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IMPORTANT NOTE TO USERS:
The audit opinion reproduced here as a standalone document has been extracted from the G4S (Botswana) Limited Consolidated and Separate Annual Financial Statements for the year ended 31 December 2019 (the "AFS"). The AFS include the consolidated and separate financial statements to which this audit opinion refers. Accordingly, this audit opinion should be read together with the AFS, which are available from G4S (Botswana) Limited's registered office.

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

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of G4S (Botswana) Limited (the "Company") and its subsidiary (together the "Group") as at 31 December 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

G4S (Botswana) Limited's consolidated and separate financial statements set out on pages 11 to 62 comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Our audit approach

Overview

Overall group materiality

- *P 1,390,000 which represents 5% of consolidated profit before taxation.*

Group audit scope

- *The Group consists of the Company and one wholly-owned subsidiary. Full scope audits were performed on both these companies as both are financially significant to the Group.*

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Key audit matters

- *Impairment of Trade Receivables; and*
- *Initial adoption of IFRS 16 (Leases).*

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

Materiality

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

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

Overall group materiality	*P 1 390 000.*
How we determined it	*5% of consolidated profit before taxation.*
Rationale for the materiality benchmark applied	*We chose consolidated profit before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5%, which is consistent with quantitative materiality thresholds used for profit-oriented entities in this sector.*

How we tailored our group audit scope

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

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

Key audit matters

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

Key audit matter	***How our audit addressed the key audit matter***
Impairment of Trade Receivables *This key audit matter relates to the consolidated and separate financial statements.* At 31 December 2019, the Group and Company recognised net trade receivables of P33,837,037 and P32,624,013, respectively. These balances are reported net of impairment of P23,358,170 and P22,305,727, respectively. The Group applies a provisioning matrix as a practical expedient to determine the impairment for trade receivables. Trade receivables have been assessed on a collective basis (for each component) 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 2019, 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 Group and Company in selecting and applying an appropriate model and in determining the credit losses which are expected to be incurred once it is considered irrecoverable. Impairment was considered to be a matter of	Our audit procedures included the following: • We assessed the Group's and Company's impairment model against the requirements of IFRS 9 - *Financial Instruments* ("IFRS 9") and did not note any inconsistencies. • We tested the mathematical accuracy of the Group's and Company's impairment models and found no exceptions. • We agreed the data utilised in the impairment model at 31 December 2019 to the trade receivables ageing analysis, debt recovery rates achieved through external collection efforts and other information available (such as, correspondence from individual debtors) and found no exceptions. • We challenged assumptions and judgements made in determining the final impairments through discussion with management and our knowledge of the operations as gained through our audit in determining future expected loss rates using forward looking projections. Based on our work performed, we accepted management's assumptions and judgements. • We evaluated the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities against the relevant IFRS requirements.

Key audit matter	*How our audit addressed the key audit matter*
most significance to the year-end audit due the significance of the trade receivable balance, as well as the judgements and estimates applied in determining an appropriate level of impairment. Disclosures with respect to impairment is disclosed in: ● Note 4 - "Financial instruments and risk management | Credit Risk"; and ● Note 22 - "Trade and other receivables".	
Initial adoption of IFRS 16 - Leases *This key audit matter relates to the consolidated and separate financial statements* The Group and Company adopted IFRS 16 - *Leases* ("IFRS 16") for the first time during the financial year ended 31 December 2019 to recognise, measure, present and disclose leases. In accordance with the requirements of IFRS 16 the Group re-assessed the way in which it accounts for operating leases where it is a lessee. Whereas such leases had previously been accounted for by straight-lining all unavoidable contractual lease payments over the lease term, application of IFRS 16 required the Group and Company to recognise a lease liability reflecting the estimated present value of future lease payments and a right-of-use asset for the majority of such lease agreements. In applying IFRS 16 for the first time, the Group and Company adopted a modified retrospective approach, with the cumulative effect of IFRS 16 being recognised in equity as an adjustment to the opening balance of retained income for the current period. Prior periods have not been restated. At 31 December 2019, the Group and Company recognised right-of-use assets and lease liabilities in the amounts of P17,707,353 and P23,050,915, respectively. In determining the appropriate amounts and balances to apply in the application of IFRS 16, the Group and Company made use of an automated calculation model (the "IFRS 16	Our audit procedures included the following: ● We compared the Group's and Company's IFRS 16 written adoption guidance, and how this was applied in the IFRS 16 Model, against the requirements of IFRS 16. We did not note any inconsistencies in this regard. ● We tested the completeness of individual lease agreements included in the IFRS 16 Model, by comparing these to o lease contract statements for the current and preceding financial periods obtained from the Group's and Company's vehicle lease service provider; and o transactions included in accounts the Group and Company have historically used to record operating lease payments. Our procedures identified certain lease agreements, which were excluded from the IFRS 16 Model. These exceptions were satisfactorily addressed by the Group and Company during our audit and have been correctly taken into account in the Group's and Company's final accounting for IFRS 16. ● We tested observable data inputs included in the IFRS 16 Model to underlying lease agreements on a sample basis and assessed whether such inputs were consistent with the underlying requirements of IFRS 16.

Key audit matter	*How our audit addressed the key audit matter*
Model"). Based on observable data inputs, including: ● date of inception of each lease; ● lease period; ● value and timing of lease payments; and ● the Group's estimate of its incremental borrowing rate, the IFRS 16 Model was used to measure the right-of-use asset and lease liability associated with each lease identified by the Group and Company. Such measurements informed the Group's and Company's accounting for IFRS 16 at initial application, during the financial year and at 31 December 2019. The adoption of IFRS 16 was considered to be of most significance to the current year audit due to the first-time adoption of IFRS 16, the relative complexity of measurement calculations included in the IFRS 16 Model and implicit requirement for completeness, accuracy and reasonableness of data input into the IFRS 16 Model. Disclosures with respect to the application of IFRS 16 are disclosed in: ● Note 2 "Changes in accounting policy"; and ● Note 15 "Right-of-use asset", including lease liabilities.	Discrepancies noted were appropriately addressed by the Group, where necessary and have been correctly taken into account in the Group's and Company's final accounting for IFRS 16. ● We compared the Group's and Company's estimate of its incremental borrowing rate as included in the IFRS 16 model to the prevailing prime bank rate and lending rate premiums which, in our experience, are offered in the market for entities like the Group. Based on our work performed we accepted the Group's and Company's estimate. ● We tested the mathematical accuracy of the IFRS 16 Model and found no exceptions. ● We agreed outputs from the IFRS 16 Model to the relevant balances and amounts in the consolidated and separate financial statements without any material exception.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*G4S (Botswana) Limited Consolidated and Separate Financial Statements for the year ended 31 December 2019*", which we obtained prior to the date of this auditor's report, and the other sections of the document titled "*G4S (Botswana) Limited 2019 Annual Report*", which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

Individual Practicing member: Rudi Binedell **Gaborone**
Registration number: 20040091 **4 May 2020**