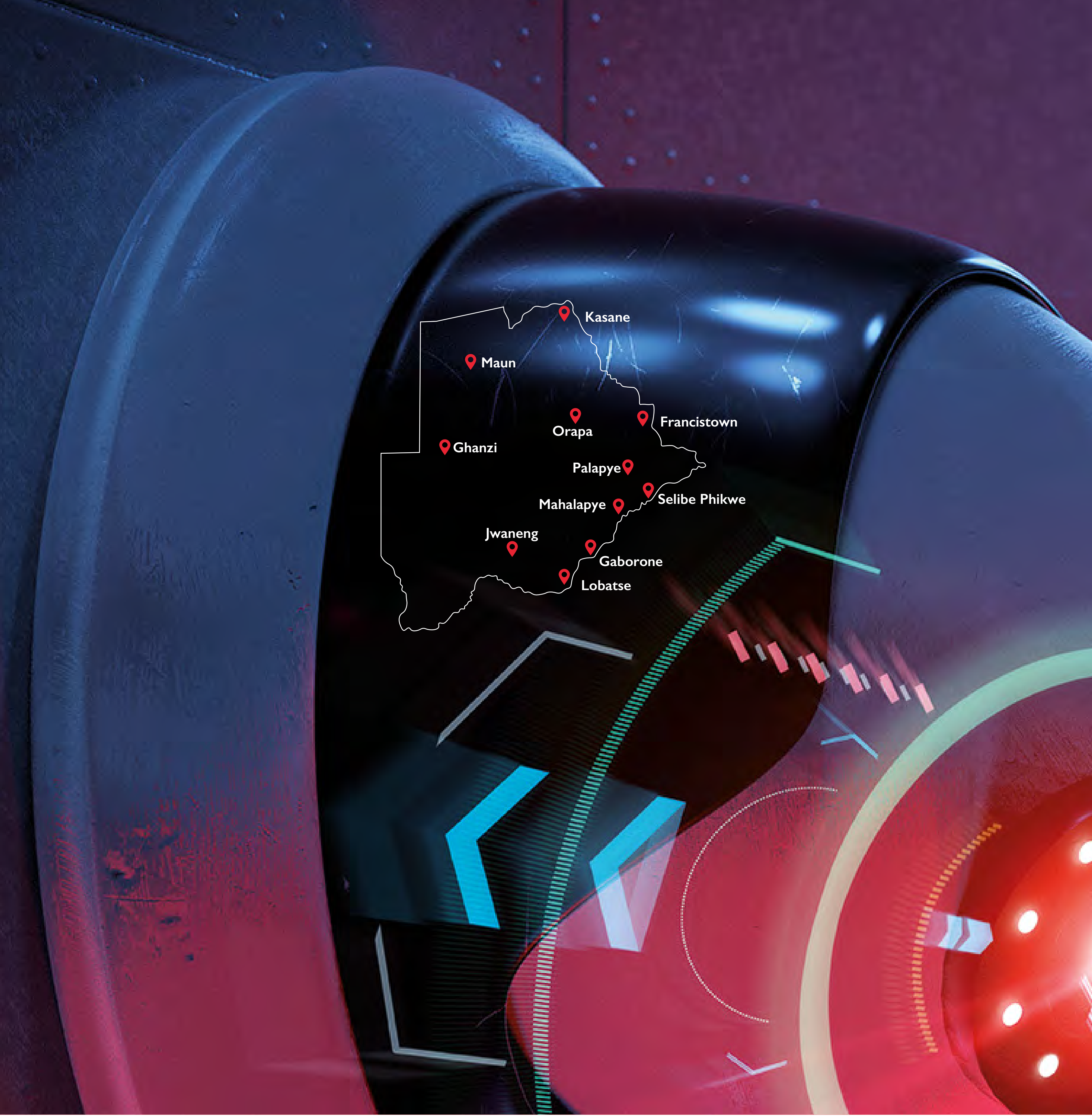
An ALLIED UNIVERSAL® Company

2021 ANNUAL REPORT

Securing Your World



G4S MISSION

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

Our footprint across the country is growing...

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

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

VALUES

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

OUR VALUE STATEMENT

We act with...

INTEGRITY AND RESPECT

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

We are passionate about...

SAFETY, SECURITY AND SERVICE EXCELLENCE

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

We achieve this through...

INNOVATION AND TEAMWORK

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

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

TABLE OF **CONTENTS**

Corporate Profile	06
Chairperson's Report	10
Managing Director's Report	14
Board of Directors	18
G4S Botswana Share Register	22
What sets us apart from our competitors?	24
The Remuneration Committee Report	26
The Audit & Risk Committee Report	28
King III Compliance Checklist	30
Executive Committee	36
Corporate Social Responsibility Report 2021	38
Occupational Health and Safety	42
Financial Performance	44

CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	**48**
Directors' Responsibilities and Approval	**51**
Independent Auditor's Report	**52**
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income	**60**
Consolidated and Separate Statements of Financial Position	**61**
Consolidated and Separate Statements of Changes in Equity	**62**
Consolidated and Separate Statements of Cash Flows	**63**
Significant Accounting Policies	**64**
Notes to the Consolidated and Separate Financial Statements	**83**
Unaudited Detailed Income Statement	**133**
Notice of Annual General Meeting	**135**
Proxy Form	**136**

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.

CORPORATE **PROFILE**

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**

Our priorities are:

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

Manned Security

G4S Manned Security Services are customized to each client's individual needs, using our Risk-Based approach to identify customer pains/ risks and deliver well-informed risk mitigating integrated solutions of manned guarding and security technologies. G4S has introduced the Risk 360 solution to the market. Risk 360 allows G4S and its clients to manage, respond, investigate, analyze and aggregate data to mitigate risks, by providing an Integrated Solution that integrates inputs from smartphone applications and from general security products into one consolidated platform. Site-specific and tailor-made procedures are built collaboratively with our clients to ensure rigorous risk assessment by the G4S team and seamless adaptation by the client. This affords us improved performance output and the consequent customer satisfaction.

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

Electronic Security

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

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

Cash Solutions

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

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

Our Business

Key aspects of these services include:

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

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

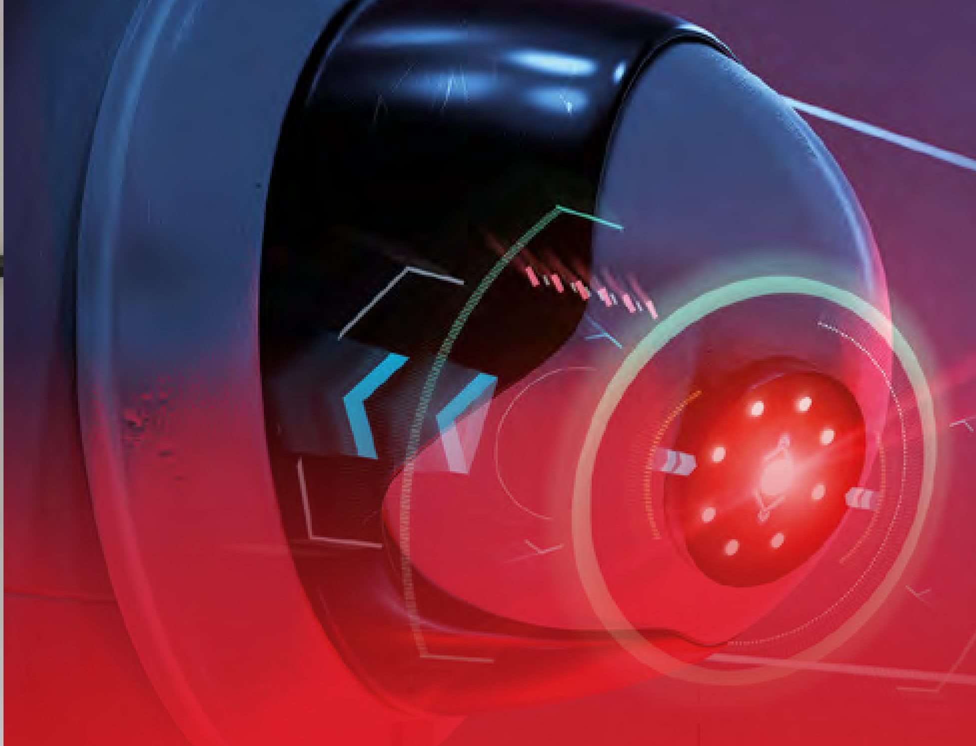
Facilities Management

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

CHAIRPERSON'S **REPORT**

The Year in Review

We have once again seen a very eventful year; as the world slowly tried to recover from the effects of COVID 19, there was a break-out of new variants further exacerbating the situation. On the economic front, hyper-inflation and rising fuel prices put pressure on our financial performance.



Ms. Gaone Macholo

Board Chairperson

A new security threat to our cash in transit vehicles was introduced to the cash business nationwide through cash heists. A great collaborative effort with the Botswana Police has gone a long way to prevent the situation from deteriorating and assisted us in protecting the lives of our front-line employees. Amidst these challenges, I am pleased to report a marginal growth in revenue. The team worked extremely hard to continue to protect shareholder value and provide excellent service to our customers.

Governance

I am pleased that the Board and its Committees continued to oversee issues of governance and worked hard ensuring that all regulatory matters are complied with. The Board has a good mix of skills and experience which allows us to provide strategic guidance with no operational interference. This year the Board participated in a Board assessment carried out by an independent assessor in line with requirements and this will continue to be carried out to achieve continuous improvement of governance. During the period under review, the Board welcomed a new member, Renso Smit, who replaced Edward Ueckermann who he has moved on to pursue other interests. We are grateful to Edward for the value that he added to the Board during his tenor and wish him well in his new journey. As the business landscape changes the Board will look for new talent to join as Board members.

Looking Ahead

We remain hopeful that we will be able to navigate the current economic challenges through the strategy that we have developed. We will continue to engage our customers to find win-win solutions to mutual problems and engage our competitors to develop some solid collaborations to address common issues.

CHAIRPERSON'S REPORT

We believe we will be able to find exceptional technology from Allied Universal who have now globally acquired G4S which will aid our strategy of providing affordable integrated security solutions to our customers.

A Word of Gratitude

We continue to purposefully commit to zero harm to our employees and customers and are grateful that we have not lost any one of them through the armed robberies that have so far been the number one threat to our cash business. We were not spared from the impact of COVID-19 and lost a few of our employees to the pandemic. We are grateful to the families of our employees who continued to encourage them to continue as frontline workers in the midst of the fear of COVID that permeated every industry, especially while the Delta variant was aggressively taking the lives of many.

I am particularly pleased by how they have braved all the armed robberies and attacks we experienced and remained resilient in service provision. The leadership of the executive is quite evident and I appreciate their efforts in leading from the front in the terrain of virtual management which most companies are still new at especially in our type of business which often requires physical interaction. I would like to express gratitude to our investors who have trusted us with their priceless investments. We remain indebted to our valuable customers for trading with us and putting our products and services to great use.

I wish to thank the Board for their leadership and provision of their varied skills and the G4S Group for their support to the Botswana business.

"We believe we will be able to find exceptional technology from Allied Universal who have now globally acquired G4S which will aid our strategy of providing affordable integrated security solutions to our customers.

MANAGING DIRECTOR'S **REPORT**

Emerging from the COVID-19 pandemic albeit at a slow pace

While COVID-19 had its roots in 2020, its main impact was much more pronounced in 2021 in terms of the number of infections, the death toll and the disruption to business that this levied. While some countries around the world were successful in procuring vaccines, the situation in Africa and in Botswana was slower hence the country experienced most deaths during this period as a result of the pandemic.

Mr. Mothusi Molokomme
Managing Director

Consequently, the business was also affected as we lost some of our colleagues to the scourge, while some had to be on long lay-offs due to being infected; both of which put a strain on business continuity. Management was able to devise various plans to minimise disruptions, chief amongst them being working from home which ensured continuity of service provision and the general safety and well-being of our employees. The availability of vaccines in the latter part of the year ensured that employees were able to vaccinate which allowed the gradual return to physical interaction and working from the office. As a customer-facing company, this was very important as it ensured that we could now serve our clients better.

The business faced an unprecedented security challenge in late 2021 in the form of attacks on the cash business, specifically attacks on our cash in transit vehicles. This was reflective of the general security environment wherein crime had significantly increased with most attacks aimed at businesses. In response to this, the industry engaged the Government and the Police Service was deployed to provide escorts to all cash vehicles to mitigate this risk. As a business, we improved the security of our vehicles by adopting the latest technology to safeguard our assets with a significant capital investment in new armoured vehicles and additional enhancement to our existing fleet. These measures have, in the short term, ensured that we are able to respond to the prevailing security situation.

On the economic front, the year in review was very challenging with rising inflation and consequently the cost of living, leading to a strain on business activity. Many businesses folded under this strain while those that remained open reduced security requirements in some instances while others re-negotiated contract rates impacting our margins. Input costs, particularly fuel costs, rose astronomically resulting in a significant reduction in gross profit. Management implemented austerity measures which resulted, despite these cost pressures, in a marked improvement in profitability.

MANAGING DIRECTOR'S REPORT

Performance Highlights (Resilience in a Tough Trading Environment)

Despite a year where the business did not increase its pricing on any of our service lines, overall revenue for the period grew by 2.2% year on year showing a marginal improvement in growth, underscoring the difficult trading conditions. This increase was driven by a significant increase in the revenue of the manned guarding service (BWP5.5m) because of a focused retail strategy implemented in Q2. This was complemented by an increase in the cash service line of BWP2.7m achieved through an increase in scope for some of our existing cash clients and the increased sale of our deposita solution. These gains were however reversed by losses in the electronic service line which decreased by 8% resulting in a loss of BWP4m for the year. The service line is challenged by the stiff competition as new entrants in the market offer solutions at significantly reduced prices particularly in the alarm and monitoring space. The lingering impact of COVID-19 on household expenditure, being the primary driver for the price sensitivity of the residential sector, has seen customers reducing services due to affordability, or migrating services to the cheapest available alternative. The business has developed a strategy to address this decline going into 2022.

From a profitability perspective, profit before tax (PBT) increased by 21% owing to a recovery in the expected credit loss allowance for the period of BWP 3.8m and the non-recurrence of goodwill impairment of P8.4m recognised in the previous year. Austerity measures implemented by management resulted in administrative expenses reducing by P2.8m year on year contributing positively to profitability.

People and values

Our more than 2990 employees continue to embody and live our values and culture ensuring that we uphold the highest standards in executing our mandate and serving our customers with the highest quality service. In light of the pandemic, we have set rigorous safety and health protocols that ensure the safety of our employees who often serve as front line service providers in maintaining a secure environment for our customers. The drive to vaccinate the majority of our employees is ongoing and we expect to have the majority of them vaccinated by mid-2022.

On the employee development side, the business introduced a new learning and development programme that envisions to continuously develop and improve our employees' skills and competence and also act as a retention strategy. To that end, employees will be offered learning and development opportunities that will be funded by the company with set metrics; the initial cohort has already benefited from this initiative as it started in quarter 4.

Forward Looking (Optimism driven by Innovation)

With the COVID-19 impact on the economy taking longer than expected to subside, the Group is deploying new and innovative ways of offering our products and services efficiently and in a more affordable manner to our customers. The increased national security risk, observable from security events reported during the last quarter of 2021, has bolstered our resolve to invest in modern security technology to better and safely serve our customers, and offers an opportunity to design modern security offerings to the market across all service lines. We will continue driving the sale of integrated security solutions to ensure that we remain at the forefront of security capability in Botswana. The deployment of integrated security solutions is expected to yield a long-term improvement in margins compared to traditional security offerings and aligns the company to market demands in a post COVID-19 environment. The acquisition of G4S globally by Allied Universal provides an opportunity to tap into new cutting-edge technology, which enables us to deliver improved solutions tailored to our customers, and we plan to introduce these innovative offerings into the local market in the year ahead.

A focused customer-centric approach will also be developed measuring our approach to our customer needs which will serve to drive our retention strategy. A combination of these factors and the growth trajectory experienced this year, makes us optimistic that the year ahead will generate greater value for all our stakeholders. It is our firm belief that the market still offers attractive growth opportunities despite the various challenges that exist.


G4S
G4S

BOARD **OF DIRECTORS**

Mothusi Molokomme
Managing Director

Mothusi has 19 years of work experience in various roles and industries including mining, financial services and fast-moving consumer goods (FMCG). He joined G4S in March 2021 from Distell Botswana where he held the position of Managing Director for 7 years. He previously worked for Kgalagadi Breweries Limited in various senior leadership roles.

Mothusi holds a Master of Philosophy degree (MPhil) in Corporate Strategy from the University of Pretoria's Gordon Institute of Business Science (GIBS), A Masters Degree in Business Administration (MBA) and Bachelors Degree in Business Administration both from the University of Botswana

Gaone Macholo
Board Chairperson

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

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

BOARD **OF DIRECTORS**

Lorato Mosetlhanyane

Non-executive Director

Lorato is a well-seasoned, highly strategic, self-driven, disruptive leader with over 26 years experience, 17 years corporate experience and nine years as a business woman practicing as a full time professional Coach, Leadership Trainer and Speaker. Lorato is a certified Professional Integral Coach, having successfully completed the Professional Coaching Course (PCC) and the Associate Coaching Course (ACC) through the Centre for Coaching, in partnership with the Graduate School of Business at the University of Cape Town and New Ventures West (NVW) based in San Francisco.

Lorato is the Founder and Managing Director of PinnaLead, one of the emerging leadership and human development companies that she started in 2013. Before 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.

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 also serves as the chairperson of the Board of Directors of BancABC Botswana.

BOARD **OF DIRECTORS**

Johann du Plooy

Finance Director

Johann is the Finance Director for G4S Botswana, appointed in August 2020. Johann has been with the G4S Group for 6 years, having spent time with G4S South Africa before joining the Botswana business.

Johann has 11 years' experience in the African market within the fields of audit, consulting, telecommunication and security. He holds an Honours Degree in Accounting from the University of Johannesburg and is a member of the South African Institute of Chartered Accountants.

Renso Smit

Non-executive Director

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 Africa region. He began his career in G4S in 2006 as the National Legal Manager for Secure Solutions – South Africa. He was promoted into 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).

BOARD **OF DIRECTORS**

Tumi Mbaakanyi
Non-executive Director

Tumi is an astute financial services executive, in private practice. She is based in Gaborone (Botswana) and has 21+ years' experience in Private Sector Development, Corporate Governance, Business Brokerage, Project Management, Financial Management, Audit and Assurance Services etc. She is a BA (Economics/Accounting) graduate and Fellow member of both the Association of Chartered Certified Accountants (ACCA) and Botswana Institute of Chartered Accountants (BICA).

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

G4S - SHARE REGISTER 31 MAY 2022

G4S Botswana has 767 shareholders, with the Company having issued 80 million shares. 30% of the shareholding is held by various companies and individuals, with G4S PLC holding 70%. The issued shares comprise 56 million non-public shares and 24 million public shares, representing 70% and 30% of issued shares respectively.

	NAME OF UNITHOLDER	NO.OF UNITS	% SHAREHOLDING
1	G4S INTERNATIONAL 105 (UK) LIMITED	56000000	70.00%
2	FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ	5467598	6.83%
3	STANBIC NOMINEES BOTSWANA RE BPOPF WT PRO PORT MCP	2358100	2.95%
4	MOTOR VEHICLE ACCIDENT FUND	1257300	1.57%
5	FNBB NOMINEES VUNANI BPOPF	1180537	1.48%
6	STANBIC NOMINEES BOTSWANA RE BIFM PLEF	963852	1.20%
7	STANBIC NOMINEES BOTSWANA RE BIFM MLF	833577	1.04%
8	STANBIC NOMINEES BOTSWANA RE MORULA RE DPF	671085	0.84%
9	STANBIC NINETY-ONE-DEBSWANA PENSION FUND(DOMESTIC EQUITIES	619715	0.77%
10	GUARANTEED LOANS INSURANCE FUND	603150	0.75%
11	LEBANG MOGAETSHO MPOTOKWANE	568300	0.71%
12	SCBN(PTY) LTD RE: BPOPF LOCAL EQUITIES ACTIVE PORTFOLIO CO ALLAN GRAY BOTSWANA	506081	0.63%
13	FNB BOTSWANA NOMINEES (PTY) LTD RE:IAM BBDCSPF	398999	0.50%
14	SCBN (PTY) LTD RE: NINETY ONE 030/30	361278	0.45%
15	STANBIC NINETY-ONE-RE BOTSWANA MANAGED FUND	357770	0.45%
16	SCBN (PTY) LTD RE: BIFM 028914400011	287037	0.36%
17	ALAN PICKLES	226960	0.28%
18	JDM INVESTMENTS (PTY) LTD	215100	0.27%
19	FNB BOTSWANA NOMINEES (PTY) LTD RE:KGORI CAPITAL NPF	212911	0.27%
20	SBB NOMINEES RE:A/C C00062	170040	0.21%
21	Other 747 shareholders	6740610	8.43%


STOP
RECEPTION

WHAT SETS US APART
FROM OUR COMPETITORS?

Anticipating and Responding to the Changing needs of a Diverse Client Base:

Health and Safety

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

Training

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

Secure Solutions

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

Security Systems

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

WHAT SETS US APART
FROM OUR COMPETITORS?

Monitoring and Response

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

Manned Security Services

- We offer trained and vetted security officers.

Cash Solutions

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

Cash 360

- Deposita devices offer a unique system that safeguards, collects and processes cash notes within the retail environment. It also provides the ability to integrate with our banking partners to effect real time value to our customers' accounts for cash deposited in the device.

THE REMUNERATION COMMITTEE **REPORT**

Lorato Mosetlhanyane
Non-executive Director

On behalf of the Remuneration Committee, I am pleased to present to you the report for the year ended 31 December 2021.

It is important to note that the Remuneration & Nominations Committee is governed by its charter and during the year under review, it has complied with its mandate as reflected in the charter. The key focus areas included Learning & Development, Employee Engagement, and Diversity & Inclusion.

The challenges presented by the COVID-19 pandemic continued in 2021 and these challenges were further exacerbated by the rising crime in Botswana especially Cash Heists. Throughout these challenges, the company has put the safety of its employees first.

Composition of the Committee

The committee consists of non-executive directors whose biographies are set out on pages 18 to 21. There were three scheduled meetings held in the year ended 31 December 2021. Committee membership during 2021 comprised of the following:

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

MAIN ACTIVITIES OF THE COMMITTEE DURING THE YEAR

LEARNING & DEVELOPMENT

At G4S Botswana, we strongly believe that having competent people makes us a smarter and effective workforce, therefore enhances our competitive edge and presents us with more business opportunities and market share. G4S takes pride in its people, therefore we employ the best candidates, develop and strengthen their competencies and provide growth and career opportunities.

The company has rolled out a learning and development policy where employees are financially supported by the organisation for their development. The financial assistance is in the form of grants; however, employees sign a work back agreement. A total of P238 327.92 was approved for Learning & Development during the financial year.

THE REMUNERATION COMMITTEE **REPORT**

EMPLOYEE ENGAGEMENT

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 class service for our customers.

To generate strong levels of employee engagement we create an environment where people feel proud of G4S, feel valued as individuals, and have the opportunity to undertake work that they find enjoyable and fulfilling. This strategy and the accompanying standards have accordingly been designed to ensure all G4S businesses work to continually improve levels of engagement among their employees and help reinforce our position as a leading global employer.

Engaging our workforce helps create a virtuous circle, with increased employee motivation and loyalty generating higher levels of productivity and customer service, which delivers a positive and prolonged impact on our bottom line, leading in turn to increased job security and more diverse career opportunities.

We would like to treat each employee as a unique individual and encourage our employees to actively engage with G4S and create an environment where we can work together to look after our mutual long-term interests.

DIVERSITY & INCLUSION

In G4S, we believe that diversity is vital to our continued success because the skills and talents needed to lead, develop and grow a global business are found in people from a diverse range of backgrounds. Our desire is to attract and retain the best people from the widest possible pool and provide them with an environment in which they can reach their full potential. In 2021, the committee reviewed the Diversity & Inclusion Policy.

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.

THE AUDIT & RISK COMMITTEE (ARC) REPORT

Tumi Mbaakanyi
Audit & Risk Chairperson

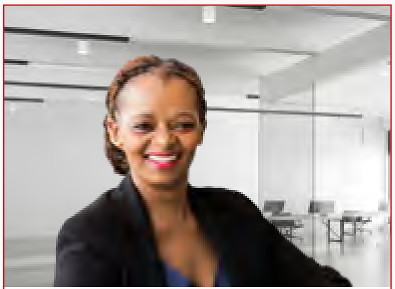
Tumi is an astute financial services executive, in private practice. She is based in Gaborone (Botswana) and has 20+ years' experience in Private Sector Development, Corporate Governance, Business Brokerage, Project Management, Financial Management, Audit and Assurance Services etc.

(Full bio on page 21)

Lorato Mosetlhanyane
Member

Lorato is a well-seasoned, highly strategic, self-driven, disruptive leader with over 25 years experience, 17 years corporate experience and eight years as a business woman practicing as a fulltime professional Coach, Leadership Trainer and Speaker. Lorato is a certified Professional Integral Coach, having successfully completed the Professional Coaching Course (PCC) and the Associate Coaching Course (ACC).

(Full bio on page 19)



Zoliswa Mashinini
Member

Zoliswa serves as the Regional Finance Director - Africa & Middle East for the G4S Group and oversees the Finance function across the Africa Region effective since September 2021.

Zoliswa joined G4S in April 2017 as Finance Director - Secure Solutions South Africa and was later appointed as Finance Director - South Africa. She holds a Chartered Accountant degree and is a seasoned finance professional with over 20 years of local and global experience in strategic and operational Finance. Zoliswa has experience across multiple industries including manufacturing, petroleum, asset management, security and forestry industries. Before joining G4S, Zoliswa was the Chief Financial Officer for the South African Mint and BP SA.

1. Role of Committee

In 2021, the committee continued to oversee the quality and integrity of the company's financial reporting, financial control and compliance processes

2. Responsibilities of the ARC

- Oversees the effective governance of the company's financial reporting and internal controls, to ensure the integrity of its financial statements and the adequacy of related disclosures.
- Assists the board with its consideration of whether the integrated report of the company is fair, balanced and understandable.
- Has oversight of the performance of both the internal audit and external audit, functions.
- Has an annual agenda, which includes standing items that are considered regularly, as well as adhoc matters that require the committee's attention.
- After each ARC meeting, the chairperson of the committee reports to the Board on key matters which have been discussed and highlights escalated ones accordingly.

3. Composition, quorum and frequency

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

THE AUDIT & RISK COMMITTEE **(ARC) REPORT**

4. Going concern

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

- not only is the current ratio positive but the company's total assets exceed its total liabilities.
- an adequately liquid position as evidenced by the available cash, and cash equivalents, and the positive cash flow projections.
- there are no material contingent liabilities.
- all necessary provisions, specifically with regard to the recoverability of debtors, have been made.
- the company's operational strategy has been amended, feasibly, in order to comply with new regulatory instruments that effected during the year.

The solvency certificate, in terms of section 58(3) of the Companies Act, has been signed accordingly.

G4S Acquisition by Allied Universal

During the year, after extended discussions, Allied Universal made a final offer to acquire 79.09% of the issued share capital of G4S. Regarding G4S Botswana, relevant notices to the Competition and Consumer Authority (CCA), were issued and approved accordingly. This has, in turn, paved way for the two entities to effectively become one group. Henceforth, the going concern status, of G4S, was established to not be at risk following this transaction

5. Confirmation of Assessments

- The ARC has satisfied itself of appropriateness of the expertise and experience of the Finance Director, Risk & Compliance Manager, Internal Audit Function and the External Auditors. In addition, we have reviewed the resourcing and expertise mix of the finance function and are satisfied that it's adequately equipped to perform its financial accounting and reporting role.
- The ARC has satisfied itself of the qualifications, competence and experience of the Company Secretary.
- The ARC Charter was reviewed and recommended to the Board for approval
- The ARC has reviewed the appropriateness and timeliness of the implementation of the amended International Financial Reporting Standards (IFRS) that are relevant to G4S Botswana and its related disclosures.
- The ARC assessed the company's disaster recovery plan, which is mainly made up of the ICT backup policies / procedures and the business' continuity model during the COVID-19 era. We are satisfied with the projections of a sustainable business during, and beyond, COVID-19. Our key focus continues to be putting our customers (internal/external) first.

6. Internal Controls Environment

- The ARC has confirmed to the Board, its satisfaction of progress that continues to be made in improving the company's risk management, and internal control processes and procedures, and that these are appropriate and effective. However, strengthening of the internal control environment remains a key area of focus for the company
- In order to strengthen the company's internal controls, scheduled regular reporting on the same to the ARC is prevalent. This is done through External Audits, Global Internal Audit (GIA), reviews of Reconciliation and Operational Cash Controls (ROCC) etc.
- During the year the internal audit function continued to provide support and guidance to business units to improve awareness of, and compliance with, Group Financial Controls. Going forward, the internal audits will continue to test the operational effectiveness of the company's standards and controls.
- During the year, the ARC reviewed PwC's audit plan, including the scope of audit, as well as their reports on external audit findings.

7. Risk Management

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

Cash Heists Internal Investigation

In response to cash heists that affected Botswana security companies during the year, including G4S, the committee carried out an independent internal investigation. As a result, an action plan was developed focussing on both identified internal controls gaps and external factors. This plan is currently being implemented.

8. Integrated Annual Report

Following review of the audited financial statements, and integrated report, for the year ended 31 December 2021, the committee is of the view that these comply with the requirements of IFRS and present a true, balanced and understandable view of the business and its performance for the year under review. Therefore, we recommended for approval, of same, to the Board of Directors. An interim dividend of 19.625 thebe per share was approved by the Board on 8 October 2021 and distributed to shareholders. No further dividends were approved for the financial period.

Tumi Mbaakanyi
Audit & Risk Chairperson

KING III **COMPLIANCE CHECKLIST**

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 the 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.	√

KING III **COMPLIANCE CHECKLIST**

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.	√

KING III **COMPLIANCE CHECKLIST**

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. It is envisaged that all subsidiaries will be disposed of during 2022.	×
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.	√

KING III **COMPLIANCE CHECKLIST**

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.	√

KING III **COMPLIANCE CHECKLIST**

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.	√

KING III **COMPLIANCE CHECKLIST**

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.	**×**

EXECUTIVE COMMITTEE

Mothusi Molokomme
Managing Director

Mothusi has 19 years of work experience in various roles and industries including mining, financial services and fast-moving consumer goods (FMCG). He joined G4S in March 2021 from Distell Botswana where he held the position of Managing Director for 7 years. He previously worked for Kgalagadi Breweries Limited in various senior leadership roles.

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

Johann du Plooy
Finance Director

Johann is the Finance Director for G4S Botswana, appointed in August 2020. Johann has been with the G4S Group for 6 years, having spent time with G4S South Africa before joining the Botswana business.

Johann has 11 years' experience in the African market within the fields of audit, consulting, telecommunication and security. He holds an Honours Degree in Accounting from the University of Johannesburg and is a member of the South African Institute of Chartered Accountants.

EXECUTIVE COMMITTEE

Hennie Swanepoel
Operations Director

Hennie is a customer service excellence expert, with experience of over 37 years of running operations of businesses smoothly. He is a team leader, a mentor and a Health and Safety culture driven individual.

Hennie has spent the last 33 years in customer driven businesses, with 24 years in the Security Industry with G4S in senior positions is currently the Operations Director for G4S Botswana.

Josephine Mothudi
Human Resources Director

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

She has over 17 years of progressive and loyal HR management experience in the transport,manufacturing and health sectors. Mothudi joined G4S Botswana as the HR Director in September 2020. She holds a Masters in Business Administration from the University of Botswana and is currently pursuing a Doctorate in Business Administration with Paris School of Business.

BOTSWANA **SUSTAINABILITY REPORT** 2021

Corporate Social Investment

Introduction

As the largest security solutions provider in Botswana, in Africa and abroad, Corporate Social Investment forms a key part of G4S's strategy. It is imperative that our Corporate Social Investment (CSI) strategies and priorities are aligned to the market sectors in which we operate. We support charities and non-profit organisations, and coordinate local volunteering activities in order to build strong communities and improve working relationships as part of the social contracts with the communities wherein we operate. In 2021 the company resuscitated our CSI committee and below are the initiatives for the financial year ended December 2021.

COVID-19 Support

During the past two years G4S Botswana, like so many other organisations, recognised that we were faced with extraordinary challenges with limited guidelines on how to address the challenges faced brought about by the COVID-19 pandemic. As an organisation we believe that action speaks louder than words and in support of the Government of Botswana's vaccination drive, G4S Botswana deployed Security Officers to man some of the vaccination sites in the Greater Gaborone area for a period of three months. We continued to support the community by donating sanitisers, masks and second hand clothes from employees. The primary benefactor of these donations were Boitumelo Primary School in Sebele as schools were highly impacted by the pandemic.

Alarms Installation & Monitoring Sponsorship

In August 2021, the 4x4 national relay team made the country proud by securing third place at the olympics games held in Tokyo and the Government of Botswana pledged 2 bedroom apartments to each of the six athletes. The apartments were handed over to the athletes on the 22nd of November 2021. The company sponsored Alarms installation & Monitoring for all six apartments to the value of P100K.

Donating Employee Hours for a Clean Up Campaign

Our employees are also passionate about giving back to the society and in November 2021 the company supported their initiative of "Donate man-hours to the communities we serve." Employees pledged two hours of their working time in the different branches to participate in the campaign, for example picking up litter, cleaning schools, and reading books to students.

Township Rollers Sponsorship

The company has a long term relationship with Township Rollers football team and continues to provide security services at their local games.

In 2022 the company's CSI efforts will be geared towards supporting schools. We have reached out to some schools to establish how the company can support them, with a specific focus on schools within the areas where we operate.

CSI **INITIATIVES IN** PICS

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

The impact of COVID-19 has introduced a platform for change in many organisations around the world and our organisation was not spared.

We were forced to do business differently with some of our staff working remotely and some business processes were changed to continue serving our customers. Health & Safety is a key priority for us and much emphasis was placed to ensure that our staff was safe and adhering to the COVID-19 protocols. The company embarked on a massive vaccination drive to support the Government in reducing the rate of infections and the impact of COVID-19. The pandemic has tested the effectiveness of our health & safety system and it was encouraging to note that our processes are intact and we strive to continuously improve and achieve our aim of Zero Harm.

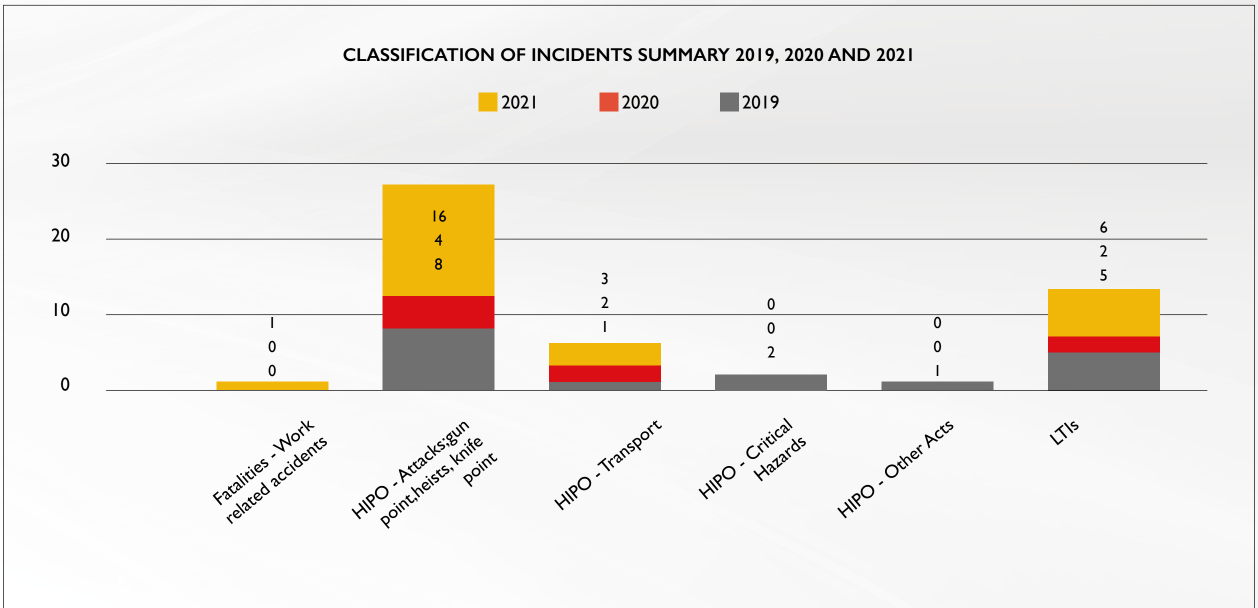
The rate of crime in Botswana escalated in 2021 and due to this we registered an increase in our High Potential Incidents compared to prior years as depicted in the table below. The escalating rate of crime has provided us with an opportunity to look at more innovative ways of improving our processes and the company has implemented mitigation measures to reduce the risk exposure.

Incidents and Accidents Summary, Year 2019, 2020 and 2021

Our Health & Safety objective is to ensure that all policies, procedures, training requirements and minimum standards are met to achieve zero harm for the entity. Our incidents and accidents are tracked on an ongoing basis, lessons learnt compiled and communicated with staff. This also assists to ensure continuous improvement of our health & safety standards.

The table and graph below distinguishes incidents according to severity.

CLASSIFICATION OF INCIDENTS/ACCIDENTS	2019	2020	2021
Fatalities - Work related accidents	0	0	1
HIPO - Attacks;gun point,heists, knife point e.t.c	8	4	16
HIPO - Transport	1	2	3
HIPO - Critical Hazards	2	0	0
HIPO - Other Acts	1	0	0
LTIs	5	2	6



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 through NOSA and in 2021, 6 employees were trained through NOSA. This helps ensures that we have a pool of employees that assist to drive the Health & Safety mandate throughout the organisation.

Breakdown and Changes in Workforce

Total headcount as of December 31, 2021 stood at 2989 employees, an increase of 9.8% compared with 2020. Of this total, 2933 were direct employees and 56 Sales, General and Administration staff. There was an increase in headcount in 2021 because of new contracts 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	2021	% change YoY	2020
1.1	Cash Solutions	279	7.7	259
1.2	Manned Guarding	2159	9.3	1975
1.3	Electronic Security Solutions	344	19.9	287
1.4	Sales, General & Administration	56	-1.75	57
1.5	Cleaning	151	4.86	144
2.4	Totals	2989		2722

FINANCIAL **PERFORMANCE**

FINANCIAL PERFORMANCE IN A CHANGING ENVIRONMENT

	Note	Group 2021 P	Group 2020 P
Continuing operations			
Revenue	4	194 688 706	190 436 461
Cost of goods sold	5	(5 493 232)	(7 684 803)
Cost of providing services	5	(138 314 019)	(126 699 927)
Gross profit		**50 881 455**	**56 051 731**
Other income	6	2 517 637	11 281 559
Movement in credit loss allowances	7	3 854 089	(3 626 100)
Impairment of goodwill	16	-	(8 350 979)
Administrative expenses	8	(34 675 281)	(37 434 307)
Operating profit	7	**22 577 900**	**17 921 904**
Finance income	9	3 005 297	3 237 055
Interest paid	10	(1 555 779)	(1 328 436)
Impairment of investment in subsidiary	11	-	-
Profit before taxation		**24 027 418**	**19 830 523**
Taxation	12	(4 803 479)	(6 307 962)
Profit from continuing operations Discounted operations		**19 223 939**	**13 522 561**
Profit/ (loss) from discontinued operations	22	347 004	(3 075 162)
Profit for the year		**19 570 943**	**10 447 399**
Other comprehensive income		-	-
Total comprehensive income for the year		**19 570 943**	**10 447 399**

The G4S Botswana Group has published its financial results for the period ended December 2021 following the unprecedented circumstances brought about by an increase in the general national security risk during the second half of the financial year. The economy continues to emerge from the COVID-19 pandemic at a sluggish pace, with inflation putting significant pressure on both business and residential spend.

As G4S we have been at the forefront of the response to CIT attacks marring the industry, working closely with authorities to ensure that we embrace our responsibility to protect our people while safeguarding the assets of our customers. Businesses have not been spared from the increased security risk and we continue to innovate to ensure that we provide cutting edge solutions to our customers to enable an appropriate response in the changing operating environment. The safety of our colleagues and our customers remains our top priority.

FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 2021

The Group traded in challenging economic conditions throughout the year, with limited growth in Q1 followed by larger contract wins in Q2 and Q3 boosting revenue.

Group turnover increased by 2.2% year on year, representing organic growth in a year where no price increases were levied across any of our service lines. A continued focus on improving customer service and cost control reaped rewards amidst deteriorating economic conditions. While we saw a reduction in revenue in our Security Systems revenue, we are particularly pleased with the performance of our Manned Guarding service line, having shown an increase in revenue of 6.9% YoY (12% 2020). Driving positive volume growth by expanding our Manned Guarding footprint remains a central focus for the Group as this enables us to leverage infrastructure and presence across the country to better serve our customers in future across all service lines.

Gross profit margins reduced by 9.2% YoY, representing a consolidated gross margin across all service lines of 26.1% compared to 29.4% in the previous year. Margins across all service lines reduced YoY driven mainly by increased competition in the market, with both new and existing role-players adopting aggressive pricing strategies to compete for market share. The disposal of the Cleaning and Facilities Management business is an ongoing matter and we expect to dispose of the service line during the 2022 financial period. The service line accordingly remains classified as held for sale.

Earnings per Share of 24.7 thebe per share represents an improvement compared to the previous year's earnings of 23.80 thebe per share.

DETAILED REVIEW OF FINANCIAL PERFORMANCE

The COVID-19 pandemic, while impacting the financial results of the group for the period under review through its lingering impact on the economy, did not impact trading results directly or significantly. The Group has considered the impact that the COVID-19 pandemic may have on our financial liquidity and reported financial position, including the value of inventory on hand, the recoverability of receivables, the adequacy of provisions, the availability of debt funding and the Group's ability to meet its working capital obligations. The Group is considered to be both liquid and solvent and the annual financial statements have been prepared on the going concern basis accordingly.

FINANCIAL **PERFORMANCE**

Turnover

Group Turnover from continued operations increased by 2.2% in 2021 to P194.7 million from P190.4m in the prior period. Portfolio revenue remained flat YoY while non-portfolio revenue increased by 24%.

Cash Solutions revenue for the period improved by 4.6% YoY (P60.9m FY21 vs P58.3m FY20). The increase in revenue was driven mainly by the expansion of CIT contracts with both banking and retail customers. It is also worth noting that we did not see a reoccurrence of the nationwide lockdowns we experienced in 2020 which led to a general reduction in consumer expenditure and subsequently a reduction in the use of cash at the time. Deposita sales for the period under review were subdued with limited uptake in a market where customers are looking to reduce costs.

Manned Guarding revenue is up 6.9% YoY (P88.6m FY21 vs P82.9m FY20). The increase in revenue is attributable to the retention of large contracts that were due for renewal. We also noted good portfolio wins by signing up numerous large retailers in 2021.

Increased competition from new entrants into the market continues to have a marked impact on our Security Systems revenue, which saw a reduction in revenue of 8.1% YoY (P45.1m FY21 vs P49.1m FY20). The trend identified during 2020 where the market was generally cautious when it came to capital expenditure in the electronic security solutions space continued into 2021, with limited success recorded in the sale of pure technology solutions. Following terminations of alarm customers in 2020 due to unsatisfactory payment patterns brought on by COVID-19, the Board is happy to report that the overall payment compliance of the alarms portfolio has improved and we were not required to terminate a significant amount of customers due to non-payment in 2021.

Revenue for Cleaning and Facilities Management services, reported as discontinued operations are down 4.3% YoY (P5.5m FY21 vs P5.8m FY20). The reduction in revenue is attributable to the gradual unwinding of the facilities management and cleaning business.

Following the growth in revenue for the period, revenue has returned to pre COVID-19 levels. The Board is of the view that our customer base is stronger than ever having traversed the challenges brought on by the pandemic. It is expected that the business will continue to grow going into 2022.

Forward looking growth initiatives

In addition to our traditional Security Systems offerings, we will be focusing on diversifying our offering by moving into the security technology distribution space in 2022. We look forward to leveraging our global partnerships with leading brands to bring the best of what the industry has to offer to our corporate, SME and residential customers at affordable prices.

We are also continuing the process of modernising our approach to our Manned Guarding and Cash Solution services. Our focus will remain on the real time monitoring, tracking and reporting of all services provided, improving efficiency within the business while enabling our customers to have a live view of their risk portfolio on our Risk360 platform. We expect to roll out our Risk360 platform aggressively in 2022.

Value for money

The Group maintained its commitment to stable pricing and did not increase its prices to its customers during the financial period. Instead, the business focused on supporting its customers through cost discipline and efficiency gains across our operations. It is however expected that, due to rising inflation and a significant increase in the price of fuel, price increases will be applied to all service lines in 2022.

GROSS PROFIT

Gross profit margins reduced by 9.2% YoY (P50.9m FY21 vs P56m FY20), closing on a consolidated margin across all service lines of 26.1% compared to 29.4% in the previous year.

Margins in our Manned Guarding service line remained fairly consistent at 15.9% compared to 16.3% in the previous year (P14.1m FY21 vs P13.4m FY20). Taking into account the revenue growth for the service line this indicates the positive ability of the Group to compete by leveraging the value of our offering to our customers rather than securing contracts by simply reducing the price of services. We expect to continue investing in our manned technology solution offerings which should further amplify our ability to provide cost efficient services to our customers, ensuring that we maintain the profitability of the service line over time.

FINANCIAL **PERFORMANCE**

Cash Solutions gross profit for the period reduced by 7.3% YoY (P23.3m FY21 vs P25.2m FY20). The reduction in margin in the service line is mainly attributable to the retention of some of our larger contracts at lower margins following the adoption of aggressive pricing strategies by our competitors in this service line. The significant increase in the fuel price has also had a detrimental effect on profitability seeing as how fuel is a primary cost driver for the CIT business specifically. It is also noted that, following the cash attacks the company experienced in the second half of the financial year, an investment response was triggered leading to additional expenditure being incurred to appropriately position our response to the heightened security risk. The requirement to continuously upgrade and replace our cash fleet remains a central focus for the service line. The additional investment will have a dampening effect on margin for the foreseeable future.

Security systems gross profit margins reduced from 40.5% in 2020 to 33.3% in 2021, with gross profit reducing by 24.3% (P15m FY20 vs P19.9m FY20). The primary driver for the reduction in gross profit is the reduction in AMR revenue, reducing margin as the fixed cost structure for the AMR business provides limited flexibility due to service level requirements towards customers. A change in the product mix of revenue has further reduced margins, with the business generating more product sales which carries a cost of sale component compared to AMR revenue which leverages current infrastructure.

Other income

Other income saw a significant decrease from P11.3m in 2020 to P2.5m in 2021.

Other income for 2020 includes the COVID-19 wage subsidy received from the Government which amounted to P8.8m, for which no comparative amount was received in 2021.

Movement in credit loss allowance

The Group recognised a credit loss allowance reversal of P3.8m (credit loss -P3.6m FY20) for the period. The movement in the credit loss allowance is mainly attributable to the application of good credit control practices and an effective dunning process. The improvement of the quality of our customer base has also assisted with the reduction of the credit loss allowance.

Impairment of Goodwill

Goodwill is not amortised but tested for impairment annually, and in the event that circumstances indicate that Goodwill might be impaired. The Group's Cleaning and Facilities Management service line was fully impaired during the previous financial period (P8.4m FY20). Goodwill impairment testing for the balance of cash generating units did not indicate additional impairment requirements for the current period.

Administrative expenses

Administrative expenditure decreased by 7.3% YoY (P34.7m FY21 vs P37.4m FY20). The decrease year on year is driven mainly by the following pertinent items:

- Decrease in the bad debt expense for the period (P1.3m FY21 vs P6.7m FY20) attributable to improved credit management processes.
- Decrease in auditors remuneration of P0.5m YoY as FY20 included overrun costs for the 2019 audit not accrued for at the time.
- An increase in Employee costs of P1.2m YoY attributable to the filling of vacancies.

Please refer to note 8 in the annual financial statements for a breakdown of the movements of the components of administrative expenses.

Net finance charges

Finance costs, comprising the Group's implied IFRS 16 net interest charge charges under IFRS 16, increased by 18.4% year-on-year to P1.6m (P1.3m FY20), reflecting an increase in cost of our broad lease portfolio. This increase is mainly attributable to the renewal of fleet leases after a significant portion of our leases termed during 2021.

Finance income remained flat year on year (P3m FY21 vs P3.2m FY20) and represents interest generated from intercompany loans to G4S Plc.

Profit from discontinued operations

The profit from discontinued operations of P0.3m (-P3.1m FY20) represents the trading performance of G4S Facilities Management services for the 2021 financial period. The significant adjustment to the credit loss allowance incurred in FY20 was a non-recurring event.

FINANCIAL **PERFORMANCE**

REVIEW OF FINANCIAL POSITION

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

Total Group assets increased by 9% YoY (P168.7m FY21 vs P154.7m FY19). The Group's net asset value increased by 2.9% YoY after taking into account the distribution of the interim dividend.

Total Group liabilities increased by 26.8% (P50.7m FY21 vs P40m FY20). The increase in liabilities relate to an increase in general trade payables (P0.5m), provision for cash attack losses (P0.4m), increase in payroll accruals (P1.6m), increase in lease liabilities (P3.9m) and intercompany debt (P2.2m), offset by a reduction in current tax payable (P3.7m). The balance of the increase relates to the reclassification of credit balances in the debtors age to other payables.

Cash Flows

The Group generated cash from operating activities of P24m for the year, compared to P34.6m for the same comparative period in 2020. Cash flows from investing activities regressed to -P13m compared to -P4.1m spent during FY20, where investment activities were halted in a COVID-19 lockdown environment. The current rate of investment is appropriate to ensure that assets are replaced when they have exhausted their useful lives.

Cash flows from financing activities regressed by 83% (-P25.8m FY20 vs -P14.1m FY20) driven by the distribution of the P16.2m interim dividend and offset by a reduction in payments for lease liabilities of P4.7m.

Note is made that the Board expects significant investment in our core infrastructure during 2022 in order to ensure that our operations are appropriately capacitated to continue providing market leading services in the short, medium and long term.

DIVIDEND PROPOSAL

The Board approved an interim dividend distribution of 19.625 thebe per share following the finalisation and publication of the Group's interim results. Taking into consideration the capital investment requirements in response to the attacks on our cash fleet as well as the appropriateness of working capital levels within the Group, the Board has decided that it would be prudent not to declare a dividend at this time. Further communication in this regard will follow at the time of the Group's FY22 interim results publication.

Closing remarks

While the 2021 financial period has provided the Group with a changing environment to operate in, we have managed to navigate the period while keeping our people and communities safe, honouring and respecting our obligations towards our stakeholders and remaining true to the values that define G4S.

As a business we remain adaptable in order to safeguard stakeholder value. Following the attacks on our business, and by extension our stakeholders, we are a stronger, more efficient and more responsive business than we were in the past. Our operating environment is changing, and as security risks in Botswana increase so does the role that G4S plays in our businesses and communities. I am of the view that G4S is well placed to respond to the challenges presented by our 'new normal' environment.

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

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

J du Plooy
Finance Director

CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

Directors' Responsibilities and Approval	51
Independent Auditor's Report	52
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income	60
Consolidated and Separate Statements of Financial Position	61
Consolidated and Separate Statements of Changes in Equity	62
Consolidated and Separate Statements of Cash Flows	63
Significant Accounting Policies	64
Notes to the Consolidated and Separate Financial Statements	83
Unaudited Detailed Income Statement	133

GENERAL INFORMATION

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Provision of security and related services
Directors	Lorato Nthando Mosetlhanyane (Non-executive board member) Boitumelo Tumie Mbaakanyi (Non-executive board member) Gaone Susan Macholo (Chairman) - Non-executive board member Albert Edward Ueckermann (Non-executive board member) (Resigned on 27 August 2021) Johann du Plooy (Finance Director) Mothusi Molokomme (Managing director) Renso Smit (Appointed on 28 September 2021)
Business address and registered office	Plot 20584 Block 3 Industrial Western By Pass Gaborone Botswana
Holding company	G4S International 105 (UK) Ltd incorporated in United Kingdom
Ultimate holding company	Allied Universal Security Services LLC incorporated in United States of America
Bankers	Absa Bank Botswana Limited First National Bank of Botswana Limited Bank Gaborone Limited Standard Chartered Bank Botswana Limited Stanbic Bank Botswana Limited
Auditor	PricewaterhouseCoopers Chartered Accountants
Secretary	Grant Thornton Business Services (Proprietary) Limited
Company registration number	BW00000926722
Functional currency	Botswana Pula "P"

DIRECTORS' RESPONSIBILITIES AND APPROVAL

In preparing the accompanying Company and Group financial statements, International Financial Reporting Standards have been followed; suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes in accounting policies are approved by the board of directors and effects thereof are fully explained in the financial statements. The financial statements incorporate full and responsible disclosure in line with the significant accounting policies of the Group noted on pages 64 to 82.

The directors have reviewed the Company and Group budget and forecast cash flow for the year to 31 December 2022. 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 directors and management, who have confirmed that they have reviewed the effectiveness thereof. The directors consider that the systems are appropriately designed to provide reasonable assurance, as to the reliability of financial statements and that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal control system is monitored through management reviews, testing by internal auditors and the external auditors' review and testing of appropriate aspects of the internal control systems during the course of their statutory examination of the Company and Group.

The Group and Company's directors have considered the results of these reviews, none of which indicate that the systems of internal control were inappropriate or operated unsatisfactorily. Additionally, no breakdowns involving material loss have been reported to the directors in respect of the year under review.

COVID-19 has not, and is not expected to have a significant impact on the group or its subsidiary. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. While COVID-19 had a detrimental impact on the Group's results for 2020, it did not have material impact on the trading results of 2021.

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 2021 and which appear on pages 60 to 134 were authorised for issue by the Board of Directors on 31 March 2022 and were signed on their behalf by:

Director **Director**

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 2021, 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 60 to 134 comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

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

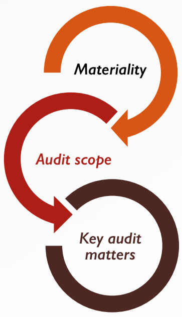
Country Senior Partner: R Binedell
Partners: A S Edirisinghe, I Molebatsi, S K Wijesena

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED

Our Audit Approach

Overview



Overall group materiality

- BWP1 196 000 which represents 5% of a three-year average consolidated profit before taxation from continuing operations.

Group audit scope

The Group consists of the Company and one operating subsidiary. Full scope audits were performed on both these companies based on their financial significance to the Group.

Key audit matters

- Impairment of trade receivables; and
- Accounting for Asset Held for Sale - Facilities Management Business

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

Materiality

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED

Overall group materiality	BWP1 196 000
How we determined it	5% of a three-year average consolidated profit before taxation from continuing operations.
Rationale for the materiality benchmark applied	We chose consolidated profit before taxation from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We used a three-year average consolidated profit before taxation to better reflect normalised profitability given the continuing impact of the COVID-19 pandemic on profit before taxation during the current financial period. We chose 5%, which is consistent with quantitative materiality thresholds used for profit- oriented companies in this sector.

How we tailored our group audit scope

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

The Group consists of two components, namely the Company and its wholly owned subsidiary, G4S Facilities Management Botswana Proprietary Limited. We performed full scope audits on both components as these were considered financially significant to the Group. This, together with additional procedures performed on the consolidation, including testing of consolidation journals, intercompany eliminations and accounting for assets held for sale 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 2021, the Group and Company recognised net trade receivables of P32 333 330 after recognising a total impairment allowance of P26 492 103. The Group and Company apply a provisioning matrix as a practical expedient to determine the expected credit losses for trade receivables. Trade receivables have been assessed on a collective basis as they possess shared credit risk 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 2021, 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 of trade receivables was considered to be a matter of most significance to the current year audit due the significance of the trade receivable balance, as well as the judgements and estimates applied in determining an appropriate level of impairment. Disclosures with respect to impairment of trade receivables are included in: • Note 1.2 "Critical accounting estimates and judgements | Impairment of Trade Receivables"; • Note 1.7 - "Financial Instruments | Impairment"; • Note 3 - "Financial instruments and risk management | Credit Risk"; and • Note 20 - "Trade and other receivables".	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 tested, on a sample basis, the data utilised in the impairment model on 31 December 2021, including ageing of debtor balances and debt recovery rates achieved after initial credit default and found no exceptions. • We assessed the judgements made by the Group in determining adjustments to loss rates for forward-looking macroeconomic factors through discussion with management and our knowledge of the operations as gained through our audit. Based on our work performed, we determined that management's adjustments were within a reasonable range.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED

Key audit matter	How our audit addressed the key audit matter
Accounting for Asset Held for Sale - Facilities Management Business (the "FMB") **This key audit matter relates to the consolidated and separate financial statements** During the preceding financial year, the Group decided to dispose of the operations of its subsidiary, G4S Facilities Management Botswana Proprietary Limited. The Group expected that the disposal would have been completed by 30 June 2021. The plan to sell the entity was delayed pending the finalisation of legal matters, which have not been known or anticipated at 31 December 2020. At 31 December 2021, the Group concluded that these legal matters had been substantially closed and the Group expected that the disposal of the FMB will be effected by August 2022. Accordingly, the Group continued to account for its investment in the FMB as a disposal group (asset) held for sale. The net asset value of the FMB included in the consolidated financial statements and the investment in the related subsidiary recognised in the separate financial statements were accounted for at the fair value less costs to sell at the reporting date. The fair value less cost to sell was determined based on a discounted free cash flow model, with the Group and Company being advised on the fairness of its calculations by an independent expert (the "management's expert"). Significant judgement is required to determine the fair value less cost to sell of the FMB, especially with respect to the determination of appropriate discount rates and long-term growth rates. At 31 December 2021, the Group recognised an impairment loss on measurement at fair value less cost to sell to the amount of P196 937 and the Company recognised an impairment loss on the investment in the subsidiary to the amount of P1 861 707.	Our audit procedures included the following: • We discussed with management the factors which resulted in a delay in the sale of the FMB to determine whether the initial and continuing classification of the FMB as a disposal group (asset) held for sale was appropriate in accordance with IFRS. We considered whether such explanations were consistent with our knowledge of the business and normal commercial practice, and accepted that the accounting remains appropriate. • We compared the valuation methodology used by the Group and Company against the requirements of IFRS 13 - Fair value measurement and industry practice, and based on our comparison accepted management's methodology. • We read the management expert's valuation report to assess whether the valuation outcomes utilised by the Group and Company agree with these. We found no material deviations. • We assessed the management expert's - qualifications and expertise with reference to their affiliation with a relevant professional body, their professional certifications and experience based on similar work performed; - objectivity by obtaining written confirmation from the management's expert that they are free from any direct or indirect shareholding or financial interest in the Group, that no restrictions were placed on their valuation engagement and that they are not aware of any information relevant to the valuation which had been withheld by the Group. We did not identify any concerns regarding the qualifications and expertise or objectivity of the management's experts. • We assessed the reliability of the estimated future cash flows, including growth rate assumptions underpinning these through - comparison of actual outcomes against historical projections performed on the same basis of cash flows; - discussion with management; and - by comparing these with specific business trends in the subsidiary we had observed during our current year audit.

Key audit matter	How our audit addressed the key audit matter
We considered the accounting for the FMB to be matters of most significance to the current year audit due to the significant judgements applied by management in assessing whether the asset would be disposed of within twelve months after the financial year-end and in determining the fair value less cost to sell. Disclosures with respect to accounting for the FMB are included in: • Note 1.2 "Critical accounting estimates and judgements | Fair value of non-current assets held for sale"; • Note 11 "Impairment of investment in subsidiary"; and • Note 22 "Discontinued operations".	We found that the estimated future cash flows, including growth rates underpinning these were within an acceptable range of likely outcomes. • We developed an independent expectation of an appropriate discount rate utilising our valuation expertise and noted that no material difference in impairment would arise through use of such discount rate.

pwc

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED

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 2021", which we obtained prior to the date of this auditor's report, and the other sections of the document titled "G4S (Botswana) Limited 2021 Annual Report", which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

pwc

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED

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, actions taken to eliminate threats or safeguards applied.

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

Individual Certified Auditor: Rudi Binedell
Registration Number: CAP003

Gaborone
4 April 2022

CONSOLIDATED AND SEPARATE STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
		2021	2020	2021	2020
	Note	P	P	P	P
Continuing operations					
Revenue	4	194 688 706	190 436 461	194 688 706	190 436 461
Cost of goods sold	5	(5 493 232)	(7 684 803)	(5 493 232)	(7 684 803)
Cost of providing services	5	(138 314 019)	(126 699 927)	(138 314 019)	(126 699 927)
Gross profit		**50 881 455**	**56 051 731**	**50 881 455**	**56 051 731**
Other income	6	2 517 637	11 281 559	3 707 637	11 281 559
Movement in credit loss allowances	7	3 854 089	(3 626 100)	3 854 089	(3 626 100)
Impairment of goodwill	16	-	(8 350 979)	-	-
Administrative expenses	8	(34 675 281)	(37 434 307)	(34 675 277)	(38 255 406)
Operating profit	7	**22 577 900**	**17 921 904**	**23 767 904**	**25 451 784**
Finance income	9	3 005 297	3 237 055	3 005 297	3 237 055
Interest paid	10	(1 555 779)	(1 328 436)	(1 555 779)	(1 328 436)
Impairment of investment in subsidiary	11	-	-	(1 861 707)	(1 868 330)
Profit before taxation		**24 027 418**	**19 830 523**	**23 355 715**	**25 492 073**
Taxation	12	(4 803 479)	(6 307 962)	(4 803 479)	(6 307 962)
Profit from continuing operations Discontinued operations		**19 223 939**	**13 522 561**	**18 552 236**	**19 184 111**
Profit/(loss) from discontinued operations	22	347 004	(3 075 162)	-	-
Profit for the year		**19 570 943**	**10 447 399**	**18 552 236**	**19 184 111**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**19 570 943**	**10 447 399**	**18 552 236**	**19 184 111**
Profit attributable to:					
Owners of the parent of the company		19 415 920	11 049 386	18 552 236	19 184 111
Non-controlling interest	24	155 023	(601 987)	-	-
		19 570 943	**10 447 399**	**18 552 236**	**19 184 111**
Profit attributable to:					
Owners of the parent:					
From continuing operations		19 223 939	13 522 561	18 552 236	19 184 111
From discontinued operations		191 981	(2 473 175)	-	-
		19 415 920	**11 049 386**	**18 552 236**	**19 184 111**
Non-controlling interest:					
From discontinued operations		155 023	(601 987)	-	-

Earnings per share from operations attributable to the ordinary equity holders of the company From continuing and discontinued operations			
Basic earnings per share from continuing operations (thebe)	13	24.03	16.90
Basic earnings per share from discontinuing operations (thebe)	13	0.24	(3.09)
Earnings per share (thebe)		**24.27**	**13.81**

CONSOLIDATED AND SEPARATE STATEMENTS OF
FINANCIAL POSITION

		Group		Company	
		2021	2020	2021	2020
	Note	P	P	P	P
Assets					
Non-Current Assets					
Property, plant and equipment	14	14 309 484	8 782 553	14 309 484	8 782 553
Right-of-use assets	15	14 987 688	10 728 751	14 987 688	10 728 751
Goodwill	16	9 715 123	9 715 123	9 715 123	9 715 123
Deferred tax	17	5 478 867	4 597 840	5 478 867	4 597 840
		44 491 162	**33 824 267**	**44 491 162**	**33 824 267**
Current Assets					
Inventories	18	5 477 540	3 944 697	5 477 540	3 944 697
Amounts due from related parties	19	59 327 088	54 731 987	59 792 078	55 697 518
Trade and other receivables	20	37 470 231	23 834 540	37 462 066	23 834 540
Current tax receivable		672 392	-	672 392	-
Cash and cash equivalents	21	16 026 851	31 888 346	16 026 851	31 888 346
		118 974 102	**114 399 570**	**119 430 927**	**115 365 101**
Non-current assets held for sale	22	5 264 326	6 479 106	3 713 980	5 575 687
Total Assets		**168 729 590**	**154 702 943**	**167 636 069**	**154 765 055**
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		114 861 578	111 145 659	116 716 527	113 864 292
		116 666 135	112 950 216	118 521 084	115 668 849
Non-controlling interest	24	1 398 124	1 753 101	-	-
		118 064 259	**114 703 317**	**118 521 084**	**115 668 849**
Liabilities					
Non-Current Liabilities					
Lease liabilities	25	12 117 354	6 249 724	12 117 354	6 249 724
Current Liabilities					
Trade and other payables	26	27 207 778	19 953 946	27 207 778	19 953 945
Amounts due to related parties	27	3 392 643	1 170 685	3 392 643	1 170 685
Lease liabilities	25	5 413 451	7 392 568	5 413 451	7 392 568
Current tax payable	28	-	3 728 257	-	3 728 257
Provisions	29	983 759	601 027	983 759	601 027
		36 997 631	**32 846 483**	**36 997 631**	**32 846 482**
Non-current liabilities of held for sale	22	1 550 346	903 419	-	-
Total Liabilities		**50 665 331**	**39 999 626**	**49 114 985**	**39 096 206**
Total Equity and Liabilities		**168 729 590**	**154 702 943**	**167 636 069**	**154 765 055**

CONSOLIDATED AND SEPARATE STATEMENTS
OF CHANGES IN EQUITY

	Stated capital	Retained income	Total	Non-controlling interest	Total equity
	P	P	P	P	P
Group					
Balance at 1 January 2020	**1 804 557**	**100 096 273**	**101 900 830**	**2 355 088**	**104 255 918**
Profit for the year	-	11 049 386	11 049 386	(601 987)	10 447 399
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**11 049 386**	**11 049 386**	**(601 987)**	**10 447 399**
Balance at 31 December 2020	**1 804 557**	**111 145 659**	**112 950 216**	**1 753 101**	**114 703 317**
Balance at 1 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**
Note	23			24	
Company					
Balance at 1 January 2020	**1 804 557**	**94 680 181**	**96 484 738**	**-**	**96 484 738**
Profit for the year	-	19 184 111	19 184 111	-	19 184 111
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**19 184 111**	**19 184 111**	**-**	**19 184 111**
Balance at 31 December 2020	**1 804 557**	**113 864 292**	**115 668 849**	**-**	**115 668 849**
Balance at 1 January 2020	**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**
Note	23				

CONSOLIDATED AND SEPARATE
STATEMENTS OF CASH FLOWS

		Group		Company	
		2021	2020	2021	2020
	Note(s)	P	P	P	P
Cash flows from operating activities					
Cash flows generated from operations	31	30 793 478	40 748 355	31 302 189	34 411 841
Taxation paid	28	(10 085 155)	(1 180 330)	(10 085 155)	(2 216 840)
Cash flows generated/(used in) discontinued operations	22	3 320 683	(4 907 889)	-	-
Net cash flows generated from operating activities		**24 029 006**	**34 660 136**	**21 217 034**	**32 195 001**
Cash flows from investing activities					
Purchase of property, plant and equipment	14	(13 106 872)	(5 092 208)	(13 106 872)	(5 092 208)
Sale of property, plant and equipment	14	60 634	1 287 377	60 634	1 287 377
Cash flows of discontinued operations	22	2 023	(354 585)	-	-
Interest received	9	66 044	17 161	66 044	17 161
Dividends received		-	-	1 190 000	-
Net cash flows utilised in investing activities		**(12 978 171)**	**(4 142 255)**	**(11 790 194)**	**(3 787 670)**
Cash flows from financing activities					
Payment on lease liabilities	30	(8 032 555)	(12 747 773)	(8 032 555)	(12 747 773)
Dividends paid	32	(16 210 001)	-	(15 700 001)	-
Interest paid	10	(1 555 779)	(1 328 436)	(1 555 779)	(1 328 436)
Net cash flows utilised in financing activities		**(25 798 335)**	**(14 076 209)**	**(25 288 335)**	**(14 076 209)**
Movement in cash and cash equivalents		**(14 747 500)**	**16 441 672**	**(15 861 495)**	**14 331 122**
Cash and cash equivalents at the beginning of the year		31 888 346	18 862 793	31 888 346	17 557 224
Cash and cash equivalents of discontinued operations	22	(1 113 995)	(3 416 119)	-	-
Total cash and cash equivalents at the end of the year	21	**16 026 851**	**31 888 346**	**16 026 851**	**31 888 346**

SIGNIFICANT ACCOUNTING POLICIES

General information

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

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

1. Significant accounting policies

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

The consolidated and separate financial statements ("the financial statements") are prepared in accordance with the International Financial Reporting Standards ("IFRS"), the Botswana Companies Act, 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 31 March 2022.

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 is 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 CONTINUED

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

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.

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).

Fair value of non-current assets held for sale
The group makes use of external experts to determine the fair value of non-current assets held for sale.

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

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

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

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

Sale of security equipment and cash consumables

The group sells goods directly to customers.

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

For sales of fire equipment alarms, CCTV, 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 CONTINUED

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 Property, plant and equipment

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

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.5 Impairment of assets

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

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

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

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

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

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

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

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:
- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.6 Intangible assets goodwill

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

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

1.7 Financial instruments

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

Financial assets which are debt instruments:

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

Financial liabilities:

- Amortised cost.

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

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

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

Amounts due from related parties at amortised cost

Classification

Amounts due from related parties (refer to note 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 CONTINUED

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

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

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.7 Financial instruments Continued

Significant increase in credit risk

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

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

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

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

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

Definition of default

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

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

Write off policy

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

Measurement and recognition of expected credit losses

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

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.7 Financial instruments Continued

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

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

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

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

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 CONTINUED

1.7 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 on a collective basis for all trade and other receivables in totality. 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 CONTINUED

1.7 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), 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.

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.7 Financial instruments Continued

Cash and cash equivalents

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

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

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

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.

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.7 Financial instruments Continued

Reclassification

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

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

Financial liabilities
Financial liabilities are not reclassified.

1.8 Inventories

Security alarms, fire alarms, equipment and operational consumables are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

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

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

1.9 Stated capital

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

1.10 Investments in subsidiaries

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

1.11 Income tax

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.11 Income tax Continued

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.

1.12 Employee benefits pension obligations

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

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

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value. Contract staffs are paid terminal gratuities in accordance with their respective employment contract.

Other benefits

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.12 Employee benefits pension obligations Continued

Other benefits Continued

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

(iii) Medical aid
In terms of the employment contracts and the rules of relevant medical aid scheme, medical benefits are provided to employees. The Group subsidises a portion of medical aid contribution for certain employees. Contributions in relation to Group's obligations in respect of these benefits are charged against profit or loss in the period of payment.

There are no post-employment medical funding requirements.

1.13 Provisions and accruals

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

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

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

1.14 Earnings per share

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

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.15 Segment reporting

An operating segment is a component of the Group that engages in unique business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group has three primary operating segments: Cash Solutions, Manned Security Services and Electronic Security Services. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services. Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. 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 35.

1.16 Finance expense and interest income

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

1.17 Leases

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.17 Leases Continued

Group as lessee Continued
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 of 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.

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).

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.17 Leases Continued

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.17 Leases Continued

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

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

1.18 Dividends dividend income

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

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

1.19 Rounding off amounts

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

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

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

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

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

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

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

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4
An insurer applying the temporary exemption from IFRS 9 shall apply the new requirements of IFRS 9 concerning situations where a change in the basis for determining the contractual cash flows of a financial asset or financial liability is required by interest rate benchmark reform.

The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the 2021 consolidated and separate financial statements. The impact of the amendment is not material.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7
The amendment sets out additional disclosure requirements related to interest rate benchmark reform. The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the 2021 consolidated and separate financial statements. The impact of the amendment is not material.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9
When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

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

The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the 2021 consolidated and separate financial statements. The impact of the amendment is not material.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16
If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment. The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the 2021 consolidated and separate financial statements. The impact of the amendment is not material.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

2.1 Standards and interpretations effective and adopted in the current year Continued

Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39
Temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of financial items as hedged items have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the 2021 consolidated and separate financial statements. The impact of the amendment is not material.

COVID-19 - Related Rent Concessions - Amendment to IFRS 16
The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for it were not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if:

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

The effective date of the amendment is for years beginning on or after 1 June 2020.

The group has adopted the amendment for the first time in the 2021 consolidated and separate financial statements. The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2022 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

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

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

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

2.2 Standards and interpretations not yet effective Continued

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1
The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

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

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

The effective date of the amendment is for years beginning on or after 1 January 2023.

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

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

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1
A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the group is for years beginning on or after 1 January 2022.

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

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

Reference to the Conceptual Framework: Amendments to IFRS 3
The amendment makes reference to the Conceptual Framework for Financial Reporting issued in 2018 rather than to the IASC's Framework for the Preparation and Presentation of Financial Statements. The amendment specifically points to the treatment of liabilities and contingent liabilities acquired as part of a business combination, and which are in the scope of IAS 37 Provisions, Continent Liabilities and Contingent Assets or IFRIC 21 Levies. It clarifies that the requirements of IAS 37 or IFRIC 21 should be applied to provisions, contingent liabilities or levies to determine if a present obligation exists at the Acquisition date. The amendment further clarifies that contingent assets of acquirees share not be recognised as part of the business combination.

The effective date of the group is for years beginning on or after 1 January 2022.

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

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

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

2.2 Standards and interpretations not yet effective Continued

Annual Improvement to IFRS Standards 2018 - 2020: Amendments to IFRS 9
The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the group is for years beginning on or after 1 January 2022.

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

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

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16
The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

The effective date of the group is for years beginning on or after 1 January 2022.

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

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

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37
The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the group is for years beginning on or after 1 January 2022.

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

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

Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41
"Taxation" has been removed from the list of cash flows excluded from the fair value determination of biological assets. The effective date of the group is for years beginning on or after 1 January 2022.

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

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

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

3. Financial instruments and risk management financial risk management

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

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

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

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

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

		Group		Company
	2021	2020	2021	2020
	P	P	P	P
Financial assets				
Trade receivables	32 333 330	23 331 048	32 333 330	23 331 048
Other receivables	1 798 935	75 152	1 790 770	75 152
Amounts due from related parties	59 327 088	54 731 987	59 792 078	55 697 518
Cash and cash equivalents	16 026 851	31 888 346	16 026 851	31 888 346
	109 486 204	**110 026 533**	**109 943 029**	**110 992 064**
Financial liabilities				
Trade payables	4 017 028	3 472 778	4 017 028	3 472 777
Other payables	9 078 038	5 901 477	9 078 038	5 901 477
Amounts due to related parties	3 392 643	1 170 685	3 392 643	1 170 685
Lease liabilities	17 530 805	13 642 292	17 530 805	13 642 292
	34 018 514	**24 187 232**	**34 018 514**	**24 187 231**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

3. Financial instruments and risk management financial 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 44% and 44% of defaulted amounts, respectively.

These have resulted in an impairment loss allowance of P26 492 103 (2020: P25 931 828), respectively for Group and Company.

The assessment of expected credit losses for the Group and Company will increase by P505 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 P66 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),
- no alternative payment arrangements have been made and adhered to by the customer during the first 180 days after date of invoice; and
- alternative collection efforts (mainly through external debt collection agencies), initiated once the invoice has been outstanding for more than 180 days, have failed.

The expected credit loss for trade receivables as at 31 December 2021 and 31 December 2020 is discussed in note 20.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

3. Financial instruments and risk management financial risk management Continued

Credit risk Continued

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

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

		Group		Company	
		2021	2020	2021	2020
		P	P	P	P
Trade receivables (net of impairment)	Not rated	32 333 330	23 331 048	32 333 330	23 331 048
Other receivables	Not rated	1 798 935	75 152	1 790 770	75 152
Amounts due from related parties	Not rated	59 327 088	54 731 987	59 792 078	55 697 518
Cash and cash equivalents	Not rated	16 026 851	31 888 346	16 026 851	31 888 346
		109 486 204	**110 026 533**	**109 943 029**	**110 992 064**

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:

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Fully performing	19 899 700	13 388 053	19 899 700	13 388 053
Past due not impaired	12 433 630	6 770 036	12 433 630	6 770 036
Impaired	26 492 103	29 104 787	26 492 103	29 104 787
	58 825 433	**49 262 876**	**58 825 433**	**49 262 876**

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.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

3. Financial instruments and risk management financial risk management Continued

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Aging of trade receivables				
Fully performing	19 899 699	13 388 053	19 899 699	13 388 053
Past due 31 - 90 days	4 550 169	4 957 401	4 550 169	4 957 401
Past due 91 - 180	2 733 132	1 812 635	2 733 132	1 812 635
Past due more than 180 days	31 642 433	29 104 787	31 642 433	29 104 787
Total gross receivables	58 825 433	49 262 876	58 825 433	49 262 876
Less impairment on receivables:				
Impairment loss allowance	(26 492 103)	(25 931 828)	(26 492 103)	(25 931 828)
Net trade receivables	**32 333 330**	**23 331 048**	**32 333 330**	**23 331 048**

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	25 931 828	23 358 170	25 931 828	22 305 727
Amounts recovered	(3 854 089)	-	(3 854 089)	-
Additional impairment recognised during the year	4 414 364	3 626 101	4 414 364	3 626 101
Transferred to assets held for sale	-	(1 052 443)	-	-
Balance at the end of the year	**26 492 103**	**25 931 828**	**26 492 103**	**25 931 828**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

3. Financial instruments and risk management financial risk management Continued

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

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

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

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 CONTINUED

3. Financial instruments and risk management financial risk management Continued

Group - 2021

	Note	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Lease liabilities	25	-	10 782 654	-	10 782 654	-
Current liabilities						
Trade and other payables	26	4 017 026	-	-	4 017 026	4 017 026
Loans from group companies	27	3 392 643	-	-	3 392 643	3 392 643
Lease liabilities	25	5 413 451	-	-	5 413 451	5 413 451
Other payables	26	9 041 684	-	-	9 041 684	9 041 684
		21 864 804	**10 782 654**	**-**	**32 647 458**	**21 864 804**

Group - 2020

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Lease liabilities	25	-	6 154 787	94 937	6 249 724	6 249 724
Current liabilities						
Trade and other payables	26	3 472 784	-	-	3 472 784	3 472 784
Loans from group companies	27	1 170 685	-	-	1 170 685	1 170 685
Lease liabilities	25	7 392 568	-	-	7 392 568	7 392 568
Other payables	26	2 439 209	-	-	2 439 209	2 439 209
		14 475 246	**6 154 787**	**94 937**	**20 724 970**	**20 724 970**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

3. Financial instruments and risk management financial risk management Continued

Company - 2021

	Note	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Lease liabilities	25	-	10 782 654	-	10 782 654	-
Current liabilities						
Trade and other payables	26	4 017 028	-	-	4 017 028	4 017 028
Loans from group companies	27	3 392 643	-	-	3 392 643	3 392 643
Lease liabilities	25	5 413 451	-	-	5 413 451	5 413 451
Other payables	26	9 041 684	-	-	9 041 684	9 041 684
		21 864 806	**10 782 654**	**-**	**32 647 460**	**21 864 806**

Company - 2020

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Lease liabilities	25	-	6 249 724	-	6 249 724	6 249 724
Current liabilities						
Trade and other payables	26	3 472 777	-	-	3 472 777	3 472 777
Loans from group companies	27	1 170 685	-	-	1 170 685	1 170 685
Lease liabilities	25	-	-	-	-	7 392 568
Other payables	26	2 160 839	-	-	2 160 839	2 160 839
		6 804 301	**6 249 724**	**-**	**13 054 025**	**20 446 593**

3. Financial instruments and risk management financial risk management Continued

Foreign currency risk

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

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

Exchange rates

Year end translation rate (ZAR/BW)	1.3627	1.3421	1.3627	1.3421
Year end translation rate (USD/BW)	0.0855	-	0.0855	-
Year end translation rate (GBP/BW)	0.0632	0.0676	0.0632	0.0676

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 68 644: P1 08 6141 (2020: GBP 32 749: P484 453), ZAR at the reporting date were R2 298 273: P1 686 508 (2020: R701 909: P522 993), payable in USD at the reporting date were USD 204 400: P2 390 500 (2020: USD Nil: P Nil).

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 P5 615 465 (2020: P48 445). 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 P168 651 (2020: P52 299). 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 P5 616 465 (2020: P Nil).

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.

	2021	2021	2020	2020
Increase or decrease in rate by 10%	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
ZAR/BWP	(168 651)	168 651	(52 299)	52 299
USD/BWP	(239 050)	239 050	-	-
GBP/BWP	(108 614)	108 614	(48 445)	48 445
	(516 315)	**516 315**	**(100 744)**	**100 744**
Impact on equity:				
ZAR/BWP	(131 548)	131 548	(40 793)	40 793
USD/BWP	(186 459)	186 459	-	-
GBP/BWP	(84 719)	84 719	(37 787)	37 787
	(402 726)	**402 726**	**(78 580)**	**78 580**

3. Financial instruments and risk management financial risk management Continued

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.

	2021	2021	2020	2020
Increase or decrease in rate by 10%	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Interest income	156 075	(156 075)	547 601	(547 601)
Impact on equity:				
Interest income	121 739	(121 739)	427 129	(427 129)

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.

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 2021 and 31 December 2020 were as follows:

Total borrowings		-	-	-	-
Cash on hand and cash at bank	21	16 026 851	31 888 346	16 026 851	31 888 346
Net cash		**16 026 851**	**31 888 346**	**16 026 851**	**31 888 346**
Equity		118 064 259	114 703 317	118 521 084	115 668 849
Gearing ratio		0.00 %	0.00 %	0.00 %	0.00 %

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

3. Financial instruments and risk management financial risk management Continued

Categories of financial instruments

Categories of financial assets

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	21	16 026 851	16 026 851
		109 486 204	**109 486 204**

Group - 2020

	Note(s)	Amortised cost	Total
Amounts due from related parties	19	54 731 987	54 731 987
Trade and other receivables	20	23 406 200	23 406 200
Cash and cash equivalents	21	31 888 346	31 888 346
		110 026 533	**110 026 533**

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	21	16 026 851	16 026 851
		109 943 029	**109 943 029**

Company - 2020

	Note(s)	Amortised cost	Total
Amounts due from related parties	19	55 697 518	55 697 518
Trade and other receivables	20	23 406 200	23 406 200
Cash and cash equivalents	21	31 888 346	31 888 346
		110 992 064	**110 992 064**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

3. Financial instruments and risk management financial risk management Continued

Categories of financial liabilities

Group - 2021

	Note(s)	Amortised cost	Total
Trade and other payables	26	10 355 274	10 355 274
Amounts due to related parties	27	3 392 643	3 392 643
Lease liabilities	25	15 315 997	15 315 997
		29 063 914	**29 063 914**

Group - 2020

	Note(s)	Amortised cost	Total
Trade and other payables	26	9 652 627	9 652 627
Amounts due to related parties	27	1 170 685	1 170 685
Lease liabilities	25	13 176 028	13 176 028
		23 999 340	**23 999 340**

Company - 2021

	Note(s)	Amortised cost	Total
Trade and other payables	26	10 355 274	10 355 274
Amounts due to related parties	27	3 392 643	3 392 643
Lease liabilities	25	15 315 997	15 315 997
		29 063 914	**29 063 914**

Company - 2020

	Note(s)	Amortised cost	Total
Trade and other payables	26	9 652 629	9 652 629
Loans from group companies	27	1 170 685	1 170 685
Lease liabilities	25	13 176 028	13 176 028
		23 999 342	**23 999 342**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

4. Revenue

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Revenue from contracts with customers				
Sale of goods	7 352 154	6 478 499	7 352 154	6 478 499
Rendering of services	187 336 552	183 957 962	187 336 552	183 957 962
	194 688 706	**190 436 461**	**194 688 706**	**190 436 461**
Disaggregation of revenue from contracts with customers				
The group disaggregates revenue from customers as follows:				
Sale of goods				
Security systems				
Security equipment sales	2 896 708	1 955 639	2 896 708	1 955 639
Cash solutions				
Sale of conssumables	4 455 446	4 522 860	4 455 446	4 522 860
	7 352 154	**6 478 499**	**7 352 154**	**6 478 499**
Rendering of services				
Security systems				
Alarm monitoring and response services	40 561 751	45 599 401	40 561 751	45 599 401
Systems installations services	1 088 667	1 015 713	1 088 667	1 015 713
Systems repairs and maintenance services	566 992	542 327	566 992	542 327
Manned security				
Manned guarding services	88 635 904	82 946 390	88 635 904	82 946 390
Cash solutions				
ATM management, cash in transit services and cash processing services	56 483 238	53 735 799	56 483 238	53 735 799
Facilities management				
Facility management services	-	118 332	-	118 332
	187 336 552	**183 957 962**	**187 336 552**	**183 957 962**
Total revenue from contracts with customers	**194 688 706**	**190 436 461**	**194 688 706**	**190 436 461**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

5. Cost of sales

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Sale of goods	5 493 232	7 684 803	5 493 232	7 684 803
Rendering of services:				
Rendering of services: Employee costs	96 975 178	90 134 747	96 975 178	90 134 747
Rendering of services: Depreciation	14 397 596	16 986 176	14 397 596	16 986 176
Rendering of services: Expenses	26 941 245	19 579 004	26 941 245	19 579 004
	143 807 251	**134 384 730**	**143 807 251**	**134 384 730**
Rendering of services: Employee costs				
Employee costs - salaried staff	96 975 178	90 134 747	96 975 178	90 134 747
Rendering of services: Depreciation/amortisation				
Property, plant and equipment	6 302 604	6 668 425	6 302 604	6 668 425
Right-of-use assets	8 094 992	10 317 751	8 094 992	10 317 751
	14 397 596	**16 986 176**	**14 397 596**	**16 986 176**
Rendering of services: Expenses				
Customer claims	1 205 846	581 958	1 205 846	581 958
Data, fixed line and mobile costs	1 844 497	1 864 951	1 844 497	1 864 951
Fines and penalties	21 312	44 489	21 312	44 489
Goods transportation	249 921	195 925	249 921	195 925
Hire	127	-	127	-
Operating expenses	2 445 493	1 123 248	2 445 493	1 123 248
Insurance vehicles	1 779 527	1 017 394	1 779 527	1 017 394
Lease rentals	3 811 024	-	3 811 024	-
Motor vehicle expenses	10 189 145	7 785 643	10 189 145	7 785 643
Other expenses - manned security and facility management services	772 977	2 808 061	772 977	2 808 061
Other expenses - security systems	2 580 739	2 859 806	2 580 739	2 859 806
Property costs	141 280	36 256	141 280	36 256
Radio and software licenses	909 890	795 610	909 890	795 610
Training and recruitment costs	139 174	45 872	139 174	45 872
Travel and accommodation expenses	850 293	419 791	850 293	419 791
	26 941 245	**19 579 004**	**26 941 245**	**19 579 004**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

6. Other income

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Dividend income	-	-	1 190 000	-
COVID-19 wage subsidy	-	8 836 606	-	8 836 606
Other sundry items	2 571 528	2 255 540	2 571 528	2 255 540
Profit on disposal of plant and equipment	46 178	337 714	46 178	337 714
Foreign exchange loss	(100 069)	(148 301)	(100 069)	(148 301)
	2 517 637	**11 281 559**	**3 707 637**	**11 281 559**

The company did not receive a COVID-19 wage subsidy during the current financial period (2020: 8 836 606). The Government of Botswana did not extend the COVID-19 wage subsidy for the current financial period.

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.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

7. Operating profit

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Operating profit for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	799 282	778 240	799 282	778 240
Adjustment for previous year	59 781	582 888	59 781	582 888
	859 063	**1 361 128**	**859 063**	**1 361 128**
Remuneration, other than to employees				
Administrative and managerial services	290 285	371 859	290 285	371 859
Consulting and professional services	1 285 626	1 343 298	1 285 626	1 343 298
Secretarial services	8 068	56 841	8 068	56 841
	1 583 979	**1 771 998**	**1 583 979**	**1 771 998**
Employee costs				
Salaries, wages, bonuses and other benefits	88 903 722	82 643 480	88 903 722	82 643 480
Defined contribution expense	2 818 417	2 852 316	2 818 417	2 852 316
Other benefits	22 242 090	20 355 939	22 242 090	20 355 939
Total employee costs	**113 964 229**	**105 851 735**	**113 964 229**	**105 851 735**
Employee costs included in cost of rendering services	(96 975 178)	(90 134 747)	(96 975 178)	(90 134 747)
Total employee costs expensed	**16 989 051**	**15 716 988**	**16 989 051**	**15 716 988**
Depreciation				
Depreciation of property, plant and equipment	7 079 139	7 747 289	7 079 139	7 747 289
Depreciation of right-of-use assets	8 094 992	10 317 751	8 094 992	10 317 751
Total depreciation	**15 174 131**	**18 065 040**	**15 174 131**	**18 065 040**
Depreciation included in cost of rendering services	(14 397 596)	(16 986 176)	(14 397 596)	(16 986 176)
Total depreciation expensed	**776 535**	**1 078 864**	**776 535**	**1 078 864**
Impairment losses				
Goodwill	-	8 350 979	-	-
Movement in credit loss allowances				
Trade and other receivables ((Reversal)/charge)	(3 854 089)	3 626 100	(3 854 089)	3 626 100

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

8. Administrative expenses

		Group		Company	
		2021	2020	2021	2020
		P	P	P	P
Advertising		200 704	78 945	200 704	78 945
Auditors remuneration	7	859 063	1 361 128	859 063	1 361 128
Bad debts		1 364 437	6 676 649	1 364 437	6 676 649
Bank charges		801 066	745 294	801 066	745 294
Cleaning		530 927	(81 262)	530 927	739 837
Computer expenses		418 584	413 128	418 584	413 128
Consulting and professional fees		901 517	794 130	901 517	794 130
Corporate social responsibilities		23 895	-	23 895	-
Debt collection		4	-	-	-
Depreciation		776 535	1 078 864	776 535	1 078 864
Electricity and water		863 195	1 082 878	863 195	1 082 878
Employee costs		16 989 051	15 716 988	16 989 051	15 716 988
Fines and penalties		242 365	-	242 365	-
Insurance		188 628	545 951	188 628	545 951
Legal fees		384 109	549 168	384 109	549 168
Listing expenses		87 300	80 500	87 300	80 500
Management fees and service charges		290 285	371 859	290 285	371 859
Motor vehicle expenses		328 351	254 386	328 351	254 386
Office expenses		(55 066)	(456 582)	(55 066)	(456 582)
Office rent and operating vehicle leases		296 874	374 862	296 874	374 862
Postage and publication expenses		107 479	143 275	107 479	143 275
Printing and stationery		1 607 218	1 340 818	1 607 218	1 340 818
Protective personal equipment		309 460	189 368	309 460	189 368
Repairs and maintenance		581 232	228 561	581 232	228 561
Royalties and license fees		2 150 405	1 911 155	2 150 405	1 911 155
Secretarial expenses		8 068	56 841	8 068	56 841
Security		-	708 610	-	708 610
Software and communication expenses		568 575	568 835	568 575	568 835
Subscription expenses		45 000	56 645	45 000	56 645
Teas and refreshments		8 016	1 644	8 016	1 644
Telephone and fax		1 376 346	1 053 428	1 376 346	1 053 428
Training and recruitment		499 357	302 210	499 357	302 210
Training expenses		365 057	176 568	365 057	176 568
Transport and customs		1 208 598	870 246	1 208 598	870 246
Travel and subsistence		348 646	239 217	348 646	239 217
		34 675 281	**37 434 307**	**34 675 277**	**38 255 406**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

9. Finance income

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Interest income				
Interest received - related party	2 939 253	3 219 894	2 939 253	3 219 894
Investments in financial assets:				
Interest received - bank	66 044	17 161	66 044	17 161
Total interest income	**3 005 297**	**3 237 055**	**3 005 297**	**3 237 055**

10. Interest paid

	Group 2021 P	Group 2020 P	Company 2021 P	Company 2020 P
Interest on lease liabilities	1 555 779	1 313 311	1 555 779	1 313 311
Bank overdraft	-	15 125	-	15 125
Total finance costs	**1 555 779**	**1 328 436**	**1 555 779**	**1 328 436**

11. Impairment of investment in subsidiary

	Group 2021 P	Group 2020 P	Company 2021 P	Company 2020 P
Impairment losses on				
Investments in subsidiaries, joint arrangements and associates	-	-	(1 861 707)	-
Impairment losses on				
Investment in subsidiary	-	-	-	(1 868 330)
Total other non-operating gains (losses)	**-**	**-**	**(1 861 707)**	**(1 868 330)**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

12. Taxation

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Major components of the tax expense				
Current				
Basic company tax - recognised in current tax for prior periods	5 684 506	8 738 803	5 684 506	8 738 803
Deferred				
Originating and reversing temporary differences	(881 027)	(2 430 841)	(881 027)	(2 430 841)
	4 803 479	**6 307 962**	**4 803 479**	**6 307 962**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense				
Accounting profit from continuing operations	24 027 418	19 830 523	23 355 715	25 492 073
Tax at the applicable tax rate of 22% (2020: 22%)	5 286 033	4 362 715	5 138 257	5 608 256
Tax effect of adjustments on taxable income				
Donations, tax penalties and fines	63 266	16 847	63 266	16 847
Dividend income	-	-	(261 800)	-
Impairment of subsidiary	-	-	409 576	-
Prior years tax charge recognised in current year	(545 820)	682 859	(545 820)	682 859
Tax effect of discontinued operations	-	1 245 541	-	-
	4 803 479	**6 307 962**	**4 803 479**	**6 307 962**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

13. Earnings per share

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Basic earnings per share				
From continuing operations (thebe per share)	24.03	16.90	-	-
From discontinued operations (thebe per share)	0.24	(3.09)	-	-
Earnings per share (thebe)	**24.27**	**13.81**	**-**	**-**
Reconciliation of profit or loss for the year to basic earnings				
Profit for the year attributable to owners of the parent company:	19 415 920	11 049 385	18 552 236	19 184 110
Continuing operations:	19 223 939	13 522 560	18 552 236	19 184 110
Discontinued operations:	191 981	(2 473 175)	18 552 236	19 184 110
Weighted average number of ordinary shares at 31 December	80 000 000	80 000 000	80 000 000	80 000 000
Earnings per share (thebe)	**24.27**	**13.81**	**23.19**	**23.98**
Weighted average number of shares				
Issued ordinary shares 1 January/31 December	80 000 000	80 000 000	80 000 000	80 000 000
Weighted average number of ordinary shares for the year ended 31 December	80 000 000	80 000 000	80 000 000	80 000 000
Dividends per share				
Issued shares at 31 December	80 000 000	80 000 000	80 000 000	80 000 000
Dividend per share (thebe) - gross of tax	19.63	-	19.63	-

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

14. Property, plant and equipment

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	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 1 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)	(6 981 433)	(5 999 068)	(806 282)	-	(20 587 406)
Disposals - accumulated depreciation and impairment	-	6 800 523	6 967 077	5 999 068	806 282	-	20 572 950
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 CONTINUED

14. Property, plant and equipment Continued

Reconciliation of property, plant and equipment - Group - 2020

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

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

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 1 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	-	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	-	-	-	-	-	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 CONTINUED

14. Property, plant and equipment Continued

Reconciliation of property, plant and equipment - Company - 2020

	Buildings	Furniture and fixtures	Motor vehicles	Radio and alarm equipment	Leasehold improvements	Uniforms	Total
Opening balance							
Cost	553 521	13 184 141	31 800 135	41 004 688	4 524 035	-	91 066 520
Accumulated depreciation	(28 010)	(11 905 062)	(28 113 215)	(35 251 295)	(3 381 641)	-	(78 679 223)
Net book value at 1 January 2020	**525 511**	**1 279 079**	**3 686 920**	**5 753 393**	**1 142 394**	**-**	**12 387 297**
Additions	-	93 059	68 014	283 532	-	4 647 603	5 092 208
Disposals and scrappings - cost	-	(32 120)	(9 161 030)	(4 349 831)	-	-	(13 542 981)
Disposals and scrappings - accumulated depreciation and impairment	-	892	9 161 030	3 431 396	-	-	12 593 318
Depreciation	(80 204)	(570 228)	(2 122 516)	(2 063 613)	(401 555)	(2 509 173)	(7 747 289)
Net book value at 31 December 2020	**445 307**	**770 682**	**1 632 418**	**3 054 877**	**740 839**	**2 138 430**	**8 782 553**
Made up as follows:							
Cost	553 521	11 760 040	20 012 554	39 596 741	4 524 035	5 536 621	81 983 512
Accumulated depreciation	(108 214)	(10 989 358)	(18 380 136)	(36 541 864)	(3 783 196)	(3 398 191)	(73 200 959)
	445 307	**770 682**	**1 632 418**	**3 054 877**	**740 839**	**2 138 430**	**8 782 553**

15. Right-of-use asset

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P

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 - 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**

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

Made up as follows:	Buildings	Motor vehicles	Operating equipment	Total
Cost	29 470 649	18 787 800	2 362 297	50 620 746
Accumulated amortisation	(26 982 251)	(12 684 549)	(225 195)	(39 891 995)
	2 488 398	**6 103 251**	**2 137 102**	**10 728 751**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

15. Right-of-use asset Continued

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Buildings, vehicles and equipment	14 987 688	10 728 751	14 987 688	10 728 751
Other disclosures				
Interest expense on lease liabilities	1 555 779	1 313 311	1 555 779	1 313 311
Expenses on short term leases included in rendering of services	3 811 024	-	3 811 024	-

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

16. Goodwill

Group	2021			2020		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	9 715 123	-	9 715 123	18 066 102	(8 350 979)	9 715 123

Company	2021			2020		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	9 715 123	-	9 715 123	18 066 102	(8 350 979)	9 715 123

Reconciliation of goodwill

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
At the beginning of the year	9 715 123	18 066 102	9 715 123	18 066 102
Impairment during the year	-	(8 350 979)	-	(8 350 979)
Closing net book balance	**9 715 123**	**9 715 123**	**9 715 123**	**9 715 123**

16. Goodwill Continued

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

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

2020 impairment of goodwill in G4S Facilities Management Botswana (Pty) Ltd was trigger by the classification of G4S Facilities Management Botswana (Pty) Ltd as non-current assets held for sale, refer to note 22.

	Group		Company	
	2021	2020	2021	2020
	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, however, the Group identified impairment for its subsidiary G4S Facilities Management Botswana (Pty) Ltd during 2020 (which houses the cleaning services segment) as CGUs of the business.

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

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

16. Goodwill Continued

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

	2021	2020	
Group	Manned Security	Manned Security	G4S facilities management
Discount rate	9.70 %	14.70 %	16.93 %
Long term growth rate	5.00 %	2.50 %	4.00 %

Company	2021	2020
Discount rate	9.70 %	14.70 %
Long term growth rate	5.00 %	2.50 %

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

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

	2021	2020
Group	Manned Security	Manned Security
Discount rate	14.01 %	53.30 %
Long term growth rate	(3.70)%	(41.30)%
Budgeted cash flow (% of base value)	55.70 %	33.00 %

Company	2021	2020
	Manned Security	Manned Security
Discount rate	14.01 %	53.30 %
Long term growth rate	(3.70)%	(41.30)%
Budgeted cash flow (% of base value)	55.70 %	22.00 %

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

The NPV assuming 7 times profit before interest and tax is P19.1 million representing 97% headroom before impairment.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

17. Deferred tax

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Deferred tax liability				
Prepayments	(734 353)	(74 547)	(734 353)	(74 547)
Right-of-use assets	(3 297 291)	(801 557)	(3 297 291)	(801 557)
Total deferred tax liability	**(4 031 644)**	**(876 104)**	**(4 031 644)**	**(876 104)**
Deferred tax asset				
Lease accrual	3 856 777	357 707	3 856 777	357 707
General provision - trade receivables	5 828 263	3 551 306	5 828 263	3 551 306
Royalties & licenses	-	822 941	-	822 941
Unrealised exchange differences and other	53 523	227 223	53 523	227 223
Provision for customer claims	216 427	-	216 427	-
Accelerated capital allowances	(444 479)	514 767	(444 479)	514 767
Total deferred tax asset	**9 510 511**	**5 473 944**	**9 510 511**	**5 473 944**
Deferred tax liability	(4 031 644)	(876 104)	(4 031 644)	(876 104)
Deferred tax asset	9 510 511	5 473 944	9 510 511	5 473 944
Total net deferred tax asset	**5 478 867**	**4 597 840**	**5 478 867**	**4 597 840**
Reconciliation of deferred tax asset/(liability)				
At beginning of year	4 597 840	2 359 181	4 597 840	2 166 999
Charge to the income statement	881 027	2 430 841	881 027	2 430 841
Transferred to assets held for sale	-	(192 182)	-	-
	5 478 867	**4 597 840**	**5 478 867**	**4 597 840**

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

	2021	2020	2021	2020
Security alarms, fire alarms and equipment	5 060 039	2 784 122	5 060 039	2 784 122
Operational consumables	417 501	1 160 575	417 501	1 160 575
	5 477 540	**3 944 697**	**5 477 540**	**3 944 697**
Amount of inventories recognised as an expense in profit or loss	5 493 232	7 684 803	5 493 232	7 684 803

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

19. Amounts due from related parties

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
G4S plc	57 068 055	54 128 802	57 068 055	54 128 802
G4S Facilities Management Botswana (Pty) Ltd	-	-	464 990	965 531
G4S Cash Solutions (SA) (Pty) Ltd	2 259 033	603 185	2 259 033	603 185
	59 327 088	**54 731 987**	**59 792 078**	**55 697 518**

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

Exposure to credit risk

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

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

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

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

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

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

Credit rating framework

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

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

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 group loans receivable.

Group - 2021

Instrument	Basis of loss allowance	Basis of loss allowance	Amortised cost
Loans to 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**

Group - 2020

Instrument	Basis of loss allowance	Basis of loss allowance	Amortised cost
Loans to fellow subsidiaries			
G4S plc	Lifetime ECL	54 128 802	54 128 802
G4S Cash Solutions (SA) (Pty) Ltd	Lifetime ECL	603 185	603 185
		54 731 987	**54 731 987**

Company - 2021

Instrument	Basis of loss allowance	Basis of loss allowance	Amortised cost
Loans to 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**

Company - 2020

Instrument	Basis of loss allowance	Basis of loss allowance	Amortised cost
Loans to fellow subsidiaries			
G4S plc	Lifetime ECL	54 128 802	54 128 802
G4S Facilities Management Botswana (Pty) Ltd	Lifetime ECL	965 531	965 531
G4S Cash Solutions (SA) (Pty) Ltd	Lifetime ECL	603 185	603 185
		55 697 518	**55 697 518**

Fair value of amounts due from related parties

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

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

20. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Financial instruments:				
Trade receivables	58 825 433	49 262 876	58 825 433	49 262 876
Less: impairment	(26 492 103)	(25 931 828)	(26 492 103)	(25 931 828)
Trade receivables at amortised cost	32 333 330	23 331 048	32 333 330	23 331 048
Other receivable	1 798 935	75 152	1 790 770	75 152
Non-financial instruments:				
Value added tax	-	89 489	-	89 489
Prepayments	3 337 966	338 851	3 337 966	338 851
Total trade and other receivables	**37 470 231**	**23 834 540**	**37 462 066**	**23 834 540**

Exposure to credit risk

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

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

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

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

The average credit period on trade receivables is 30 days (2020: 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.

20. Trade and other receivables Continued

Group	2021 Gross carrying amount at default	2021 Loss allowance	2020 Gross carrying amount at default	2020 Loss allowance
Expected credit loss rate (average):				
Current 9.86% (2020: 16.27%)	19 899 700	1 962 908	13 388 053	2 178 859
31 - 60 days past due: 28.80% (2020: 27.64%)	3 036 782	874 443	2 324 446	642 420
61 - 90 days past due: 44.78% (2020: 43.71%)	1 513 387	677 678	2 632 955	1 150 883
91 - 180 days past due: 55.78% (2020: 55.07%)	2 733 130	1 524 499	1 812 635	998 138
181 - 365 days past due: 64.76% (2020: 72.02%)	5 421 293	3 510 805	4 975 467	3 583 375
More than 365 days past due: 68.42% (2020: 72.02%)	26 221 141	17 941 770	24 129 320	17 378 152
Total	**58 825 433**	**26 492 103**	**49 262 876**	**25 931 827**

Company	2021 Gross carrying amount at default	2021 Loss allowance	2020 Gross carrying amount at default	2020 Loss allowance
Expected credit loss rate (average):				
Current 9.86% (2020: 16.27%)	19 899 700	1 962 908	13 388 053	2 178 859
31 - 60 days past due: 28.80% (2020: 27.64%)	3 036 782	874 443	2 324 446	642 420
61 - 90 days past due: 44.75% (2020: 43.78%)	1 513 387	677 678	2 632 955	1 150 883
91 - 180 days past due: 55.78% (2020: 55.07%)	2 733 130	1 524 499	1 812 635	998 138
181 - 365 days past due: 64.76% (2020: 72.02%)	5 421 293	3 510 805	4 975 467	3 583 375
More than 365 days past due: 68.42% (2020: 72.02%)	26 221 141	17 941 770	24 129 320	17 378 152
Total	**58 825 433**	**26 492 103**	**49 262 876**	**25 931 827**

20. Trade and other receivables Continued

	2021	2021	2020	2020
Company	Gross carrying amount at default	Loss allowance	Gross carrying amount at default	Loss allowance

Reconciliation of impairment loss allowances

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

Opening balance as at 1 January	**(25 931 828)**	**(23 358 170)**	**(25 931 828)**	**(22 305 727)**
Provision raised on new trade receivables	(4 414 364)	(3 626 101)	(4 414 364)	(3 626 101)
Provisions reversed on settled trade receivables	3 854 089	-	3 854 089	-
Transferred to assets held for sale	-	1 052 443	-	-
Closing balance	**(26 492 103)**	**(25 931 828)**	**(26 492 103)**	**(25 931 828)**

Fair value of trade and other receivables

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

21. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Cash and cash equivalents consist of:				
Cash on hand	7 235	14 217	7 235	14 217
Cash at bank	16 019 616	31 874 129	16 019 616	31 874 129
	16 026 851	31 888 346	16 026 851	31 888 346

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference historical information about counterparty default rates.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

22. Discontinued operations

The group decided in 2020 to dispose off the operations of G4S Facility Management Botswana (Proprietary) Limited. The plan to sell the entity in 2021 was delayed pending the finalisation of outstanding legal matters. The group's lawyers are of the opinion that the matters have been substantially closed and is of no commercial substance. The group expects that the disposal will be effected by August 2022. The assets and liabilities of the discontinued operations are set out below.

The decision was made by the board of directors to discontinue these operations due the lack of return on investment stemming from the unfavourable changes in the regulatory environment.

Profit and loss of discontinued operations

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Revenue	5 527 930	5 778 709	-	-
Cost of sales	-	(686 079)	-	-
Cost of rendering services	(4 469 293)	(4 883 175)	-	-
Loss on sale of assets	-	(49 604)	-	-
Administrative expenses	(364 034)	(3 619 063)	-	-
Operating profit Interest income				
Net (loss) profit before tax	697 407	(3 458 254)	-	-
Losses on measurement to fair value less cost to sell	(196 937)	(104 108)	-	-
Tax thereon	(153 466)	487 200	-	-
	347 004	**(3 075 162)**	**-**	**-**
Assets and liabilities				
Assets of discontinued operations				
Property, plant and equipment		62 831	178 189	-
Deferred tax	525 916	679 382	-	-
Inventories	1 062 374	698 997	-	-
Receivables and tax receivable	2 499 210	1 506 419	-	-
Cash and cash equivalents	1 113 995	3 416 119	-	-
	5 264 326	**6 479 106**	**-**	**-**
Assets of discontinued operations				
Investments in subsidiaries	-	-	3 713 980	5 575 687
	5 264 326	**6 479 106**	**3 713 980**	**5 575 687**
Liabilities of discontinued operations				
Trade and other payables	1 550 346	903 419	-	-
Cash flows of discontinued operations				
Operating activities	3 320 682	(4 907 889)	-	-
Investing activities	2 023	(354 585)	-	-
Cash and cash equivalents of discontinued operations	(1 113 994)	(3 416 119)	-	-

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 classification of G4S Facilities Management Botswana (Pty) Ltd as a discontinued operation, triggered goodwill impairment in 2020.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

22. Discontinued operations (continued)

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	2020 G4S facilities management
Discount rate	16.42 %	16.93 %
Long term growth rate	5.00 %	4.00 %
Lack of marketability factor	21.00 %	23.00 %

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 P 35 862
- 0.5% reduction in the discount and long-term growth rate will decrease the valuation by P 149 103
- 1% increase in lack of marketability will decrease the valuation by P 35 832

23. Stated capital

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
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 2021. The company holds majority of voting rights in the subsidiary (71.5%) and exercises control over the entity.

Company

Name of company	% voting power 2021	% voting power 2020	% holding 2021	% holding 2020	Carrying amount 2021	Carrying amount 2020
G4S Facilities Management Botswana (Pty) Ltd	305	305	71.50 %	71.50s %	-	-

Restrictions relating to subsidiary

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

Subsidiary with material non-controlling interests

The company has one subsidiary, G4S Facilities Management Botswana (Pty) Ltd, that is material to the Group in 2021 and 2020. The company holds majority of voting rights in the subsidiary (72%). The investment in subsidiary was reclassified as a non current asset held for sale, refer to 22. The following subsidiary has material NCI:

Subsidiary	Country of incorporation and principal place of business	% Ownership interest held by non-controlling interest 2021	2020
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 was reclassified as a non current asset held for sale, refer to 22.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

24. Investment in subsidiary Continued

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P

Summarised statement of financial position

	G4S Facilities Management Botswana (Pty) Ltd	
	2021	2020
Assets		
Non-current assets	742 212	857 572
Current assets	4 341 058	5 613 366
Total assets	**5 083 270**	**6 470 938**
Liabilities		
Current liabilities	1 493 243	1 764 843
Total liabilities	**1 493 243**	**1 764 843**
Total net assets	**3 590 027**	**4 706 095**
Carrying amount of non-controlling interest	1 398 124	1 753 101

Summarised statement of profit or loss and other comprehensive income

	G4S Facilities Management Botswana (Pty) Ltd	
	2021	2020
Revenue	5 527 930	6 599 809
Other income and expenses	(4 830 523)	(9 236 963)
Profit before tax	**697 407**	**(2 637 154)**
Tax expense	(142 553)	487 200
(Loss)/profit	**554 854**	**(2 149 954)**
Total comprehensive income	**554 854**	**(2 149 954)**
(Loss)/profit allocated to non-controlling interest	**155 023**	**(601 987)**

Summarised statement of cash flows

	G4S Facilities Management Botswana (Pty) Ltd	
	2021	2020
Cash (used in)/generated from operating activities	(104 388)	(2 713 829)
Cash generated from/(used in) investing activities	2 804	3 858 847
Cash generated from/(used in) financing activities	(2 200 541)	965 531
Net increase/(decrease) in cash and cash equivalents	**(2 302 125)**	**2 110 549**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

25. Lease liabilities

		Group		Company
	2021	2020	2021	2020
	P	P	P	P
Minimum lease payments due				
- within one year	6 436 595	8 125 554	6 436 595	8 125 554
- in second to fifth year inclusive	13 397 366	6 967 330	13 397 366	6 967 330
- later than five years	-	94 938	-	94 938
	19 833 961	15 187 822	19 833 961	15 187 822
less: future finance charges	(2 303 156)	(1 545 530)	(2 303 156)	(1 545 530)
Present value of minimum lease payments	**17 530 805**	**13 642 292**	**17 530 805**	**13 642 292**
Non-current liabilities	12 117 354	6 249 724	12 117 354	6 249 724
Current liabilities	5 413 451	7 392 568	5 413 451	7 392 568
	17 530 805	**13 642 292**	**17 530 805**	**13 642 292**

26. Trade and other payables

Financial instruments:				
Trade payables	4 017 028	3 472 778	4 017 028	3 472 777
Advances from customers	36 354	3 740 638	36 354	3 740 638
Other payables	9 041 684	2 160 839	9 041 684	2 160 839
Non-financial instruments:				
Payroll accruals	12 198 201	10 579 691	12 198 201	10 579 691
Value added tax	1 914 511	-	1 914 511	-
	27 207 778	**19 953 946**	**27 207 778**	**19 953 945**

Fair value of trade and other payables

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

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

27. Amounts due to related parties

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P
Minimum lease payments due				
G4S Africa (Pty) Ltd	18 107	12 838	18 107	12 838
Indo British Garments (South Africa) (Pty) Ltd	1 609 188	-	1 609 188	-
G4S Cash 360 International FZCO	679 207	673 399	679 207	673 399
G4S Plc	1 008 700	484 448	1 008 700	484 448
G4S Corporate Services Ltd	77 441	-	77 441	-
	3 392 643	**1 170 685**	**3 392 643**	**1 170 685**

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

	Group 2021	Group 2020	Company 2021	Company 2020
Amounts payable at the beginning of year	(3 728 257)	3 254 748	(3 728 257)	2 793 706
Taxation per profit or loss from continuing operations	(5 684 506)	(8 738 803)	(5 684 506)	(8 738 803)
Adjustment in respect of assets held for sale	-	575 468	-	-
Amounts payable at end of year	(672 392)	3 728 257	(672 392)	3 728 257
	(10 085 155)	**(1 180 330)**	**(10 085 155)**	**(2 216 840)**

29. Provisions

Reconciliation of provisions - Group and Company - 2021

	Opening balance	Additions	Reversed during the year	Total
Legal proceedings	601 027	983 759	(601 027)	983 759
Current liabilities	983 759	601 027	983 759	601 027

Litigation is in the process against the company relating to disputes and claims by customers. The total amount relating to these disputes is P983 759 (2020: P601 027). Management are of the view that the outflows relating to these provisions are more probable than not.

Provision are reversed where customer fail to prove their claims in line with their contractual obligations.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

30. Changes in liabilities arising from financing activities

	Group		Company	
	2021	2020	2021	2020
	P	P	P	P

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 - Group - 2020

	Opening balance	New leases	Cash flows	Closing balance
Lease liabilities	23 050 915	3 339 150	(12 747 773)	13 642 292
Total liabilities from financing activities	**23 050 915**	**3 339 150**	**(12 747 773)**	**13 642 292**

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**

Reconciliation of liabilities arising from financing activities - Company - 2020

	Opening balance	New leases	Cash flows	Closing balance
Lease liabilities	23 050 915	3 339 150	(12 747 773)	13 642 292
	23 050 915	3 339 150	(12 747 773)	13 642 292
Total liabilities from financing activities	**23 050 915**	**3 339 150**	**(12 747 773)**	**13 642 292**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

31. Cash generated from operations

Profit before taxation	24 027 418	19 830 523	23 355 715	25 492 073
Adjustments for:				
Depreciation and amortisation	15 174 131	18 065 040	15 174 131	18 065 040
Gains on disposal of property, plant and equipment	(46 178)	(337 714)	(46 178)	(337 714)
Dividend income	-	-	(1 190 000)	-
Finance income - bank	(66 044)	(17 161)	(66 044)	(17 161)
Finance income - related party	(2 939 253)	(3 219 894)	(2 939 253)	(3 219 894)
Interest paid	1 555 779	1 328 436	1 555 779	1 328 436
Net impairments and movements in credit loss allowances	(3 854 089)	11 977 079	(1 992 382)	5 494 430
Increase/(decrease) in provisions	382 732	(312 140)	382 732	(312 140)
Lease liability adjustment on modification	53 485	-	53 485	-
Changes in working capital:				
Increase/(decrease) in net amounts due from related parties	566 109	(8 984 300)	1 066 651	(13 821 720)
Inventories	(1 532 843)	506 907	(1 532 843)	15 156
Increase/(decrease) in trade and other receivables	(9 781 602)	7 444 130	(9 773 437)	6 158 368
Increase/(decrease) in trade and other payables	7 253 833	(5 532 551)	7 253 833	(4 433 033)
	30 793 478	**40 748 355**	**31 302 189**	**34 411 841**

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 BWP15.7million.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

33. Related parties

Relationships	
Ultimate holding and controlling company	Allied Universal Security Services LLC
Holding company	G4S International 105 (UK) Ltd; G4S Plc
Fellow subsidiaries	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
Subsidiary	G4S Facilities Management Botswana (Pty) Ltd

All related party transactions are arms length.

Related party balances

Amounts due from related parties				
G4S Plc	57 068 055	54 128 802	57 068 055	54 128 802
G4S Facilities Management Botswana (Pty) Ltd	-	-	464 990	965 531
G4S Cash Solutions (SA) (Pty) Ltd	2 259 033	603 185	2 259 033	603 185
	59 327 088	**54 731 987**	**59 792 078**	**55 697 518**
Amounts due to related parties				
G4S Africa (Pty) Ltd	(18 107)	(12 838)	(18 107)	(12 838)
Indo British Garments (South Africa) (Pty) Ltd	(1 609 188)	-	(1 609 188)	-
G4S Cash 360 International FZCO	(679 207)	(673 399)	(679 207)	(673 399)
G4S Plc	(1 008 700)	(484 448)	(1 008 700)	(484 448)
G4S Corporate Services Ltd	(77 441)	-	(77 441)	-
	(3 392 643)	**(1 170 685)**	**(3 392 643)**	**(1 170 685)**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

33. Related parties Continued

Related party transactions				
Interest received from related parties				
G4S Plc	2 939 253	3 219 894	2 939 253	3 219 894
Purchases from related parties				
G4S Cash Solutions (SA) (Pty) Ltd	(603 879)	(1 080 311)	(603 879)	(1 080 311)
G4S Facilities Management (Pty) Ltd	-	-	(651 438)	(821 100)
G4S Africa (Pty) Ltd	(433 029)	(323 328)	(433 029)	(323 328)
G4S Cash 360 International FZCO	(4 664 516)	-	(4 664 516)	-
Management fees				
G4S North America & Technology Outbound	(290 285)	(302 884)	(290 285)	(302 884)
Global Insurance				
G4S Corporate Services Ltd	(95 111)	(189 742)	(95 111)	(189 742)
Sales to related parties				
G4S Cash Solutions (SA) (Pty) Ltd	1 497 245	1 948 945	1 497 245	1 948 945
Royalty fees paid to related parties				
G4S Plc	(2 150 405)	(2 072 560)	(2 150 405)	(2 072 560)
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 CONTINUED

34. Directors' emoluments

The directors of the company perform duties for a number of entities within the G4S group and are remunerated at a group level. The following remuneration were paid at a group level to the directors who were involved with the daily management of these entities during the year.

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

Executive directors and key management personnel

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
J Mothudi	1 070 052	44 379	72 258	1 186 689
	4 754 462	**142 287**	**122 258**	**5 019 007**

2020

	Emoluments	Short-term benefits	Long-term benefits	Total
J Motswagole-Konings	1 056 600	33 690	-	1 090 290
Mothusi Molokomme (Managing director)	358 350	-	-	358 350
K Brown	305 155	7 516	64 488	377 159
M F Magapa	1 485 084	107 360	107 360	1 699 804
M Grobblaar	309 693	15 539	23 476	348 708
R Vorster	419 432	13 518	36 855	469 805
	3 934 314	**177 623**	**232 179**	**4 344 116**

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

34. Directors' emoluments Continued

Non-executive

2021

	Directors' sitting fees	Directors' retainer fees	Total
L N Mosetlhanyane	192 000	18 000	210 000
B T Mbaakanyi	144 000	18 000	162 000
G S Macholo	144 000	63 000	207 000
	480 000	**99 000**	**579 000**

2020

	Directors' sitting fees	Directors' retainer fees	Total
L N Mosetlhanyane	216 000	18 000	234 000
B T Mbaakanyi	180 000	18 000	198 000
G S Macholo	120 000	63 000	183 000
	516 000	**99 000**	**615 000**

35. Segmental Reporting

Management identifies three of its five service lines as its reportable segments. The Executive Management monitors the performance of these service lines and makes decisions on the allocation of resources to them. Segmental performance is monitored using adjusted segment operating results. Revenue and assets of reportable segments exceed 10 per cent or more of the consolidated revenue and assets reported by the group. Facilities management and cleaning services are not considered reportable segments as they do not exceed 10% or more of the reportable revenue and assets individually or in aggregate.

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

35. Segmental Reporting Continued

Group and Company Business Segments - 31 December 2021	Security Systems	Manned Security	Cash Solutions	Non-reportable segments & head office expanses	Total Segments
	P	P	P		
Revenue	45 114 118	88 635 904	60 938 684	-	194 688 706
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)		(30 483 090)
Cost of sales	**(30 077 103)**	**(74 532 873)**	**(37 615 542)**		**(143 807 251)**
Gross profit	**15 037 015**	**14 103 031**	**23 323 142**		**50 881 455**
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	(3 709 541)	(4 004 867)	(3 684 408)	(767 768)	(12 166 584)
SG&A expenses	**(8 171 818)**	**(11 754 166)**	**(8 677 922)**	**(767 768)**	**(29 371 674)**
Trading profit	**6 853 807**	**2 348 864**	**14 645 220**	**(2 349 501)**	**21 498 390**
Other income/expenses	139 676	274 422	188 670	1 914 870	2 517 638
Profit before taxation	**7 004 873**	**2 623 286**	**14 833 890**	**(434 631)**	**24 027 418**
Taxation	(1 057 912)	(2 078 485)	(1 428 994)	(238 088)	(4 803 479)
Discontinued operations	-	-	-	347 004	347 004
Profit for the period	**5 946 961**	**544 801**	**13 404 896**	**(325 715)**	**19 570 943**
Material non-cash items Group and company - 31 December 2021					
Depreciation	(3 429 791)	(1 717 117)	5 033 348	(15 060 571)	(15 174 131)
Finance income	696 401	1 368 222	940 675	-	3 005 297
Finance cost	(334 736)	675 658	452 151	(2 348 852)	(1 555 779)
Segment assets Group and company - 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)

NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS CONTINUED

35. Segmental Reporting
Continued

Group and Company Business Segments - 31 December 2020	Security Systems	Manned Security	Cash Solutions	Non-reportable segments & head office expanses	Total Segments
	P	P	P		
Revenue	49 113 080	82 946 390	58 258 658	118 333	190 436 461
Direct labour	(14 751 013)	(58 762 580)	(16 221 835)	-	(89 735 428)
Direct vehicles	(2 405 903)	(2 501 485)	(5 656 841)	-	(10 564 229)
Direct other costs	(12 087 040)	(8 193 982)	(11 193 714)	(2 610 337)	(34 085 073)
Cost of sales	**(29 243 956)**	**(69 458 047)**	**(33 072 390)**	**(2 610 337)**	**(134 384 730)**
Gross profit	**19 869 123**	**13 488 342**	**25 186 268**	**(2 492 004)**	**56 051 731**
SG&A labour	(3 935 299)	(6 669 446)	(4 915 808)	-	(15 520 553)
SG&A vehicles	(57 227)	(96 646)	(67 913)	-	(221 786)
SG&A other costs	(4 306 810)	(8 092 392)	(5 953 828)	(13 407 398)	(31 760 428)
SG&A expenses	**(8 299 336)**	**(14 858 487)**	**(10 937 549)**	**(13 407 398)**	**(47 502 767)**
Trading profit	**11 569 788**	**(1 370 145)**	**14 248 719**	**(15 899 402)**	**8 548 964**
Other income/expenses	2 812 930	4 750 719	3 335 740	382 170	11 281 559
Profit before taxation	**14 832 718**	**3 380 578**	**17 584 459**	**(15 517 232)**	**19 830 523**
Taxation	(1 340 651)	(2 264 206)	(1 590 300)	(1 112 805)	(6 307 962)
Discontinued operations	-	-	-	(3 075 162)	(3 075 162)
Profit for the period	**13 042 067**	**1 116 368**	**15 994 159**	**(19 705 199)**	**10 447 399**
Material non-cash items Group and company - 31 December 2020					
Depreciation	(4 395 481)	(2 665 895)	(6 121 511)	(4 882 153)	(18 065 040)
Finance income	834 828	1 409 930	990 286	2 011	3 237 055
Finance cost	(342 600)	(578 613)	(406 397)	(826)	(1 328 436)
Segment assets Group and company - 31 December 2021					
Total assets	66 580 014	37 829 553	45 395 464	4 897 912	154 702 943
Total liabilities	(13 949 404)	(7 925 798)	(9 510 957)	(8 613 467)	(39 999 626)

36. Contingencies

The company has issued a guarantee for the amount of P1 200 000 in favour of Vivo Energy Botswana (Pty) Ltd that expires on 31 March 2022. There are no other known contingent liabilities and assets as at the end of 31 December 2021.

DETAILED INCOME STATEMENT

		Group		Company	
	Note(s)	2021	2020	2021	2020
		P	P	P	P
Continuing operations					
Revenue	4	**194 688 706**	**190 436 461**	**194 688 706**	**190 436 461**
Cost of sales	5	**(143 807 251)**	**(134 384 730)**	**(143 807 251)**	**(134 384 730)**
Gross profit		**50 881 455**	**56 051 731**	**50 881 455**	**56 051 731**
Other operating income					
Dividend income		-	-	1 190 000	-
Covid 19 wage subsidy		-	8 836 606	-	8 836 606
Other income		2 571 528	2 255 540	2 571 528	2 255 540
	6	**2 571 528**	**11 092 146**	**3 761 528**	**11 092 146**
Other operating gains (losses)					
Gains on disposal of assets or settlement of liabilities		46 178	337 714	46 178	337 714
Foreign exchange losses		(100 069)	(148 301)	(100 069)	(148 301)
		(53 891)	**189 413**	**(53 891)**	**189 413**
Movement in credit loss allowances	7	3 854 089	(3 626 100)	3 854 089	(3 626 100)
Expenses (Refer to page 48)		**(34 675 281)**	**(45 785 286)**	**(34 675 277)**	**(38 255 406)**
Operating profit	7	**22 577 900**	**17 921 904**	**23 767 904**	**25 451 784**
Investment income	9	3 005 297	3 237 055	3 005 297	3 237 055
Interest paid	10	(1 555 779)	(1 328 436)	(1 555 779)	(1 328 436)
Other non-operating gains (losses)					
Impairment losses		-	-	(1 861 707)	(1 868 330)
Profit before taxation		**24 027 418**	**19 830 523**	**23 355 715**	**25 492 073**
Taxation	12	(4 803 479)	(6 307 962)	(4 803 479)	(6 307 962)
Profit for the year from continuing operations		**19 223 939**	**13 522 561**	**18 552 236**	**19 184 111**
Discontinued operations	22	347 004	(3 075 162)	-	-
Profit for the year		**19 570 943**	**10 447 399**	**18 552 236**	**19 184 111**

The supplementary information presented does not form part of the consolidated and separate financial statements and is unaudited

DETAILED INCOME STATEMENT

		Group		Company	
	Note(s)	2021	2020	2021	2020
		P	P	P	P
Other operating expenses					
Administration and management fees		(290 285)	(371 859)	(290 285)	(371 859)
Advertising		(200 704)	(78 945)	(200 704)	(78 945)
Auditors remuneration - external auditors	7	(859 063)	(1 361 128)	(859 063)	(1 361 128)
Bad debts		(1 364 437)	(6 676 649)	(1 364 437)	(6 676 649)
Bank charges		(801 066)	(745 294)	(801 066)	(745 294)
Cleaning		(530 927)	81 262	(530 927)	(739 837)
Computer expenses		(418 584)	(413 128)	(418 584)	(413 128)
Consulting and professional fees		(901 517)	(794 130)	(901 517)	(794 130)
Legal and professional fees		(384 109)	(549 168)	(384 109)	(549 168)
Debt collection		(4)	-	-	-
Depreciation		(776 535)	(1 078 864)	(776 535)	(1 078 864)
Employee costs		(16 989 051)	(15 716 988)	(16 989 051)	(15 716 988)
Teas and refreshments		(8 016)	(1 644)	(8 016)	(1 644)
Corporate social responsibility		(23 895)	-	(23 895)	-
Listing expenses		(87 300)	(80 500)	(87 300)	(80 500)
Training levy		(365 057)	(176 568)	(365 057)	(176 568)
Fines and penalties		(242 365)	-	(242 365)	-
Impairment		-	(8 350 979)	-	-
Insurance		(188 628)	(545 951)	(188 628)	(545 951)
IT expenses		(568 575)	(568 835)	(568 575)	(568 835)
Lease rentals on operating lease		(296 874)	(374 862)	(296 874)	(374 862)
Motor vehicle expenses		(328 351)	(254 386)	(328 351)	(254 386)
Electricity and water		(863 195)	(1 082 878)	(863 195)	(1 082 878)
Other expenses		55 066	456 582	55 066	456 582
Postage		(107 479)	(143 275)	(107 479)	(143 275)
Printing and stationery		(1 607 218)	(1 340 818)	(1 607 218)	(1 340 818)
Protective clothing		(309 460)	(189 368)	(309 460)	(189 368)
Repairs and maintenance		(581 232)	(228 561)	(581 232)	(228 561)
Royalties and license fees		(2 150 405)	(1 911 155)	(2 150 405)	(1 911 155)
Secretarial fees		(8 068)	(56 841)	(8 068)	(56 841)
Security		-	(708 610)	-	(708 610)
Subscriptions		(45 000)	(56 645)	(45 000)	(56 645)
Telephone and fax		(1 376 346)	(1 053 428)	(1 376 346)	(1 053 428)
Training		(499 357)	(302 210)	(499 357)	(302 210)
Transport and freight		(1 208 598)	(870 246)	(1 208 598)	(870 246)
Travel expenses		(348 646)	(239 217)	(348 646)	(239 217)
		(34 675 281)	**(45 785 286)**	**(34 675 277)**	**(38 255 406)**

The supplementary information presented does not form part of the consolidated and separate financial statements and is unaudited

NOTICE AND AGENDA FOR THE 2022 ANNUAL GENERAL MEETING

Notice is hereby given that the 2022 Annual General Meeting of G4S Botswana Limited will be held at 14:00 hrs on Thursday, 30 June 2022 via Zoom Video Conferencing Platform.

A. Ordinary Resolutions

1. To read the notice convening the meeting.
2. Welcome and opening remarks by the Chairman
3. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2021 together with the Directors and Auditors report thereon.
4. To consider and ratify the distribution of dividend declared for the period of 1 January 2020 to 30 June 2021 at 19.63 thebe per share.
5. To note the retirement of Ms Gaone Macholo as a Director of the company.
6. To confirm the appointment of Mr Lourens Smit as a Director of the Company.
7. To confirm the appointment of Mr Johann Du Plooy as the Finance Director of the Company.
8. To ratify the remuneration paid to Non-Executive Directors for the year ended 31 December 2021.
9. To ratify the remuneration paid to the auditors, PricewaterhouseCoopers for the year ended 31 December 2021.
10. To appoint Deloitte as auditors for the ensuing year ending 31 December 2022 and authorize the Directors to fix their remuneration.

B. Special Resolution

11. To consider and, if thought fit, pass with or without amendment in terms of Section 128 of the Companies Act Cap 42:01 and ratify the donations made by the Company for the year ended 31 December 2021.

C. Any Other Business

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

Voting and Proxies

Any member entitled to attend and vote may appoint a proxy (who need not be a member of the company) to attend and vote for him/her on his/her behalf. The proxy form must be forwarded at or posted to reach the Company Secretary at the below stated address not less than 48 hours before the meeting. Grant Thornton is authorized to receive and count postal votes.

By order of the Board
Company Secretary
Grant Thornton Business Services (Pty) Ltd
Acumen Park
Plot 50370, Fairgrounds Office Park
P. O. Box 1157
Gaborone

9 June 2022

PROXY FORM
FOR COMPLETION BY HOLDERS OF ORDINARY SHARES

I / We_________________________________of address_____________________________________ (Hereinafter referred to as the "Shareholder") hereby appoint:

(____________________________________)
(Hereinafter referred to as the "**Representative**")

as my proxy to attend, speak and vote on its behalf at the Annual General Meeting of the Company to be held on the 30th day of June 2022 at 1400hrs and at any adjournment of the meeting.

The Shareholder hereby directs its Representative to vote as follows on the following resolutions as it has indicated by the marking of the appropriate box with an "X".

Resolutions		For	Against	Abstain
ORDINARY RESOLUTIONS				
a	To consider and approve the audited annual financial statements for the financial year ended 31 December 2021 together with the Directors and Auditors report thereon.			
b	To consider and ratify of the dividend distribution for the period of 1 January 2020 to 30 June 2021 at P19.63 per share.			
c	To confirm the appointment of Mr Lourens Smit as a member to the board of directors of the company:			
d	To confirm the appointment of Mr Johann Du Plooy as the Finance Director of the company:			
e	To ratify the remuneration paid to Non-Executive Directors for the year ended 31 December 2021.			
f	To ratify the remuneration paid to the auditors, PricewaterhouseCoopers for the year ended 31 December 2021.			
g	To appoint Deloitte as auditors for the ensuing year ending 31 December 2022 and authorize the Directors to fix their remuneration.			
	SPECIAL RESOLUTION			
h	To consider and approve the donations made by the Company for the year ended 31 December 2021.			

Signed for and on behalf of the Shareholder at ___________________________ on this the _____ day of ______________2022:

Signature ____

Assisted by (where applicable) ________________________________

PROXY FORM
FOR COMPLETION BY HOLDERS OF ORDINARY SHARES

GUIDELINES

Each shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the shareholder at the Annual General Meeting and the proxy so appointed need not be a member of the company.

Please read notes 1-7 below.

1 A shareholder must insert the names of two alternative proxies of the Shareholders choice in the space provided with or without deleting "Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those names follow.

2 A 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 his/her proxy.

3 The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting.

4 The Chairman of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.

5 An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

6 The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.

7 Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/ her guardian.

G4S [BOTSWANA] LIMITED
P. O. Box 1488, Gaborone
Plot 20584, Western Bypass
Gaborone, Botswana

Telephone: [+267] 369 8000
Facsimile: [+267] 391 2779
Email: head.office@bw.g4s.com