
Motor vehicles	14 497 310	(3 199 844)	11 297 466	17 720 319	(12 869 522)	4 850 797
Radio and alarm equipment	7 037 514	(3 680 409)	3 357 105	34 546 859	(32 144 365)	2 402 494
Leasehold improvements	1 984 167	(1 297 177)	686 990	3 890 072	(3 224 560)	665 512
Uniforms	11 154 791	(3 806 166)	7 348 625	8 236 502	(2 945 800)	5 290 702
Total	**36 183 026**	**(12 765 874)**	**23 417 152**	**70 337 453**	**(56 027 969)**	**14 309 484**

Notes to the Consolidated And Separate Financial Statements

	Note	Group 2022 P	Group 2021 P	Company 2022 P	Company 2021 P

14. Property, plant and equipment

Reconciliation of property, plant and equipment - Group - 2022

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Uniforms	Total
Opening balance							
Cost	553 521	5 390 180	17 720 319	34 546 859	3 890 072	8 236 502	70 337 453
Accumulated depreciation	(188 418)	(4 655 304)	(12 869 522)	(32 144 365)	(3 224 560)	(2 945 800)	(56 027 969)
Net book value at 01 January 2022	**365 103**	**734 876**	**4 850 797**	**2 402 494**	**665 512**	**5 290 702**	**14 309 484**
Cash purchases	-	39 605	9 070 808	1 303 081	1 016 048	6 697 674	18 127 216
Credit purchases	-	-	-	-	58 153	414 725	472 878
Disposals - cost	(150 000)	(2 873 192)	(12 298 737)	(30 710 876)	(2 989 644)	(4 194 110)	(53 216 559)
Disposals - accumulated depreciation and impairment	150 000	2 922 858	12 298 737	30 710 876	2 989 644	4 194 110	53 266 225
Scrappings -cost	(106 051)	(62 314)	45 837	16 476	2 855	-	(103 197)
Transfer in from held for sale assets	-	62 830	-	-	-	-	62 830
Depreciation	(75 487)	(242 633)	(2 669 976)	(364 946)	(1 055 578)	(5 054 476)	(9 463 096)
Net book value at 31 December 2022	**183 565**	**582 030**	**11 297 466**	**3 357 105**	**686 990**	**7 348 625**	**23 455 781**
Made up as follows:							
Cost	401 521	1 171 388	14 497 310	7 037 514	1 984 167	11 154 791	36 246 691
Accumulated depreciation	(217 956)	(589 358)	(3 199 844)	(3 680 409)	(1 297 177)	(3 806 166)	(12 790 910)
	183 565	**582 030**	**11 297 466**	**3 357 105**	**686 990**	**7 348 625**	**23 455 781**

Notes to the Consolidated And Separate Financial Statements

14. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment - Group - 2021

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Uniforms	Total
Opening balance							
Cost	553 521	13 520 400	20 251 467	39 596 741	4 524 035	5 536 621	83 982 785
Accumulated depreciation	(108 214)	(12 634 358)	(18 619 049)	(36 541 864)	(3 783 196)	(3 398 191)	(75 084 872)
Net book value at 01 January 2021	**445 307**	**886 042**	**1 632 418**	**3 054 877**	**740 839**	**2 138 430**	**8 897 913**
Additions	-	430 760	4 694 107	949 187	181 856	6 850 962	13 106 872
Disposals - cost	-	(8 560 983)	(7 220 346)	(5 999 068)	(806 282)	-	(22 586 679)
Disposals - accumulated depreciation	-	8 560 883	7 205 990	5 999 068	806 282	-	22 572 223
Scrappings -cost	-	-	-	-	-	(3 525 446)	(3 525 446)
Scrappings -accumulated depreciation and impairment	-	-	-	-	-	3 039 100	3 039 100
Depreciation	(80 204)	(581 826)	(1 461 372)	(1 601 570)	(257 183)	(3 212 344)	(7 194 499)
Net book value at 31 December 2021	**365 103**	**734 876**	**4 850 797**	**2 402 494**	**665 512**	**5 290 702**	**14 309 484**
Made up as follows:							
Cost or revaluation	553 521	5 390 180	17 720 319	34 546 859	3 890 072	8 236 502	70 337 453
Accumulated depreciation	(188 418)	(4 655 304)	(12 869 522)	(32 144 365)	(3 224 560)	(2 945 800)	(56 027 969)
	365 103	**734 876**	**4 850 797**	**2 402 494**	**665 512**	**5 290 702**	**14 309 484**

Notes to the Consolidated And Separate Financial Statements

14. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment - Company - 2022

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Uniforms	Total
Opening balance							
Cost	553 521	5 390 180	17 720 319	34 546 859	3 890 072	8 236 502	70 337 453
Accumulated depreciation	(188 418)	(4 655 304)	(12 869 522)	(32 144 365)	(3 224 560)	(2 945 800)	(56 027 969)
Net book value at 01 January 2022	**365 103**	**734 876**	**4 850 797**	**2 402 494**	**665 512**	**5 290 702**	**14 309 484**
Cash purchases	-	39 605	9 070 808	1 303 081	1 016 048	6 697 674	18 127 216
Credit purchases	-	-	-	-	58 153	414 725	472 878
Disposals - cost	(150 000)	(2 423 608)	(12 298 737)	(30 710 876)	(2 989 644)	(4 194 110)	(52 766 975)
Disposals - accumulated depreciation	150 000	2 423 608	12 298 737	30 710 876	2 989 644	4 194 110	52 766 975
Scrappings - cost	(106 051)	(62 314)	45 837	16 476	2 855	-	(103 197)
Depreciation	(75 487)	(168 766)	(2 669 976)	(364 946)	(1 055 578)	(5 054 476)	(9 389 229)
Net book value at 31 December 2022	**183 565**	**543 401**	**11 297 466**	**3 357 105**	**686 990**	**7 348 625**	**23 417 152**
Made up as follows:							
Cost	401 521	1 107 723	14 497 310	7 037 514	1 984 167	11 154 791	36 183 026
Accumulated depreciation	(217 956)	(564 322)	(3 199 844)	(3 680 409)	(1 297 177)	(3 806 166)	(12 765 874)
	183 565	**543 401**	**11 297 466**	**3 357 105**	**686 990**	**7 348 625**	**23 417 152**

Notes to the Consolidated And Separate Financial Statements

14. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment - Company - 2021

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Uniforms	Total
Opening balance							
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)
Net book value at 01 January 2021	**445 307**	**770 682**	**1 632 418**	**3 054 877**	**740 839**	**2 138 430**	**8 782 553**
Additions	-	430 760	4 694 107	949 187	181 856	6 850 962	13 106 872
Disposals - cost	-	(6 800 623)	(6 981 422)	(5 999 068)	(806 282)	-	(20 587 395)
Disposals - accumulated depreciation and impairment	-	6 800 523	6 967 066	5 999 068	806 282	-	20 572 939
Scrappings -cost	-	-	-	-	-	(3 525 446)	(3 525 446)
Scrappings -accumulated depreciation and impairment	-	-	-	-	-	3 039 100	3 039 100
Depreciation	(80 204)	(466 466)	(1 461 372)	(1 601 570)	(257 183)	(3 212 344)	(7 079 139)
Net book value at 31 December 2021	**365 103**	**734 876**	**4 850 797**	**2 402 494**	**665 512**	**5 290 702**	**14 309 484**
Made up as follows:							
Cost	553 521	5 390 180	17 720 319	34 546 859	3 890 072	8 236 502	70 337 453
Accumulated depreciation	(188 418)	(4 655 304)	(12 869 522)	(32 144 365)	(3 224 560)	(2 945 800)	(56 027 969)
	365 103	**734 876**	**4 850 797**	**2 402 494**	**665 512**	**5 290 702**	**14 309 484**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	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.

Reconciliation of right-of-use asset - Group and company - 2022	Buildings	Motor vehicles	Operating equipment	Total
Cost	38 803 251	8 315 450	5 661 888	52 780 589
Accumulated amortisation	(29 606 172)	(6 990 063)	(1 196 666)	(37 792 901)
Net book value at 01 January 2022	9 197 079	1 325 387	4 465 222	14 987 688
Additions	-	1 410 707	1 083 805	2 494 512
Depreciation	(2 563 926)	(2 375 234)	(1 941 611)	(6 880 771)
Lease modification adjustments	518 413	-	531 005	1 049 418
	7 151 566	**360 860**	**4 138 421**	**11 650 847**

Made up as follows:	Buildings	Motor vehicles	Operating equipment	Total
Cost	38 803 251	9 726 157	7 276 698	55 806 106
Accumulated amortisation	(31 651 685)	(9 365 297)	(3 138 277)	(44 155 259)
	7 151 566	**360 860**	**4 138 421**	**11 650 847**

Reconciliation of right-of-use asset - Group and company - 2021	Buildings	Motor vehicles	Operating equipment	Total
Cost	8 353 932	20 566 629	2 896 298	31 816 859
Accumulated amortisation	(5 865 535)	(14 463 377)	(759 196)	(21 088 108)
Net book value at 01 January 2021	2 488 397	6 103 252	2 137 102	10 728 751
Additions	9 332 602	-	3 399 593	12 732 195
Disposal	-	(378 266)	-	(378 266)
Depreciation	(2 623 920)	(4 399 599)	(1 071 473)	(8 094 992)
	9 197 079	**1 325 387**	**4 465 222**	**14 987 688**

Made up as follows:	Buildings	Motor vehicles	Operating equipment	Total
Cost	38 803 251	8 315 450	5 661 888	52 780 589
Accumulated amortisation	(29 606 172)	(6 990 063)	(1 196 666)	(37 792 901)
	9 197 079	**1 325 387**	**4 465 222**	**14 987 688**

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
Buildings, vehicles and equipment	11 650 847	14 987 688	11 650 847	14 987 688

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P

15. Right-of-use asset (Continued)

Amortisation recognised on right-of-use assets

Amortisation recognised on each class of right-of-use assets, is presented below. It includes amortisation which has been expensed in the total amortisation charge in profit or loss (note 7).

	Group 2022 P	Group 2021 P	Company 2022 P	Company 2021 P
Buildings	2 563 926	2 623 920	2 563 926	2 623 920
Motor vehicles	2 375 234	4 399 599	2 375 234	4 399 599
Operating equipment	1 941 611	1 071 473	1 941 611	1 071 473
	6 880 771	**8 094 992**	**6 880 771**	**8 094 992**

Other disclosures

	Group 2022 P	Group 2021 P	Company 2022 P	Company 2021 P
Interest expense on lease liabilities	1 345 892	1 555 779	1 345 892	1 555 779
Expenses on short term leases included in operating expenses	1 435 388	521 962	1 202 827	296 874
Expenses on short term leases included in rendering of services	4 681 441	3 930 720	4 467 262	3 811 024
Total cash outflow from leases	12 540 216	12 485 237	12 093 476	12 140 453

The group and company did not have any low value lease payments during the year.

The lease for plot 20584 under Prime Time has been adjusted to factor in the variable lease payment linked to CPI+1%.

The business entered into a short-term lease agreement for the new retail shop, Access and Beyond (Pty) Ltd. The lease will terminate in May 2023, with a total lease commitment for this period amounting to P194 787.

16. Goodwill

Group

	2022			2021		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	9 715 123	-	9 715 123	9 715 123	-	9715 123

Company

	2022			2021		
	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	
	2022	2021	2022	2021
	P	P	P	P
At the beginning of the year	9 715 123	9 715 123	9 715 123	9 715 123
Closing net book balance	**9 715 123**	**9 715 123**	**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.

Notes to the Consolidated And Separate Financial Statements

16. Goodwill (Continued)

Good 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.

Reconciliation of goodwill

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
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

The Group did not identify any impairment for the Manned Security division.

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.

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

Group	2022 Manned Security	2021 Manned Security
Discount rate: pre-tax	14.3%	10.2%
Discount rate: post-tax	14.0%	9.7%
Long term growth rate	5.0%	5.0%

Company	2022	2021
Discount rate: pre-tax	14.3%	10.2%
Discount rate: post-tax	14.0%	9.7%
Long term growth rate	5.0%	5.0%

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	2022 Manned Security	2021 Manned Security
Discount rate: post-tax	15.5%	9.7%
Long term growth rate	1.7%	(3.7)%
Budgeted cash flow (% of base value)	16.1%	55.7%

Company	2022 Manned Security	2021 Manned Security
Discount rate	15.5%	9.7%
Long term growth rate	1.7 %	(3.7)%
Budgeted cash flow (% of base value)	16.1%	55.7%

Holding everything else constant, discount rate will have to increase from 14.0% to 15.5% (1.5% increase) for Goodwill to be impaired and this represent a P3 713 980 (38.3%) decline in the net present value. Holding everything else constant long term growth rate will have reduce from 5% to 1.7% (3.3% decrease) for net present value for Goodwill to be impaired. This represents P3 713 980. Hence there is sufficient headroom. The group and company do not believe that any of these value at which impairment would have been indicated are reasonably likely to occur.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
17. Deferred tax				
Deferred tax liability				
Accelerated capital allowances	(2 214 918)	(444 479)	(2 214 918)	(444 479)
Prepayments	(141 657)	(734 353)	(141 657)	(734 353)
Right-of-use assets	(2 563 186)	(3 297 291)	(2 563 186)	(3 297 291)
Total deferred tax liability	**(4 919 761)**	**(4 476 123)**	**(4 919 761)**	**(4 476 123)**
Deferred tax asset				
Lease accrual	3 223 296	3 856 777	3 223 296	3 856 777
Expected credit loss provision	6 676 472	5 828 263	6 676 472	5 828 263
Unrealised exchange differences and other	-	53 523	-	53 523
Provision for customer claims	-	216 427	-	216 427
Unused tax losses	1 697 650	-	1 697 650	-
Total deferred tax asset	**11 597 418**	**9 954 990**	**11 597 418**	**9 954 990**
Deferred tax liability	(4 919 761)	(4 476 123)	(4 919 761)	(4 476 123)
Deferred tax asset	11 597 418	9 954 990	11 597 418	9 954 990
Total net deferred tax asset	**6 677 657**	**5 478 867**	**6 677 657**	**5 478 867**
Reconciliation of deferred tax asset / (liability)				
At beginning of year	5 478 867	4 597 840	5 478 867	4 597 840
Credit to the income statement	672 874	727 561	1 198 790	881 027
Held for sale assets	525 916	153 466	-	-
	6 677 657	**5 478 867**	**6 677 657**	**5 478 867**

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.

18. Inventories

	Group 2022 P	Group 2021 P	Company 2022 P	Company 2021 P
Security alarms, fire alarms and equipment	3 744 973	5 060 039	3 047 156	5 060 039
Operational consumables	1 811 299	417 501	1 811 299	417 501
	5 556 272	**5 477 540**	**4 858 455**	**5 477 540**
Inventories recognised as cost of sales during the year	8 065 884	5 493 232	8 065 884	5 493 232

The company policy is to make provision at 5% of slow moving stock and 100% for obsolete stock. There was no provision for obsolete stock on 31 December 2022. A stock clean up exercise was performed at year end and this resulted in a write of 5% (P279 711) of stock through cost of sales. The year end inventory has been arrived at after adjusting for this write off.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
19. Amounts due from related parties				
G4S plc	49 425 841	57 068 055	49 425 841	57 068 055
G4S Facilities Management Botswana (Pty) Ltd	-	-	340 712	464 990
G4S Cash Solutions (SA) (Pty) Ltd	768 027	2 259 033	768 027	2 259 033
	50 193 868	**59 327 088**	**50 534 580**	**59 792 078**

The amount due from G4S plc. bears interest at 3 months Botswana's inter bank rate plus 1.5% margin per annum, the loan matures on 15 December 2023 (2021: 15 December 2022). The remaining balances are interest free. The other 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 assesses at the end of each reporting period whether the credit risk on the amounts receivable from related parties has increased significantly since initial recognition. In the event of a significant increase in credit risk since initial recognition, the Group recognises an allowance for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL).

As these balances are repayable on demand expected credit losses at the reporting date were based on the assumption that repayment is demanded at the reporting date. At the reporting date management performed an assessment of its related party receivables, for both the Group and the Company, taking into account forward looking information, even though there was no repayment trigger. All the entities having balances with the Group were assessed and their access to resources enabling it to repay the balances on demand and - accordingly - the lifetime ECL is expected to be immaterial or almost nil as a result of low risk of default.

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

Notes to the Consolidated And Separate Financial Statements

19. 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 - 2022

Instrument	Basis of loss allowance	Basis of loss allowance	Loss allowance	Amortised cost
Amounts due from fellow subsidiaries				
G4S plc	Lifetime ECL	49 425 841	-	49 425 841
G4S Cash Solutions (SA) (Pty) Ltd	Lifetime ECL	768 027	-	768 027
		50 193 868	**-**	**50 193 868**

Group - 2021

Instrument	Basis of loss allowance	Basis of loss allowance	Loss allowance	Amortised cost
Amounts due from fellow subsidiaries				
G4S plc	Lifetime ECL	57 068 055	-	57 068 055
G4S Cash Solutions (SA) (Pty) Ltd	Lifetime ECL	2 259 033	-	2 259 033
		59 327 088	**-**	**59 327 088**

Company - 2022

Instrument	Basis of loss allowance	Basis of loss allowance	Loss allowance	Amortised cost
Amounts due from fellow subsidiaries				
G4S plc	Lifetime ECL	49 425 841	-	49 425 841
G4S Facilities Management Botswana (Pty)	Lifetime ECL	340 712	-	340 712
G4S Cash Solutions (SA) (Pty) Ltd	Lifetime ECL	68 027	-	768 027
		50 534 580	**-**	**50 534 580**

Company - 2021

Instrument	Basis of loss allowance	Basis of loss allowance	Loss allowance	Amortised cost
Amounts due from fellow subsidiaries				
G4S plc	Lifetime ECL	57 068 055	-	57 068 055
G4S Facilities Management Botswana (Pty) Ltd	Lifetime ECL	464 990	-	464 990
G4S Cash Solutions (SA) (Pty) Ltd	Lifetime ECL	2 259 033	-	2 259 033
		59 792 078	**-**	**59 792 078**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
20. Trade and other receivables				
Financial instruments:				
Trade receivables	60 397 616	58 825 433	58 490 721	58 825 433
Less: impairment	(31 261 728)	(26 492 103)	(30 347 596)	(26 492 103)
Trade receivables at amortised cost	29 135 888	32 333 330	28 143 125	32 333 330
Other receivable	671 521	1 798 935	663 354	1 790 770
Non-financial instruments:				
Prepayments	643 898	3 337 966	643 898	3 337 966
Total trade and other receivables	**30 451 307**	**37 470 231**	**29 450 377**	**37 462 066**

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 2022 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.

The average credit period on trade receivables is 30 days (2021: 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.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P

20. Trade and other receivables (continued)

Group	2022 Gross carrying amount at default	2022 Loss allowance	2021 Gross carrying amount at default	2021 Loss allowance
Expected credit loss rate (average):				
Current 7.26% (2021: 9.86%)	16 762 418	1 216 730	19 899 700	1 962 908
31 - 60 days past due: 21.47% (2021: 28.80%)	3 871 425	831 015	3 036 782	874 443
61 - 90 days past due: 31.80% (2021: 44.78%)	2 578 220	819 756	1 513 387	677 678
91 - 180 days past due: 48.56% (2021: 55.78%)	4 709 845	2 286 885	2 733 130	1 524 499
181 - 365 days past due: 47.74% (2021: 64.76%)	7 805 568	3 726 274	5 421 293	3 510 805
More than 365 days past due: 90.72% (2021: 68.42%)	24 670 140	22 381 068	26 221 141	17 941 770
Total	**60 397 616**	**31 261 728**	**58 825 433**	**26 492 103**

Company	2022 Gross carrying amount at default	2022 Loss allowance	2021 Gross carrying amount at default	2021 Loss allowance
Expected credit loss rate (average):				
Current 7.5% (2021: 9.86%)	16 116 272	1 136 171	19 899 700	1 962 908
31 - 60 days past due: 21.63% (2021: 28.80%)	3 670 451	793 841	3 036 782	874 443
61 - 90 days past due: 32.09% (2021: 44.78%)	2 508 807	805 200	1 513 387	677 678
91 - 180 days past due: 48.41% (2021: 55.78%)	4 548 030	2 201 847	2 733 130	1 524 499
181 - 365 days past due: 47.72% (2021: 64.74%)	7 665 740	3 657 939	5 421 293	3 510 805
More than 365 days past due: 90.71% (2021: 68.42%)	23 981 421	21 752 598	26 221 141	17 941 770
Total	**58 490 721**	**30 347 596**	**58 825 433**	**26 492 103**

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:

	Group		Company	
	2022	2021	2022	2021
Opening balance as at 1 January	**(26 492 103)**	**(25 931 828)**	**(26 492 103)**	**(25 931 828)**
Amounts recovered	3 241 145	-	3 113 759	-
Provision raised on trade receivables	(11 691 345)	(4 414 364)	(11 094 221)	(4 414 364)
Provisions reversed on settled trade receivables	4 378 353	3 854 089	4 124 969	3 854 089
Transfer from assets held for sale	(697 778)	-	-	-
Closing balance	**(31 261 728)**	**(26 492 103)**	**(30 347 596)**	**(26 492 103)**

Fair value of trade and other receivables

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

Notes to the Consolidated And Separate Financial Statements

21. Cash and cash equivalents

	Group 2022 P	Group 2021 P	Company 2022 P	Company 2021 P
Cash and cash equivalents consist of:				
Cash on hand	6 359	7 235	6 359	7 235
Bank balances	11 993 193	16 019 616	10 798 860	16 019 616
Short-term deposits	51 572	-	-	-
	12 051 124	**16 026 851**	**10 805 219**	**16 026 851**
Cash and cash equivalents reported at the end of year				
Cash and cash equivalents reported above	12 051 124	16 026 851	10 805 219	16 026 851
Cash and equivalents included in assets held for sale Note 22	-	1 113 995	-	-
	12 051 124	**17 140 846**	**10 805 219**	**16 026 851**

22. Held for sale

The group decided in 2020 to dispose of the operations of G4S Facilities Management (Proprietary) Limited and the entity was held for sale as per IFRS 5. In 2022 the proposed sale was not successful and the subsidiary ceased to be held for sale.The board of directors made a decision not to proceed with sale and to consolidate the subsidiary results.

	Group 2022 P	Group 2021 P	Company 2022 P	Company 2021 P
Profit and loss of discontinued operations				
Revenue		5 527 930		
Cost of rendering services		(4 469 293)		
Administrative expenses		(364 034)		
Operating profit		694 603		
Interest income		2 804		
Net profit before tax		697 407		
Losses on measurement to fair value less costs to sell		(196 937)		
Tax thereon		(153 466)		
		347 004		
Assets and liabilities				
Non-current assets held for sale				
Property, plant and equipment		62 831		
Deferred tax		525 916		
Inventories		1 062 374		
Receivables and tax receivable		2 499 210		
Cash and cash equivalents		1 113 995		
		5 264 326		
Assets of disposal groups				
Invetsment in subsidiary				3 713 980
				3 713 980
Liabilities of disposal groups				
Trade and other payables		1 550 346		

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P

22. Held for sale (continued)

Cash flows of discontinued operations				
Operating activities		3 320 682		
Investing activities		2 023		
Cash and cash equivalents of discontinued operations		(1 113 995)		

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.

The fair value of the entity is determined by estimating the enterprise value, using a discounted free cash flow analysis based on budget and business plans, plus net cash and debt at period end discounted for a lack of marketability.

Key assumptions used in the calculation of enterprise value are as follows:

	2021 G4S facilities management
Discount rate	16.42%
Long term growth rate	5.00%
Lack of marketability factor	21.00%

A sensitivity analysis has been performed to evaluate the impact of changes in key assumptions on the valuation of discontinued operations. Changes in the following key assumptions would have the following impact on the value of discontinued operations.

- 1% reduction in free cash flows will decrease the valuation by P35 862
- 0.5% reduction in the discount and long-term growth rate will decrease the valuation by P149 103
- 1% increase in lack of marketability will decrease the valuation by P35 832

23. Stated capital

	2022	2021	2022	2021
Issued				
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.

24. Investment in subsidiary

The company has one subsidiary, G4S Facilities Management Botswana (Pty) Ltd, that is material to the Group in 2022. The company holds majority of voting rights in the subsidiary (71.5%) and exercises control over the entity, refer to Critical accounting estimates and judgements 1.2 for the significant judgement.

Company

Name of company	Number of shares 2022	Number of shares 2021	% holding 2022	% holding amount 2021	Carrying amount 2021	Carrying amount 2021
G4S Facility Management Botswana (Proprietary) Limited.	305	305	71.50 %	71.50%	1 191 159	-

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
24. Investment in subsidiary (continued)				
Reconciliation of investment in subsidiary				
Opening balance			-	-
Transferred from assets held for sale			3 713 980	-
Impairment of investment in subsidiary			(2 522 821)	-
			1 191 159	**-**

Restrictions relating to subsidiary

There is no restriction on the group and it's subsidiary to acquire 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 2022. The company holds majority of voting rights in the subsidiary (71.5%). The following subsidiary has material NCI:

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest	
		2022	2021
G4S Facilities Management Botswana (Pty) Ltd	Botswana	28.5%	28.5%

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 is no longer classified as a non current asset held for sale as the intention is not to sell the entity.

Summarised statement of financial position

	G4S Facilities Management Botswana (Pty) Ltd	
	2022	2021
Assets		
Non-current assets	38 629	588 746
Current assets	2 936 485	4 675 578
Total assets	2 975 114	5 264 324
Liabilities		
Current liabilities	1 309 157	1 714 287
Total liabilities	1 309 157	1 714 288
Total net assets	1 665 957	3 550 036
Carrying amount of non-controlling interest	861 160	1 398 124

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P

24. Investment in subsidiary (continued)

Summarised statement of profit or loss and other comprehensive income

	G4S Facilities Management Botswana (Pty) Ltd	
	2022	2021
Revenue	6 218 160	5 527 930
Other income and expenses	(7 000 860)	(4 830 523)
(Loss)/profit before tax	(782 700)	697 407
Tax expense	(1 101 384)	(153 466)
(Loss)/profit	(1 884 084)	543 941
Total comprehensive (loss)/income	(1 884 084)	543 941
(Loss)/profit allocated to non-controlling interest	(536 964)	155 023

Summarised statement of cash flows

	G4S Facilities Management Botswana (Pty) Ltd	
	2022	2021
Cash generated from/(used in) operating activities	305 621	(104 388)
Cash (used in)/generated from investing activities	(49 432)	2 804
Cash generated from/(used in) financing activities	(124 278)	(2 200 541)
Net increase/(decrease) in cash and cash equivalents	131 911	(2 302 125)

25. Lease liabilities

	Group 2022	Group 2021	Company 2022	Company 2021
Minimum lease payments due				
- within one year	6 550 391	6 436 595	6 550 391	6 436 595
- in second to fifth year inclusive	10 788 325	13 397 366	10 788 325	13 397 366
	17 338 716	19 833 961	17 338 716	19 833 961
less: future finance charges	(2 687 373)	(2 303 156)	(2 687 373)	(2 303 156)
Present value of minimum lease payments	**14 651 343**	**17 530 805**	**14 651 343**	**17 530 805**
Non-current liabilities	9 351 505	12 117 354	9 351 505	12 117 354
Current liabilities	5 299 839	5 413 451	5 299 839	5 413 451
	14 651 344	**17 530 805**	**14 651 344**	**17 530 805**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
26. Trade and other payables				
Financial instruments:				
Trade payables	6 111 092	4 017 028	5 869 479	4 017 028
Advances from customers	-	36 354	-	36 354
Other payables	6 369 495	9 041 684	6 134 227	9 041 684
Non-financial instruments:				
Payroll accruals	14 391 039	12 198 201	13 939 686	12 198 201
Value added tax	850 875	1 914 511	810 663	1 914 511
	27 722 501	**27 207 778**	**26 754 055**	**27 207 778**

Other payables include unpaid dividends P112 872 (2021: P306 493), deferred income P227 034 (201: P159 784) and accrued expenses P6 029 589 (2021: P 8 575 408).

Fair value of trade and other payables

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

27. Amounts due to related parties				
G4S Africa (Pty) Ltd	36 290	18 107	36 290	18 107
Indo British Garments (South Africa) (Pty) Ltd	-	1 609 188	-	1 609 188
G4S Cash 360 International FZCO	342 822	679 207	342 822	679 207
G4S Cash Secure Solutions SA	16 925	-	16 925	-
G4S Plc	497 320	1 008 700	497 320	1 008 700
G4S Cash Secure Solutions International	84 333	-	84 333	-
G4S Corporate Services Ltd	48 261	77 441	48 261	77 441
Access and Beyond Pty (Ltd)	65 658	-	65 658	-
	1 091 609	**3 392 643**	**1 091 609**	**3 392 643**

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

Fair value of amounts due to related parties

The fair value of amounts due to related parties approximates their carrying amounts.

28. Tax paid				
Amounts receivables/(payable) at the beginning of year	672 392	(3 728 257)	672 392	(3 728 257)
Current taxation	(575 468)	(5 684 506)	-	(5 684 506)
Adjustment in respect of assets held for sale	575 468	-	-	-
Amounts receivable at end of year	(5 805 104)	(672 392)	(5 805 104)	(672 392)
	(5 132 712)	**(10 085 155)**	**(5 132 712)**	**(10 085 155)**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	**2021**	**2022**	**2021**
	P	**P**	**P**	**P**

29. Provisions

Reconciliation of provisions - Group and Company - 2022

	Opening balance	Reversed during the year	Total
Legal proceedings	983 759	(983 759)	-

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
Provisions - legal proceedings	-	983 759	-	983 759

In 2021 there was a provision raised relating to a customer cash claim. Subsequent to 2021, this cash claim was settled. At the end of 2022, there were no provisions raised.

30. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2022

	Opening balance	New leases	Lease modification adjustments	Cash flows	Closing balance
Lease liabilities	17 530 805	1 873 333	1 670 593	(6 423 387)	14 651 344
Total liabilities from financing activities	**17 530 805**	**1 873 333**	**1 670 593**	**(6 423 387)**	**14 651 344**

Reconciliation of liabilities arising from financing activities - Group - 2021

	Opening balance	New leases	Cash flows	Closing balance
Lease liabilities	13 642 292	11 921 068	(8 032 555)	17 530 805
Total liabilities from financing activities	**13 642 292**	**11 921 068**	**(8 032 555)**	**17 530 805**

Reconciliation of liabilities arising from financing activities - Company - 2022

	Opening balance	New leases	Lease modification adjustments	Cash flows	Closing balance
Lease liabilities	17 530 805	1 873 333	1 670 593	(6 423 387)	14 651 344
	17 530 805	**1 873 333**	**1 670 593**	**(6 423 387)**	**14 651 344**
Total liabilities from financing activities	**17 530 805**	**1 873 333**	**1 670 593**	**(6 423 387)**	**14 651 344**

Reconciliation of liabilities arising from financing activities - Company - 2021

	Opening balance	New leases	Cash flows	Closing balance
Lease liabilities	13 642 292	11 921 068	(8 032 555)	17 530 805
	13 642 292	**11 921 068**	**(8 032 555)**	**17 530 805**
Total liabilities from financing activities	**13 642 292**	**11 921 068**	**(8 032 555)**	**17 530 805**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P

31. Cash generated from operations

(Loss) profit before taxation	(6 070 036)	24 527 888	(8 111 209)	23 355 715
Adjustments for:				
Depreciation and amortisation	16 343 867	15 289 491	16 270 000	15 174 131
Gains on disposal of property, plant and equipment	87 304	(46 178)	87 304	(46 178)
Dividend income	-	-	-	(1 190 000)
Finance income - bank	(14 792)	(68 848)	(14 558)	(66 044)
Interest income- related party	(2 357 786)	(2 939 253)	(2 357 786)	(2 939 253)
Interest paid	1 345 892	1 555 779	1 345 892	1 555 779
Movements in credit loss allowances	4 326 701	(4 478 601)	3 856 963	(3 854 089)
Impairment of investments in subsidiary	-	-	2 522 821	1 861 707
(Decrease)/increase in provisions	(983 759)	104 363	(983 759)	382 732
Lease liability adjustment on modification	-	53 485	-	53 485
Scrapping cost of property, plant and equipment	(33 785)	-	15 893	-
Changes in working capital:				
Increase in amounts due from related parties	1 491 006	-	1 615 284	-
(Decrease)/increase in amounts to from related parties	(2 301 034)	566 109	(2 301 034)	1 066 651
Increase/(decrease) in inventories	983 642	(1 896 220)	619 085	(1 532 843)
Increase/(decrease) in trade and other receivables	4 615 967	(10 149 885)	4 154 726	(9 773 437)
(Decrease)/increase in trade and other payables**	(1 508 494)	8 181 935	(926 605)	7 253 833
	15 924 693	**30 700 065**	**15 793 017**	**31 302 189**

*See note 35.
**The movement has been adjusted for P472 878 relating to property plant and equipment purchased on credit, and hence, non-cash.

32. Dividends paid

Dividends paid	-	(16 210 001)	-	(15 700 001)

On 28 September 2021 the Company's Board of Directors declared an interim dividend of 19.625 thebe per share, amounting to a total dividend of P 15.7million. At group level dividend declared is P16.21million. This amount includes a dividend of P510 000 paid to non-controlling interest.

33. Related parties

Relationships	
Ultimate holding company	Allied Universal Security Services LLC
Holding company	G4S International 105 (UK) Ltd
Fellow subsidiaries	Access and Beyond Pty (Ltd)
	G4S Corporate Services Ltd
	G4S Africa (Pty) Ltd
	Indo British Garments (South Africa) (Pty) Ltd
	G4S Cash Solutions (SA) (Pty) Ltd
	G4S Cash 360 International FZCO
	G4S North America & Technology Outbound
	G4S Plc
	G4S Cash Secure Solutions International
	G4S Cash Secure Solutions SA
Subsidiary	G4S Facilities Management Botswana (Pty) Ltd

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2022	2021	2022	2021
	P	P	P	P
33. Related parties (continued)				
Related party balances				
Amounts due from related parties				
G4S Plc	49 425 841	57 068 055	49 425 841	57 068 055
G4S Facilities Management Botswana (Pty) Ltd	-	-	340 712	464 990
G4S Cash Solutions (SA) (Pty) Ltd	768 027	2 259 033	768 027	2 259 033
	50 193 868	**59 327 088**	**50 534 580**	**59 792 078**
Amounts due to related parties				
G4S Africa (Pty) Ltd	(36 290)	(18 107)	(36 290)	(18 107)
Indo British Garments (South Africa) (Pty) Ltd	-	(1 609 188)	-	(1 609 188)
G4S Cash 360 International FZCO	(342 822)	(679 207)	(342 822)	(679 207)
G4S Cash Secure Solutions SA	(16 925)	-	(16 925)	-
G4S Plc	(497 320)	(1 008 700)	(497 320)	(1 008 700)
G4S Cash Secure Solutions International	(84 333)	-	(84 333)	-
G4S Corporate Services Ltd	(48 261)	(77 441)	(48 261)	(77 441)
Access and Beyond Pty (Ltd)	(65 658)	-	(65 658)	-
	(1 091 609)	**(3 392 643)**	**(1 091 609)**	**(3 392 643)**
Related party transactions				
Interest received from related parties				
G4S Plc	2 357 786	2 939 253	2 357 786	2 939 253
Purchases from related parties				
Access and Beyond Pty (Ltd)	(2 559 859)	(200 958)	(2 559 859)	(200 958)
G4S Cash Solutions (SA) (Pty) Ltd	-	(603 879)	-	(603 879)
G4S Facilities Management (Pty) Ltd	-	-	(779 463)	(651 438)
G4S Africa (Pty) Ltd	-	(433 029)	-	(433 029)
G4S Cash 360 International FZCO	(1 533 567)	(4 664 516)	(1 533 567)	(4 664 516)
Management fees				
G4S North America & Technology Outbound	(265 476)	(290 285)	(265 476)	(290 285)
Global Insurance				
G4S Corporate Services Ltd	(259 590)	(95 111)	(259 590)	(95 111)
Sales to related parties				
G4S Cash Solutions (SA) (Pty) Ltd	1 527 640	1 497 245	1 527 640	1 497 245
Royalty fees paid to related parties				
G4S Plc	(2 107 310)	(2 150 405)	(2 107 310)	(2 150 405)
Dividend received from related parties				
G4S Facilities Management (Pty) Ltd	-	-	-	1 190 000
Dividend paid to related parties				
G4S Plc	-	10 990 000	-	10 990 000

Notes to the Consolidated And Separate Financial Statements

34. Directors' emoluments and key management personnel

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

2022	Emoluments	Short-term benefits	Long-term benefits	Total
G Galebonwe*	95 637	-	-	95 637
HJ Swanepoel	929 311	-	-	929 311
J du Plooy	1 058 544	-	-	1 058 544
K Mothetho**	61 560	-	-	61 560
M Molokomme	1 749 932	-	-	1 749 932
MJ Mothudi	1 169 351	-	-	1 169 351
	5 064 335	**-**	**-**	**5 064 335**

* G Galebonwe acting as Operations Director for 2 months.
** K Mothetho acting as Finance Director for 1 month.

2021	Emoluments	Short-term benefits	Long-term benefits	Total
H Swanepoel	1 193 838	38 082	-	1 231 920
J du Plooy	997 326	31 890	-	1 029 216
M Molokomme	1 393 500	27 936	50 000	1 471 436
M F Magapa	99 746	-	-	99 746
MJ Mothudi	1 070 052	44 379	72 258	1 186 689
	4 754 462	**142 287**	**122 258**	**5 019 007**

Non-executive

2022	Directors' sitting fees	Committees fees	Directors' retainer fees	Total
TK Mathews	36 000	-	-	36 000
B Mbaakanyi	138 000	-	-	138 000
C Motswaiso	36 000	-	-	6 000
G S Macholo	111 000	-	-	111 000
LN Mosetlhanyane	198 000	-	-	198 000
	519 000	**-**	**-**	**519 000**

2021	Directors' sitting fees	Committees fees	Directors' retainer fees	Total
L N Mosetlhanyane	192 000	-	18 000	210 000
BT Mbaakanyi	144 000	-	18 000	162 000
G S Macholo	144 000	-	63 000	207 000
	480 000	**-**	**99 000**	**579 000**

Notes to the Consolidated And Separate Financial Statements

35. Restatement

	Group 2021		
	As previously reported	Reclassification adjustment	Restated
Statement of profit or loss			
Revenue	194 688 706	4 876 492	199 565 198
Cost of providing services	(138 314 019)	(4 469 293)	(142 783 312)
Gross profit	**56 374 687**	**407 199**	**56 781 886**
Movement in credit loss allowance	3 854 089	624 512	4 478 601
Administrative expenses	(34 675 281)	(534 045)	(35 209 326)
Finance income	3 005 297	2 804	3 008 101
Taxation	(4 803 479)	(153 466)	(4 956 945)
Profit from discontinued operations	347 004	(347 004)	-
Profit for the year	**24 102 317**	**-**	**24 102 317**
Cash flow statement			
Operating activities	24 029 006	(3 414 096)	20 614 910
Investing actities	(12 978 171)	(2 023)	(12 980 194)
Cash and cash equivalents at the beginning of the year	31 888 346	3 416 119	35 304 465

G4S Botswana Limited has one subsidiary (G4S Facilties management Pty (Ltd)) and it holds a majority of 71.5% of the shares/voting rights. In the year 2020 and 2021 the subsidiary was classified as held for sale per IFRS 5.The Fair Value of Investment in the subsidiary was determined using the Fair value less costs to sell and was classified as level 3 in line with IFRS 13 fair value hierachy.The carrying amount of the Investment in subsidiary was P3,713,980 in 2021.

As of 31 December 2022 the entity G4S Facilities Management Pty (Ltd) ceased to be held for sale and management is no longer committed to selling the subsidiary. Due to the change in intention the operation is no longer discontinued and hence the prior year comparitives have been restated in the statement of profit or loss and in the cashflow statement where relevant as indicated above. Per IFRS 5: Non-current Assets Held for Sale and Discontinued Operations,The entity shall measure a non- current asset that ceases to be classified as held for sale or as held for distribution to owners at the lower of:

a) Its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and
b) Its recoverable amount at the date of the subsequent decision not to sell or distribute.

36. Contingencies

The company has a comprehensive insurance cover for the assets financed under Bank Gaborone. There is also a revolving asset finance facility of P5 000 000 at a rate of prime and 3.5% under Bank Gaborone. There are no other known contingent liabilities and assets as at the end of 31 December 2022.

37. Going concern

We draw attention to the fact that at 31 December 2022, the group and company had a losses for the year of P5 972 630 and P6 912 419, repectively.

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding, improve margins and contain costs for the ongoing operations for the company so long as it takes to ensure the solvency and profitability of the company.

Notes to the Consolidated And Separate Financial Statements

37. Going concern (continued)

The Group continues to focus on growing revenue following encouraging increases in revenue quarter on quarter for both quater 3 and quarter 4 2022, indicating that revenue lost during the financial year is systematically being recovered. We will continue driving the sale of integrated security solutions to ensure that we remain at the forefront of security capability in Botswana. The trading conditions remain challenging with significantly fewer opportunities than in prior years (primarily due to CEE legislation).

As a response, Management continues to drive its commercial strategy of focusing on industry-specific growth (such as the retail growth strategy that has driven the manned security revenue growth. The infusion of technology into our service offering has also been successful as a revenue driver. Specific focus for the year is on cost management with driving efficiencies across the business and continued fuel management aimed at managing profitability. Despite the reduced performance of the company, in lieu of stated reasons, the Board of Directors and Management are confident of the company's going concern status and will continue to work hard towards improved profitability in the foreseeable future.

38. 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.

39. 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% 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 Business Segments - 31 December 2022	**Security Systems**	**Manned Security**	**Cash Solutions**	**Non-reportable segments & head office expenses**	**Total Segments**
	P	P	P	P	P
Revenue	47 107 223	96 724 605	63 174 035	5 454 461	212 460 324
Direct labour	(15 823 476)	(73 391 716)	(18 918 806)	-	(108 133 998)
Direct vehicles	(12 193 083)	(6 481 413)	(9 356 693)	-	(28 031 189)
Direct other costs	(5 339 635)	(8 810 181)	(18 106 042)	(5 123 570)	(37 379 428)
Cost of sales	(33 356 194)	(88 683 310)	(46 381 541)	(5 123 570)	(173 544 615)
Gross profit	13 751 029	8 041 295	16 792 494	330 891	38 915 709
SG&A labour	(6 006 124)	(5 255 358)	(3 753 827)	(5 064 335)	(20 079 644)
SG&A vehicles	(96 806)	(184 827)	(306 026)	-	(587 659)
SG&A other costs	(3 600 025)	(2 031 099)	(15 013 657)	(1 502 948)	(22 147 729)
SG&A expenses	(9 702 955)	(7 471 284)	(19 073 510)	(6 567 283)	(42 815 032)
Trading profit/(loss)	4 048 074	570 011	(2 281 016)	(6 236 392)	(3 899 323)
Movement in credit loss allowances	(2 596 021)	(865 340)	(865 340)	-	(4 326 701)
Other income/expenses	435 895	408 219	232 310	52 878	1 129 302
Finance income	815 505	703 237	853 602	234	2 372 578
Finance cost	(284 543)	(584 249)	(381 592)	(95 508)	(1 345 892)
Profit/(loss) before taxation	2 418 910	231 878	(2 442 036)	(6 278 788)	(6 070 036)
Taxation	-	-	-	97 406	97 406
Profit/(loss) for the period	2 418 910	231 878	(2 442 036)	(6 181 382)	(5 972 630)
Material non-cash items Group 31 December 2022					
Depreciation	(3 085 786)	(5 208 968)	(6 149 166)	(1 899 947)	(16 343 867)
Finance income	815 505	703 237	853 602	234	2 372 578

Notes to the Consolidated And Separate Financial Statements

39. Segmental Reporting (continued)

Segment assets
Group
31 December 2022

Total assets	72 147 098	35 410 841	41 568 214	6 430 930	155 557 083
Total liabilities	(17 069 819)	(9 760 451)	(12 210 926)	(4 424 258)	(43 465 454)

Group Business Segments - 31 December 2021	Security Systems P	Manned Security P	Restated* Cash Solutions P	Non-reportable segments & head office P	Total Segments P
Revenue	45 114 118	88 635 904	60 938 684	4 876 492	199 565 198
Direct labour	(14 859 938)	(64 648 008)	(17 152 385)	-	(96 660 331)
Direct vehicles	(5 152 539)	(3 557 700)	(7 953 591)	-	(16 663 830)
Direct other costs	(10 064 626)	(6 327 165)	(12 509 566)	(6 051 026)	(34 952 383)
Cost of sales	(30 077 103)	(74 532 873)	(37 615 542)	(6 051 026)	(148 276 544)
Gross profit	15 037 015	14 103 031	23 323 142	(1 174 534)	51 288 654
SG&A labour	(4 342 184)	(7 609 582)	(4 924 726)	-	(16 876 492)
SG&A vehicles	(120 093)	(139 717)	(68 788)	-	(328 598)
SG&A other costs	(5 364 905)	(6 385 907)	(5 442 293)	(811 131)	(18 004 236)
SG&A expenses	(9 827 182)	(14 135 206)	(10 435 807)	(811 131)	(35 209 326)
Trading profit/(loss)	5 209 833	(32 175)	12 887 335	(1 985 665)	16 079 328
Other income/expenses	139 676	274 422	188 671	1 914 868	2 517 637
Movement in credit loss allowances	926 420	1 532 976	1 532 976	486 229	4 478 601
Finance income	696 401	1 368 222	940 674	2 804	3 008 101
Finance cost	(334 736)	(675 658)	(452 151)	(93 234)	(1 555 779)
Profit before taxation	6 637 594	2 467 787	15 097 505	325 002	24 527 888
Taxation	(1 057 912)	(2 078 485)	(1 428 994)	(391 554)	(4 956 945)
Profit/(loss) for the period	5 579 682	389 302	13 668 511	(66 552)	19 570 943

Material non-cash items
Group
31 December 2021

Depreciation	(3 429 791)	(1 717 117)	5 033 348	(15 175 931)	(15 289 491)
Finance income	696 401	1 368 222	940 674	2 804	3 008 101

Segment assets
Group
31 December 2021

Total assets	69 199 624	39 317 968	47 181 562	13 030 436	168 729 590
Total liabilities	(15 959 666)	(9 067 992)	(10 881 590)	(14 756 083)	(50 665 331)

Notice Of The Annual General Meeting

Notice is hereby given that the 2023 Annual General Meeting of G4S BOTSWANA LIMITED will be held at 14:00 hrs on Monday, 26 June 2023 at Cresta Lodge Gaborone, Samora Machel Dr, Gaborone

Agenda:

1. To read notice convening the meeting
2. Welcome and opening remarks by the Chairman.
3. Adoption of Agenda
  A. Ordinary Resolutions
4. To receive consider and adopt the Audited Financial Statements for the year ended 31 December 2022 together with the Auditors Report.
5. To confirm the re-election of the following Director of the company:
i. Lourens Smit
6. To ratify the appointment of the following Directors of the company:
  i. Thabo Matthews
  ii. Colleen Motswaiso
  iii. Wincey Ramaphoi
7. To ratify the appointment of the Finance Director of the company:
  i. Boitumelo Molefe
8. To note the retirement of the following Director who retired on 10th May 2023:
  i. Lorato Mosetlhanyane
9. To ratify the remuneration paid to Non-Executive Directors for the year ended 31 December 2022.
10. To ratify the remuneration paid to the auditors, Deloitte & Touche for the year ended 31 December 2022.
11. To appoint Deloitte & Touche as auditors for the ensuing year and authorize the Directors to fix their remuneration.
12. To close the meeting.

A member entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf and such a proxy need not be a member of the company. The instrument appointing such a proxy must be deposited at the registered office of the company at Acumen Park, Plot 50370 Fairgrounds, Gaborone not less than 48 hours before the meeting.

By order of the Board
Grant Thornton Business Services (Pty) Ltd
Company Secretary

5 June 2023

REGISTERED OFFICE:
Plot 50370, Acumen Park, Fairgrounds
P O Box 1157, Gaborone

Notice Of The Annual General Meeting

PROXY FORM

[To be completed by shareholders)

Please read the notes overleaf before completing this form
For use at the Annual General Meeting of shareholders of the company to be held at Cresta Lodge, Samora Machel Dr, Gaborone at 14:00 hours on Monday, 26th June 2023.

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 2023 Annual General Meeting, to vote for or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name in accordance with the following instruction.

____

shares registered in my/our name in accordance with the following instruction.

NUMBER OF SHARES

		For	Against	Abstain
Ordinary resolution 1	Agenda No 4			
Ordinary resolution 2 i. Lourens Smit	Agenda No 5			
Ordinary resolution 3 i. Thabo Matthews	Agenda No 6			
ii. Colleen Motswaiso				
iii. Wincey Ramaphoi				
Ordinary resolution 4 i. Boitumelo Molefe	Agenda No 7			
Ordinary resolution 5 i. Lorato Mosetlhanyane	Agenda No 8			
Ordinary resolution 6	Agenda No 9			
Ordinary resolution 7	Agenda No 10			
Ordinary resolution 8	Agenda No 11			

Signed at:
Date:
Signature:
Assisted by (where applicable)

Notice Of The Annual General Meeting

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 on the reverse side hereof

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 whose names follow.
2. A shareholder's 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 by 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.

Notes


G4S
G4S

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