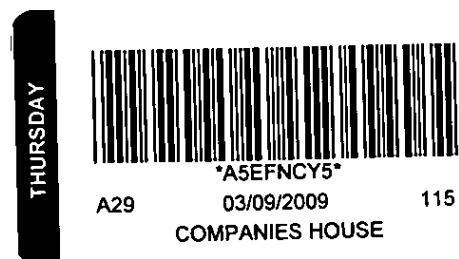


# G4S CIT (UK) Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2008



# G4S CIT (UK) Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

TL Dighton  
AK Niven  
M Ryan

### SECRETARY

M Ryan

### REGISTERED OFFICE

Sutton Park House  
15 Carshalton Road  
Sutton  
Surrey SM1 4LD

### AUDITORS

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

# G4S CIT (UK) Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of G4S CIT (UK) Limited for the year ended 31 December 2008.

### PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were the provision of employment services.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company is a wholly owned subsidiary of G4S plc and operates as part of the group's European cash services division. There have not been any significant changes in the company's principle activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

### KEY PERFORMANCE INDICATORS

The company utilises a wide range of operational performance measures across its business activities. However, these are all activity or contract-specific. The company's directors do not believe that further key performance indicators are necessary or appropriate for an understanding of the development, performance or position of the business as a whole.

### PRINCIPAL RISKS AND UNCERTAINTIES

All businesses are subject to risk and many individual risks are macro-economic or social and common across many businesses. The key risks are those which could materially damage the company's strategy, reputation, business, profitability or assets and these risks are listed below. This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others currently considered immaterial become material.

#### 1. Major changes in market dynamics

Such changes in dynamics could include new technologies, government legislation or the behaviour of competitors and could, particularly if rapid or unpredictable, impact the group's revenues and profitability.

#### 2. Deterioration in labour relations

The company has a good relationship with its committed work force. If this relationship were to become strained the company's operational performance and reputation may be adversely affected.

The potential impact of these risks is mitigated through the company's performance management procedures, operational standards and policy of proactive engagement with customers, industry associations, government regulators and employee representatives.

### ENVIRONMENT

The company acknowledges the inherent value of the natural environment. The company recognises that its business activities have a direct and indirect impact on the environment and it endeavours to manage these in a responsible manner. The company is committed to a programme of continuous improvement to minimize the impact on the environment.

The company does this by:

- Establishing performance indicators which will allow the company to set targets and track its progress.
- Complying with all relevant legislation, commercial requirements and codes of conduct.
- Preventing pollution in line with legal requirements.
- Seeks to reduce waste and improve efficiency in all its activities.
- Enables and encourages staff to make a contribution to environmental improvements.
- Engages with suppliers and customers in environmental initiatives.

# G4S CIT (UK) Limited

## DIRECTORS' REPORT

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### DIVIDENDS

The directors do not recommend the payment of a dividend.

### DIRECTORS

The following directors have held office since 1 January 2008:

TL Dighton  
AK Niven  
M Ryan (appointed 21 January 2008)

### THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provisions are in place for the benefit of all directors of the company.

### EMPLOYMENT OF DISABLED PERSONS

The company's policy and practice is to encourage the recruitment and subsequent training, career development and promotion of disabled persons on the basis of their aptitudes and abilities, and the retention and retraining of employees who become disabled.

### EMPLOYEE INVOLVEMENT

The company keeps employees informed on a regular basis of current activities, progress and general matters of interest by various methods, including:

- a) the holding of regular regional and area meetings;
- b) the annual employee survey distributed to all staff;
- c) the circulation, on an individual basis, of an annual report to employees
- d) the circulation of the company's monthly in-house newsletter "The Mag".

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR APPOINTMENT

On 26<sup>th</sup> September 2008 Baker Tilly UK Audit LLP resigned as auditors and the Directors subsequently appointed KPMG Audit Plc to fill the vacancy arising.

A resolution to reappoint KPMG Audit Plc, Chartered Accountants, as auditors will be put to members at the Annual General Meeting.

By order of the board



Director  
30<sup>th</sup> July 2009

# G4S CIT (UK) Limited

## DIRECTORS' REPORT

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G4S CIT (UK) LIMITED**

We have audited the financial statements of G4S CIT (UK) Limited for the year ended 31<sup>st</sup> December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **OPINION**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

30 July 2009

**G4S CIT (UK) Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2008**

	<i>Notes</i>	2008 £000	2007 £000
TURNOVER	1	125,064	109,485
Cost of sales		(125,064)	(109,485)
GROSS PROFIT		<u>-</u>	<u>-</u>
Other operating expenses		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1	<u>-</u>	<u>-</u>
Taxation	4	(53)	(47)
LOSS FOR THE YEAR	8	<u>(53)</u>	<u>(47)</u>

The result for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# G4S CIT (UK) Limited

## BALANCE SHEET

31 December 2008

	<i>Notes</i>	2008 £000	2007 £000
CURRENT ASSETS			
Debtors	5	3,046	2,975
CREDITORS			
Amounts falling due within one year	6	(3,131)	(3,007)
NET CURRENT LIABILITIES		<u>(85)</u>	<u>(32)</u>
CAPITAL AND RESERVES			
Called up share capital	7	44	44
Profit and loss account	8	(129)	(76)
EQUITY SHAREHOLDERS' DEFICIT	9	<u>(85)</u>	<u>(32)</u>

The financial statements on pages 6 to 11 were approved by the board of director and authorised for issue on 30<sup>th</sup> July 2009 and are signed on its behalf by:



M A Ryan  
Director

30<sup>th</sup> July 2009



# G4S CIT (UK) Limited

## ACCOUNTING POLICIES

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### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting.

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 228 of the Companies Act 1985, as it is a subsidiary undertaking of G4S plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

Under FRS1, the Company is exempt from the requirements to prepare a cash flow statement on the grounds that the parent undertaking includes the Company in its own published consolidated financial statements.<sup>3</sup>

As the Company is a wholly owned subsidiary of G4S plc, the Company has taken advantage of the exemption contained in FRS8 and has not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements, of G4S plc, within which this company is included, can be obtained from G4S plc, Manor Royal, Crawley, West Sussex RH10 9UN.

### GOING CONCERN

The accounts have been prepared on a going concern basis as the company's ultimate parent undertaking, G4S Plc, has confirmed its intention to provide continued financial support for the foreseeable future.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

### POST RETIREMENT BENEFITS

The Company participates in the Group's defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amounts charged to the profit and loss account represent the contributions payable to the scheme in respect of the financial year.

The Company also participates in a group wide defined benefit pension scheme. The assets are held separately from those of the Company. The Company is unable to identify its share of underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

### PROVISIONS

Provisions are made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

# G4S CIT (UK) Limited

## ACCOUNTING POLICIES

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### TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and/or services in the ordinary nature of the business. Turnover represents the amounts receivable, net of Value Added Tax, of goods sold and services provided to customers.

### INVESTMENTS

Investments are stated at cost less provision for diminution in value.

# G4S CIT (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2008

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#### 1 TURNOVER AND RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and result before taxation were all derived from its principal activity and all sales were made in the United Kingdom.

Audit fees of £120,000 have been borne by G4S Cash Services (UK) Limited, a fellow group undertaking. There are no fees for services other than audit.

2	EMPLOYEES	2008	2007
		No	No
	The average weekly number of persons (including directors) employed by the company during the year	4,970	4,683
		2008	2007
		£000	£000
	Staff costs for above persons:		
	Wages and salaries	112,602	98,650
	Social security costs	10,398	9,081
	Other pension costs	2,064	1,754
		<u>125,064</u>	<u>109,485</u>

The directors received no emoluments during the year (2007: £Nil). The directors are remunerated through other companies within the group. No directors exercised any share options during 2008.

#### 3 PENSIONS

The company participates in two pensions schemes for employees in the United Kingdom. These are the defined benefits pension scheme called Securicor Group Pension Scheme "the defined benefits scheme" which is closed to new members and a defined contribution scheme called the G4S Personal Pension Plan "the defined contributions scheme".

With effect from December 2008, the Securicor Group Pension Scheme changed its name to the G4S Pension Scheme in preparation for a transfer/merger with two other schemes on a sectionalised basis on 1 January 2009. Employees who were in the Securicor Group Pension Scheme are therefore now in the G4S Pension Scheme - Securicor Section.

G4S CIT (UK) Limited is unable to identify its share of the underlying assets and liabilities of the scheme and has therefore taken advantage of the exemption available in FRS 17 to account for contributions to the scheme as if it were a defined contributions scheme. Full details of the scheme, including the level of the overall deficit within it, can be found in the accounts of G4S plc.

Contributions paid by the company during the period to the defined benefits scheme amounted to £596,250 (2007: £1,744,168).

The pension costs are assessed on the advice of independent qualified actuaries using the projected unit credit method. The most recent actuarial valuation was 05 April 2006. The assets of the schemes are held in separate trustee administered funds.

# G4S CIT (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2008

4	TAXATION	2008 £000	2007 £000
	Current tax:		
	UK corporation tax on profits of the year	-	-
	Prior period adjustment	(53)	(47)
	Total current tax	<u>(53)</u>	<u>(47)</u>
	Factors affecting tax charge for year:	2008 £000	2007 £000
	The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	Profit on ordinary activities before tax	-	-
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 28.5% (2007: 30%)	-	-
	Effects of:		
	Expenses not deductible for tax purposes	-	-
	Capital allowances in excess of depreciation	-	-
	Prior period adjustment	(53)	(47)
	Tax charge for year	<u>(53)</u>	<u>(47)</u>
5	DEBTORS	2008 £000	2007 £000
	Due within one year:		
	Amounts owed by group undertakings	2,843	2,785
	Other debtors	203	190
		<u>3,046</u>	<u>2,975</u>
6	CREDITORS: Amounts falling due within one year	2008 £000	2007 £000
	Bank overdraft	5	-
	Other taxation and social security costs	2,772	2,645
	Other creditors	354	362
		<u>3,131</u>	<u>3,007</u>
7	SHARE CAPITAL	2008 £000	2007 £000
	Authorised:		
	100,000 ordinary shares of £1 each	100	100
	Allotted, issued and fully paid:		
	44,240 ordinary shares of £1 each	<u>44</u>	<u>44</u>

# G4S CIT (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2008

8	PROFIT AND LOSS ACCOUNT	2008 £000	2007 £000
	31 December 2007	(76)	(29)
	Loss for the financial period	(53)	(47)
	31 December 2008	<u>(129)</u>	<u>(76)</u>
9	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS / (DEFICIT)	2008 £000	2007 £000
	Opening shareholders' (deficit) / funds	(32)	15
	Loss in financial period	(53)	(47)
	Closing shareholders' (deficit) / funds	<u>(85)</u>	<u>(32)</u>

### 10 CONTINGENT LIABILITIES

The company is included in a Group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. The liability of the UK group registration at 31 December 2008 totalled £25,820,628 (2007: £18,214,691).

The company is included within a group banking arrangement with certain fellow subsidiary undertakings and has provided an unlimited guarantee.

### 11 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by FRS 8 such that transactions do not need to be disclosed with companies where 90% or more of the voting rights are controlled within the group. All transactions with related parties are in the normal course of business.

### 12 ULTIMATE PARENT UNDERTAKING

At 31 December 2008 the ultimate holding company of G4S CIT (UK) Limited was G4S plc, which is registered in England and Wales. Copies of the group accounts of G4S plc can be obtained from The Manor, Manor Royal, Crawley, West Sussex, RH10 9UN.