

Strategic Case Study Examination

May - August 2024

Pre-seen material

SEFWELL

Context Statement

We are aware that there has been, and remains, a significant amount of change globally. To assist with clarity and fairness, we do not expect students to factor these changes in when responding to, or preparing for, case studies. This pre-seen, and its associated exams (while aiming to reflect real life), are set in a context where current and on-going global issues have not had an impact.

Remember, marks in the exam will be awarded for valid arguments that are relevant to the question asked. Answers that make relevant references to current affairs will, of course, be marked on their merits.

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Introduction

Saefwell is a quoted company that offers advice and support on corporate security and enterprise risk management. The company offers a number of different services, ranging from the provision of security guarding to consulting on enterprise risk management. Consultancy activities range from advising on systems to counter security threats (both physical and cyber) to the provision of intelligence and investigations intended to address evolving threats.



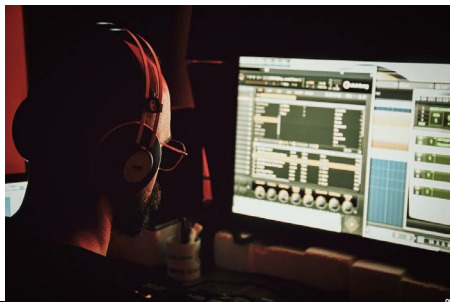
You are a senior manager in Saefwell’s finance function. You report directly to the Board and advise on special projects and strategic matters.

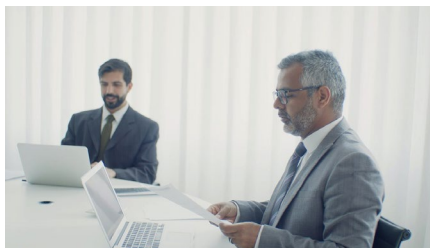



Saefwell operates on a global basis, with regional offices in several countries. Its head office is in Barrland, a developed country that has an active and well-regulated stock exchange. Barrland’s currency is the B\$. Barrland requires companies to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

Security industry

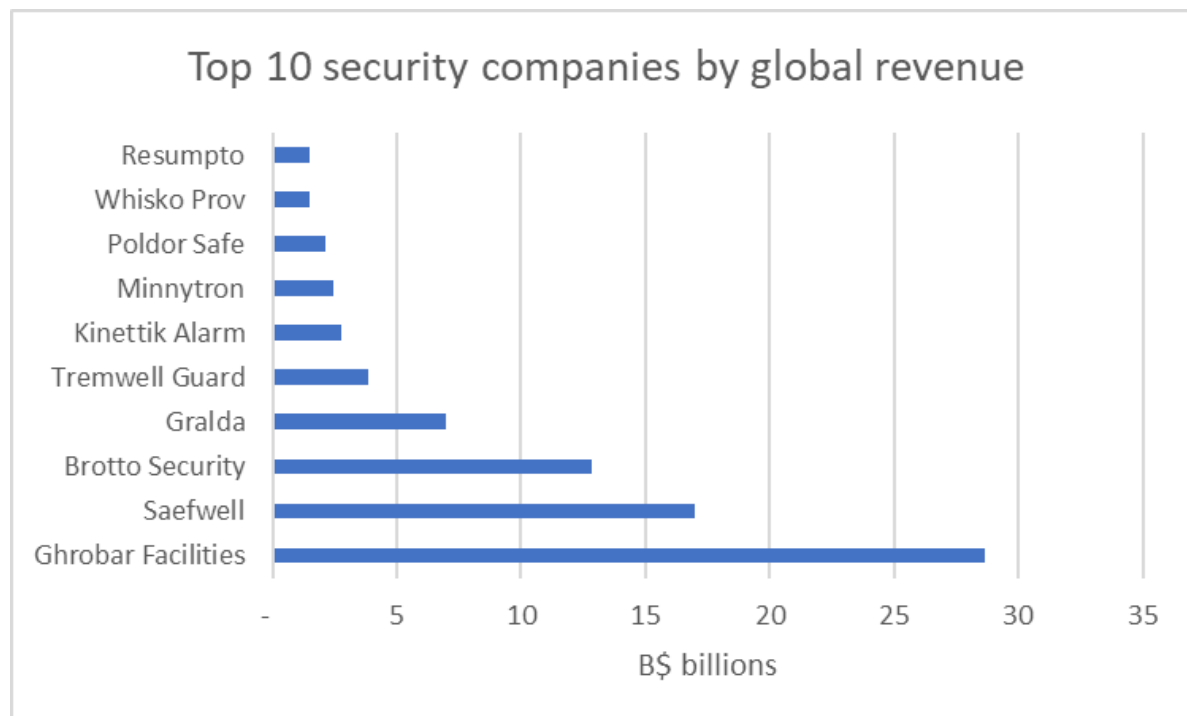
The modern-day security industry dates back to the middle of the 19th century. Previously, security companies provided little more than physical protection for individuals and for property. By the mid-1800s, security companies started to offer intelligence-led services, primarily focussing on protecting clients from loss. These services included counter-espionage and fraud investigation.

Typically, a major security company will offer some or all of the following services:

<p>On-site guarding</p> 	<p>Clients often outsource their physical security arrangements to security companies.</p> <p>On-site guarding can take several forms, including:</p> <ul style="list-style-type: none"> • Staffing reception desks and other entrances, checking visitors' credentials. • Patrolling clients' premises, detecting intruders. • Providing security staff for retail shops, either in uniform or in plain clothes, to discourage theft of goods. <p>Security staff report any suspected criminal activity to the police. They do not have law enforcement powers.</p>
<p>Mobile guarding</p> 	<p>Mobile guarding uses vehicle patrols to visit client premises at random intervals while they are unoccupied. Security guards check that doors are locked and that there are no signs of forced entry.</p> <p>Guards check in by phone or radio to confirm that a check has been undertaken and that everything is secure.</p>
<p>Remote services</p> 	<p>Clients can pay to have their electronic security systems monitored when their premises are unoccupied. Security companies have control rooms that receive any notifications of intrusion from client systems.</p> <p>Staff are trained to respond to any alarms, usually by notifying both the police and a designated contact, such as a manager who has a key to the property.</p>

<p>Corporate investigations</p> 	<p>Most large security companies can carry out specific investigations tailored to a client’s needs. For example:</p> <ul style="list-style-type: none"> • Counter-espionage, including the investigation of suspicions that intellectual property has been copied and is being abused by a third party. • Fraud investigations, including the collection of evidence relating to suspicions that an employee or other stakeholder has defrauded the company. • Vetting potential appointees, such as individuals who are being considered for appointment to senior positions within an organisation. These investigations will involve a thorough investigation of that person’s background and character. <p>Security companies employ trained investigators to carry out these assignments.</p>
<p>Risk management</p> 	<p>Security companies can provide consultancy support, advising management concerning strategic risks, both in terms of identification and mitigation.</p> <p>Security companies compete with other consultants, such as management consultancies, for such work. Security companies generally focus on risk management and the development of controls and other procedures for the management of risks.</p>
<p>Security assessment</p> 	<p>Security companies are often asked to evaluate existing corporate security systems, both physical security and cyber security. Such evaluations can be based on the study of the systems that are in place or they can involve attempts to breach systems through the identification and exploitation of weaknesses.</p>
<p>Training</p> 	<p>Security companies can provide courses for management and staff at all levels within the organisation, ranging from practical training for the client’s security guards to training in enterprise risk management for senior managers and board members.</p>

Some security companies combine security services with facilities management, rather than focussing exclusively on security services. For example, Ghrobar Facilities provides its clients with a wide variety of services such as cleaning and property maintenance, in addition to on-site guarding, mobile guarding and remote services. Saefwell has the second-highest global revenues of all security companies.



Some security companies specialise in intelligence-led services. Resumpto, Whisko Prov and Poldor Safe focus on advising and training clients.

Minnytron, Kinettik Alarm and Tremwell Guard focus on protecting client staff and property, through on-site guarding, mobile guarding and remote services.

Gralda, Brotto Security and Saefwell focus on security, offering both physical protection and intelligence-led security.

Physical security services

Physical security services involve the provision of trained staff to undertake one or more security duties. These range from staffing the reception areas in clients' offices, checking the credentials of staff and visitors seeking entry, to the provision of roving patrols in warehouses and factories, asking potential intruders to explain their presence.

Many countries have legislation that requires security staff to be licensed if they are employed to carry out "front-line" work on behalf of third parties. Licences are required for:

- guarding property against theft, damage or unauthorised access
- operating surveillance equipment, such as closed-circuit television (CCTV) feeds, to guard premises or protect people from assault
- holding keys on behalf of third parties.

Licences are granted to applicants who have completed an approved training course and have passed the course assessments. The government's licensing authority then carries out a criminal record check, which confirms that applicants for licences have not been convicted of offences that are inconsistent with security work, such as crimes involving dishonesty or

violence. Licence holders must inform the licensing authority if they are charged or convicted of a criminal offence.

Licences are not normally required for security staff who are employed directly by the company that uses their services.

Global security companies such as Saefwell and Ghrobar Facilities tend to restrict their provision of physical security services to countries where their staff are unlikely to be at serious risk of physical harm. Their security staff are not expected to carry weapons such as firearms, pepper spray and batons.

Security staff do not have the same powers as police officers. Police officers have the power to arrest individuals if they have reasonable grounds to believe that they have committed criminal offences. Most security companies train their staff to contact the police if they suspect that a crime is being committed and to observe and record events from a safe distance where possible. Security staff are not normally expected to use force to subdue a thief or attacker. The law does, however, permit all citizens, regardless of whether they are employed in a security role, to use reasonable force when acting in self-defence or when apprehending criminals who would otherwise escape justice.

Security companies carry out their own risk assessments before committing staff. They may refuse to accept assignments that would place staff in physical danger unless that danger can be mitigated through training or the adoption of safe working practices. For example, staff being asked to patrol warehouses where goods are being loaded and unloaded should be issued with high visibility jackets, safety helmets and steel-toed work boots to reduce the risk of injury in that environment. Reception staff in city centre offices may require little more than uniforms that identify them as security staff and radios with which to summon assistance.

Intelligence-led services

Intelligence-led services tend to require specialist consultants. Clients will usually be seeking advice on specific matters that require considerable expertise.

For example, a client might want some reassurance that its security systems are effective and could ask a security company to attempt to gain access without being detected. That could involve using a team of security experts to use the same techniques that would be employed by criminals or unscrupulous business rivals to gain unauthorised access. Evidence of weaknesses might then be presented to senior management, perhaps by showing them photographs of sensitive documents.

Clients might make a similar request to test the security of online systems. Again, consultants would apply the same techniques used by hackers in order to attempt to access or disrupt the operation of clients' IT systems. The objective of such an exercise is hopefully to confirm that the targeted systems and files are not vulnerable, although a successful attempt to hack the system will alert the client as to the system's shortcomings and allow a solution to be developed.

Assignments may be relatively unstructured. For example, a client may be considering locating a new factory in a foreign country that is emerging as an inexpensive location in which to do business. The client may be concerned about both the financial risks associated with investing in this country and the health and safety risks associated with asking managers and staff to base themselves there. A security company might use a combination of desk research and site visits to investigate the risks and to provide the client with a report on the political, economic and health and safety risks.

Security companies recruit consulting staff from a variety of different backgrounds, taking account of the services that they offer and the associated skills that are required. Training and experience from disciplines such as auditing will be useful in ensuring that staff can offer

expertise in areas such as IT security and fraud investigation. Some assignments also require strong interpersonal skills. For example, the easiest way to enter a secure site is to persuade a security guard to permit access. If consultants can trick guards into letting them in, then so can intruders. Similarly, hackers often ask members of staff for their usernames and passwords and use these to access IT systems.

Intelligence-led security services tend to focus on strategic or governance matters and are intended to provide clients' boards with the assurance that they require with regard to strategic or governance risks. The open-ended nature of the work that these firms can undertake often puts them in competition with management consultants, accountancy firms and other professional entities.

Saefwell


Saefwell was founded in 1920 as a security company, specialising in providing guards to protect clients' premises. The company continues to offer physical security services, currently employing 460,000 security staff worldwide, operating in 74 countries.



Saefwell has been a major provider of intelligence-led risk management services since the 1970s. The company now employs 22,000 risk management consultants, most of whom are based in the company's head office in Barrland's Capital City and at four regional offices around the world. Risk management consultants expect to travel to assignments, enabling the company to provide almost worldwide coverage for its intelligence-led services. Saefwell has completed consultancy and training projects in 132 countries over the past 20 years.

The company was quoted on the Barrland Stock Exchange in 1991.

Saefwell provides its own training programmes for security guards, ensuring that all exceed the minimum requirements for licensing purposes in their home countries. The company provides ongoing training to ensure that all security staff are aware of their responsibilities and can fulfil those in a safe and professional manner. Saefwell also pays well, exceeding competitor's hourly rates of pay by as much as 10%.

Saefwell provides the following physical security services:

<p>Reception</p> 	<p>Large office buildings usually have security measures in place to ensure that only employees and legitimate visitors can obtain access. Those measures might include requiring staff to operate a gate using their staff pass or identity card and asking visitors to sign in at a reception desk, where they are given temporary passes after having their credentials checked.</p> <p>Saefwell uses experienced staff to provide reception services because intruders could gain access to sensitive information and could pose a threat to senior managers.</p>
<p>Site security</p>	<p>Companies often employ security guards to protect factories and storage sites to prevent theft and safeguard staff. Procedures can include checking the credentials of employees and visitors who wish to access the site, checking vehicle loads to ensure that despatches of goods have been authorised and patrolling sites to check that everything is in order.</p>

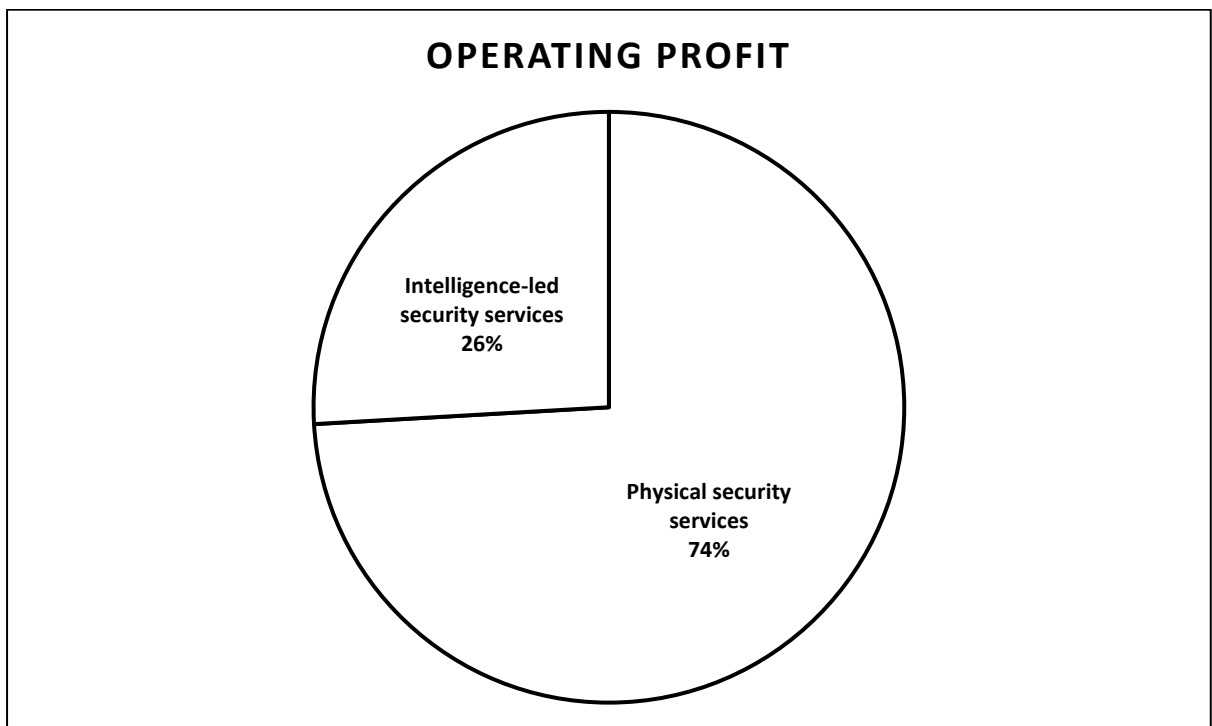
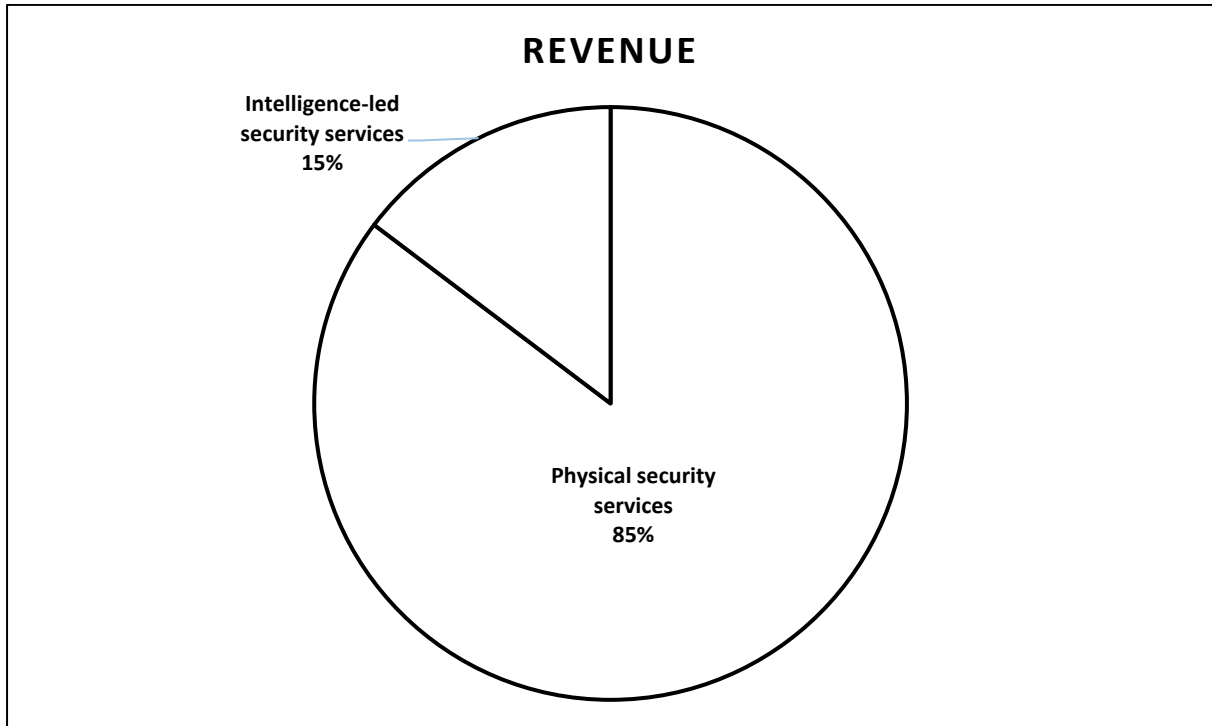
	<p>Many of Saefwell’s site security staff have previously served in the military and have the ability to use their initiative when faced with a challenge.</p>
<p>Retail security</p> 	<p>Supermarkets and other large retailers can lose significant amounts of goods, and therefore revenue, due to theft by shoppers and shop staff. Saefwell can provide support by providing teams of security staff to deter theft. Security officers can be uniformed in order to provide visible deterrence or dressed in plain clothes to mingle with customers in order to watch covertly for theft.</p> <p>Saefwell’s shop security staff are trained to gather evidence that can be used to prosecute thieves. They call the police when they identify cases of theft.</p>

Saefwell provides the following intelligence-led security services:

<p>Risk advisory service</p>	<p>Saefwell’s clients often seek independent advice on the risks associated with strategic business decisions. External specialist consultants might be better informed about potential risks and may be able to alert the board to risks that have been overlooked.</p> <p>Saefwell maintains a detailed database of the threat profiles associated with doing business in 97 countries and so can advise on strategic risks associated with international expansion, either through investment or by conducting new business with foreign suppliers or customers.</p> <p>Saefwell’s consultants are also experienced in developing risk assessments associated with other factors, such as entering new industries or launching new products.</p> <p>The firm has considerable expertise in gathering information from online sources, including social media and the dark web. If requested, Saefwell’s consultants can determine whether there is any reason to believe that the client’s business is under</p>
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	<p>threat. For example, there could be indications that environmentalists have targeted a client for protests.</p>
Corporate investigations	<p>Saefwell can plan and conduct a tailored investigation to address any concerns that clients have with respect to operations or business relationships.</p> <p>Investigations can focus on a wide range of possible issues:</p> <ul style="list-style-type: none"> • Suspected fraud by a member of staff. Fraud investigations may seek to identify the culprit if assets have gone missing. Clients may also have a clear idea of the identity of a fraudster but wish to gather evidence that would justify dismissal or the pursuit of criminal charges. • The accuracy of information provided in the course of a business relationship, such as checking whether royalty payments are being made in full. • Investigating the accuracy of information provided by a key job applicant, including the validity of claims about education and prior work experience.
Penetration testing	<p>Saefwell’s consultants can evaluate clients’ security systems, both physical and online.</p> <p>Security checks can involve documenting and reviewing control systems, looking for weaknesses and advising on improvements.</p> <p>Penetration tests of IT systems can involve the use of social engineering to obtain access to clients’ systems. For example, consultants might attempt to trick staff into revealing their IT system login details. Systems are clearly at risk if they succeed.</p>
Training	<p>Saefwell’s consultants are frequently asked to provide training to update technical skills and knowledge of clients’ managers in roles that involve risk management.</p> <p>Clients also seek training to inform and equip senior managers and directors who have responsibility for supervising controls and risk management procedures.</p> <p>All of Saefwell’s consultants have the necessary skills to facilitate training courses in their areas of expertise. Using its consultants in this role enables Saefwell to ensure that its training courses make the best possible use of its consultants’ experience.</p>

Saefwell relies on both physical and intelligence-led security services. The following analysis is based on the company’s financial performance for the financial year ended 31 December 2023:



Extracts from Saefwell's annual report

Saefwell's mission, vision and values

Our mission

Saefwell's mission is to provide clients with the security solutions and services that they require in order to be able to focus on their core businesses.

Our vision

Saefwell's vision is to be the security industry's most trusted service provider.

Our values

- Saefwell is responsive.
- Saefwell is innovative.
- Saefwell treats its employees with respect and cares about their safety.

Saefwell's Board of directors

Dr Pratima Thakali, Non-Executive Chair

Pratima holds a doctorate in finance. She had a successful career in banking, including a period in which she served as chief executive for a major commercial bank. She retired from banking in 2020, joining Capital City University as a visiting professor in banking and financial services.

Pratima joined Saefwell as Non-Executive Chair in 2022.

Greg Hainge, Chief Executive Officer (CEO)

Greg is a qualified accountant. He trained as an auditor with a large accountancy firm, rising to the position of that firm's managing partner for Barrland. Greg left the firm to join Saefwell as CFO in 2019.

Greg was promoted to the position of Saefwell's CEO in 2021.

Bai Jing, Director of Physical Security Services

Bai has a master's degree in human resource management. She has worked as a human resources manager in several large companies. She joined Saefwell as a senior manager in human resources in 2018, with specific responsibility for physical security staff.

Bai was promoted to Saefwell's Board as Director of Physical Security Services in 2022.

Murat Aydin, Director of Intelligence-led Security Services

Murat has a degree in computer science and spent his early career working in systems development for a major bank. He has also served as a computer audit specialist with a major accountancy firm. Murat joined Saefwell in 2016 as a senior consultant in IT security.

Murat was promoted to Saefwell's Board as Director of Intelligence-led Security Services in 2021.

Sabine Anselm, Chief Finance Officer (CFO)

Sabine has a degree in economics and is a qualified accountant. She has worked for several manufacturing companies and spent several years working overseas before returning to Barrland in 2015 to join Saefwell as a senior manager in finance.

Sabine was promoted to CFO in 2022.

John Sokosi, Director of Legal, Risk and Business Ethics

John has a bachelor's degree in law and a master's degree in international law. He is a qualified lawyer. He spent much of his career working for a commercial law firm, before moving to an insurance company as its in-house lawyer. John joined Saefwell's Legal Department in 2019.

John was promoted to Saefwell's Board as Director of Legal, Risk and Business Ethics in 2020.

Professor Martine Anderson, Senior Independent Director

Martine had a successful academic, teaching and researching in international business before being promoted to the position of assistant principal at Central City Technical University. Martine retired from academia in 2020.

Martine joined Saefwell's Board as Senior Independent Director in 2021.

Nils Fall, Independent Non-Executive Director

Nils was a senior actuary with an insurance company, being promoted to assistant director in 2015. He retired from the insurance industry in 2019. He has an active interest in the arts, currently serving as a Board member of Barrland National Opera.

Nils joined Saefwell's Board in 2023.

Magdalena Markowska, Independent Non-Executive Director

Magdalena has worked in procurement for a major car manufacturer. She has held a number of specific roles, including being responsible for the smooth operation of the manufacturer's supply chain. Magdalena retired from full-time employment in 2019. She has since served on the Board of a major international charity.

Magdalena joined Saefwell's Board in 2022.

Board responsibilities

Greg Hainge Chief Executive Officer			
Bai Jing Director of Physical Security Services	Murat Aydin Director of Intelligence-led Security Services	Sabine Anselm Chief Finance Officer (CFO)	John Sokosi Director of Legal, Risk and Business Ethics
<ul style="list-style-type: none"> Business development for physical security clients Human resource management for physical security staff 	<ul style="list-style-type: none"> Business development for intelligence-led security clients Human resource management for intelligence-led security staff 	<ul style="list-style-type: none"> Financial reporting Management accounting Treasury 	<ul style="list-style-type: none"> Health and safety Compliance Enterprise risk management for Saefwell

	Board committees			
	Audit	Risk	Remuneration	Nomination
Dr Pratima Thakali Non-Executive Chair	◆	◆		◆
Professor Martine Anderson Senior Independent Director		◆	◆	◆
Nils Fall Independent Non-Executive Director	◆		◆	◆
Magdalena Markowska Independent Non-Executive Director	◆	◆	◆	

Saefwell’s Chief Internal Auditor reports to the convener of the Audit Committee.

Saefwell’s Principal Risks

Risk impact	Risk mitigation
<p>Both physical security services and intelligence-led security services rely heavily on Saefwell’s ability to recruit and train large numbers of suitable staff. Staffing needs are constantly growing, both in terms of staff numbers and the skills that are required for the increasingly sophisticated assignments that Saefwell agrees to undertake.</p>	<p>Saefwell has strong human resources policies in place to deal with screening new staff to ensure that they have the required skills, experience and character.</p> <p>Saefwell monitors staff turnover closely and is responsive to emerging concerns about staff retention. The firm provides industry-leading training and rewards for staff at all levels.</p>
<p>The nature of physical security and some intelligence-led services expose staff to health and safety risks.</p> <p>Physical security assignments can require staff to work in dangerous environments and may require employees to confront intruders.</p> <p>Consultants on intelligence-led assignments may be exposed to health risks associated with foreign travel. They may also be required to simulate breaches of clients’ properties.</p>	<p>All assignments are subject to rigorous risk assessments. Saefwell refuses contracts where the risks are deemed unacceptable.</p> <p>Staff are trained to operate in specific high-risk environments as appropriate to their assignments and are issued with all necessary safety equipment.</p> <p>Consultants are briefed on all risks associated with travel and are provided with all necessary vaccinations. There are strict protocols in place to address risks arising from simulated breaches.</p>
<p>Providing risk management services exposes Saefwell to reputational risk in the event of an alleged failure.</p> <p>The provision of physical security services creates the risk of injury to security staff, client staff and third parties (including bystanders and alleged perpetrators). There is also the risk associated with the loss or destruction of property or premises that are under Saefwell’s protection.</p> <p>Intelligence-led security services could leave the company’s reputation at risk in the event of allegations that clients were advised poorly or that investigations were conducted and reported in a negligent manner.</p>	<p>Saefwell’s risk assessments prior to the acceptance of any assignment take the risk of reputational damage into consideration. Assignments may be refused if the risk of alleged failure is high.</p> <p>Assignments, both physical security and intelligence led, are staffed by suitably trained and experienced guards and consultants. Additional training and equipment are provided where necessary.</p> <p>Consulting teams engaged in intelligence-led security services are well supervised and any reports that are to be presented to clients are reviewed by senior staff before they are submitted.</p>
<p>Saefwell enters into complex, long-term and high-value contracts with clients, particularly in relation to physical security services. Contract terms can prove onerous. For example, foreign contracts may be billed in clients’ currencies.</p>	<p>All contracts are subject to detailed review by in-house legal staff. Ongoing contracts are reviewed regularly and any adverse issues are identified and managed where possible.</p>
<p>Saefwell is subject to information security risks. The company holds files relating to the security and strategic management of many large clients.</p>	<p>The company has invested heavily in the latest cyber controls and defences. All risks are monitored on an ongoing basis and mitigated immediately.</p>

Saefwell Group
Consolidated statement of profit or loss
for the year ended 31 December

	2023	2022
	B\$ million	B\$ million
Revenue	16,840	15,830
Operating costs	<u>(14,146)</u>	<u>(13,378)</u>
Operating profit	2,694	2,452
Finance costs	<u>(200)</u>	<u>(200)</u>
	2,494	2,252
Tax expense	<u>(399)</u>	<u>(360)</u>
Profit for the year	<u><u>2,095</u></u>	<u><u>1,892</u></u>

Saefwell Group
Consolidated statement of changes in equity
for the year ended 31 December 2023

	Share capital	Retained earnings	Currency reserve	Total
	B\$ million	B\$ million	B\$ million	B\$ million
Opening balance	500	2,667	(360)	2,807
Profit for year		2,095		2,095
Dividend		(1,869)		(1,869)
Loss on translation			(11)	(11)
Closing balance	<u>500</u>	<u>2,893</u>	<u>(371)</u>	<u>3,022</u>

Saefwell Group
Consolidated statement of financial position
as at 31 December

	2023	2022
	B\$ million	B\$ million
Assets		
Non-current assets		
Property, plant and equipment	1,337	998
Goodwill	2,028	2,028
Other intangible assets	1,304	1,388
	<u>4,669</u>	<u>4,414</u>
Current assets		
Trade receivables	1,940	1,898
Bank	1,684	1,572
	<u>3,624</u>	<u>3,470</u>
Total assets	<u><u>8,293</u></u>	<u><u>7,884</u></u>
Equity		
Share capital	500	500
Currency reserve	(371)	(360)
Retained earnings	2,893	2,667
	<u>3,022</u>	<u>2,807</u>
Liabilities		
Non-current liabilities		
Borrowings	2,000	2,000
Current liabilities		
Trade payables	2,870	2,714
Tax liability	401	363
	<u>3,271</u>	<u>3,077</u>
Total equity and liabilities	<u><u>8,293</u></u>	<u><u>7,884</u></u>

Extract from competitor's financial statements

Brotto Security Group is one of four security companies based in Barrland that offers both physical security services and intelligence-led services. Like Saefwell, it focusses on security and does not offer other types of services, such as facilities management. Saefwell and Brotto Security frequently compete for the same assignments.

Brotto Security Group **Consolidated statement of profit or loss** **for the year ended 31 December**

	2023	2022
	B\$ million	B\$ million
Revenue	12,796	12,156
Operating costs	<u>(11,005)</u>	<u>(10,576)</u>
Operating profit	1,791	1,580
Finance costs	<u>(180)</u>	<u>(180)</u>
	1,611	1,400
Tax expense	<u>(258)</u>	<u>(224)</u>
Profit for the year	<u><u>1,353</u></u>	<u><u>1,176</u></u>

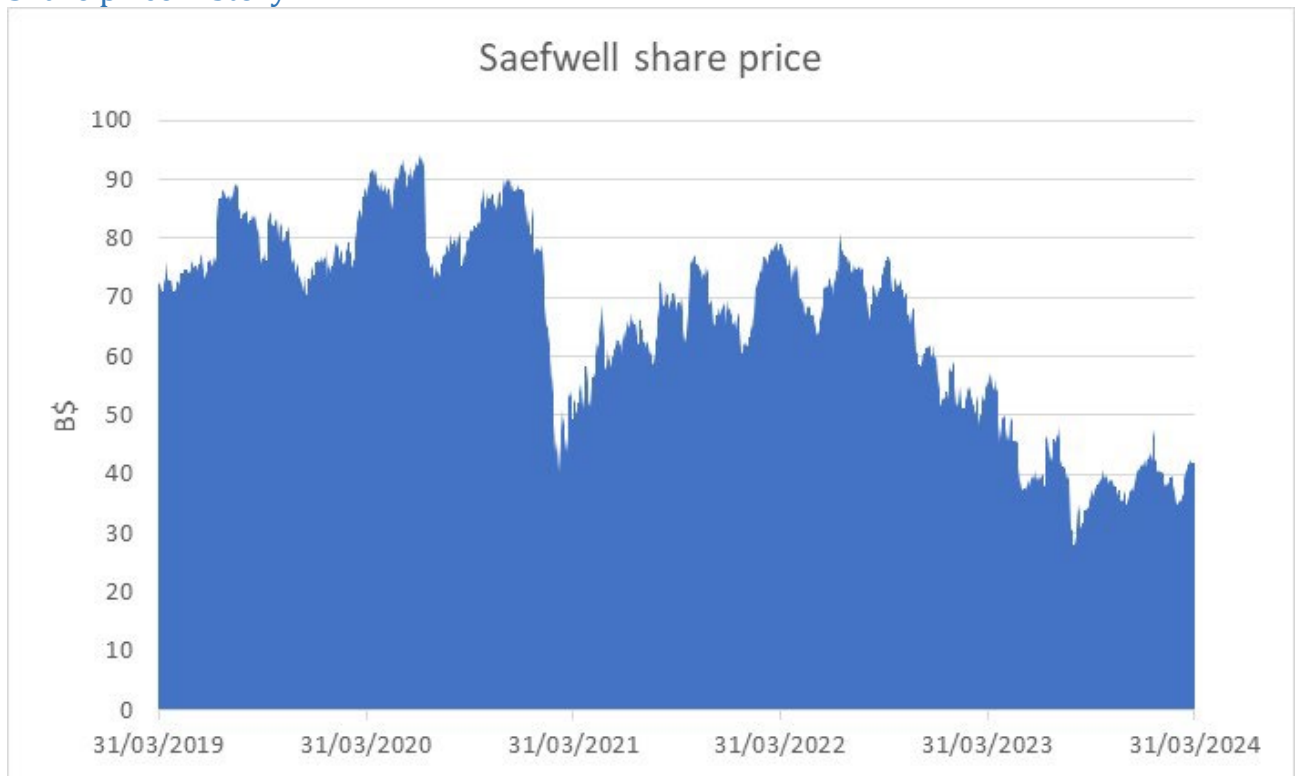
Brotto Security Group **Consolidated statement of changes in equity** **for the year ended 31 December 2023**

	Share capital	Retained earnings	Currency reserve	Total
	B\$ million	B\$ million	B\$ million	B\$ million
Opening balance	450	1,285	(261)	1,474
Profit for year		1,353		1,353
Dividend		(1,169)		(1,169)
Loss on translation			(8)	(8)
Closing balance	<u><u>450</u></u>	<u><u>1,469</u></u>	<u><u>(269)</u></u>	<u><u>1,650</u></u>

Brotto Security Group
Consolidated statement of financial position
as at 31 December

	2023	2022
	B\$ million	B\$ million
Assets		
Non-current assets		
Property, plant and equipment	1,248	1,186
Goodwill	1,570	1,570
Other intangible assets	1,271	1,252
	<u>4,089</u>	<u>4,008</u>
Current assets		
Trade receivables	1,474	1,455
Bank	786	664
	<u>2,260</u>	<u>2,119</u>
Total assets	<u><u>6,349</u></u>	<u><u>6,127</u></u>
Equity		
Share capital	450	450
Currency reserve	(269)	(261)
Retained earnings	1,469	1,285
	<u>1,650</u>	<u>1,474</u>
Liabilities		
Non-current liabilities		
Borrowings	1,800	1,800
Current liabilities		
Trade payables	2,640	2,627
Tax liability	259	226
	<u>2,899</u>	<u>2,853</u>
Total equity and liabilities	<u><u>6,349</u></u>	<u><u>6,127</u></u>

Share price history

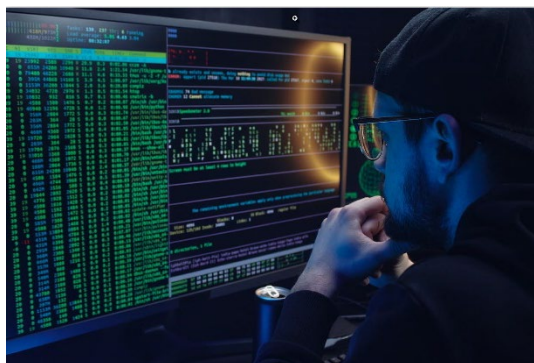


Saefwell's beta is 0.88.

News stories

Barrland Telegraph

New rules require better reporting of digital risks



The Barrlandian Stock Exchange has announced new disclosure rules that will require all companies quoted on the Exchange to include disclosures on digital security and strategy in their annual reports. These new rules are a response to recent scandals involving major corporations who have failed to protect customers' personal data or who have been subject to successful cyber-attacks.

The new legislation will require companies to provide annual disclosures to confirm that they have adequate strategies in place in relation to digital security. Companies will have to confirm that risks have been assessed and that responsibility for their management has been allocated to appropriate managers.

Companies will also be required to disclose details of events in which attempts were made to breach digital security, regardless of whether those attempts were successful. Those disclosures will indicate whether those events have revealed shortcomings in the company's systems and controls.

A spokesperson for the Barrlandian Stock Exchange commented that these new disclosures will be valuable in informing shareholders about the risks relating to digital security.

The new disclosures will become mandatory for financial years ending on or after 31 December 2025.

Barrland Telegraph

Steady demand for forensic accountants



The word forensic is generally associated with the application of scientific methods to the collection of evidence that can be presented in court. Forensic accounting is a branch of accounting that deals with the collection and presentation of evidence that might be presented in either a civil or criminal case.

Civil cases might involve drafting reports that attach values to claims that may be in dispute. For example, a business could pay a forensic

accountant to estimate the losses attributable to an accident that has interrupted production. That estimate could be used to negotiate compensation with the business's insurer and might be presented in court in the event that a satisfactory agreement cannot be reached.

Criminal cases might require a combination of both accounting skills and the rules of evidence that apply in the criminal courts. For example, if a member of staff is under suspicion of fraud, a forensic accountant might gather evidence by reading the files on the suspect's company laptop. A forensic accountant would have the skills required to examine the laptop in such a way that the suspect cannot complain that files have been altered or that evidence has been fabricated.

Forensic accounting can take many different forms and forensic accountants are always in demand. Most forensic accountants specialise in investigations relating to valuing losses arising from civil cases or gathering evidence for use in criminal cases. One aspect of forensic accounting that is growing in demand is the provision of litigation support, which can involve the use of forensic accountants who specialise in appearing in court as expert witnesses. That may involve giving evidence that clarifies the meaning of reports and investigations to make them clear and understandable to the jury.

Barrland Daily

Bank security guard tackles robbers



A bank security guard was congratulated by senior police officers for his part in apprehending two ruthless bank robbers. The guard was on duty at the entrance to the Glowtown branch of Barrland Prudential Bank when two masked robbers armed with batons pushed past him and demanded that bank staff surrender the cash from their tills.

The security guard activated the bank's alarm and disarmed both robbers, subduing them and tying their wrists together until the police arrived and took charge of the scene. No customers were injured.

The security guard served in the Barrlandian Army, where he was trained in unarmed combat.

A professor of law at Central City University told the Barrland Daily that security guards do not have the same powers of arrest as the police. They are, however, citizens and so are permitted to use "reasonable force" to defend themselves and others from violence and to prevent criminals from escaping. It is highly unlikely that the security guard could be charged with assault in these circumstances, unless the force used to subdue the robbers was deemed excessive.

Barrland Daily

Justice Minister denies that police are underpaid



Barrland's Justice Minister has been criticised for underpaying members of the Police Service. Retention rates are declining across the country, with experienced officers resigning in response to poor pay and stressful work conditions.

The Minister expressed concern that it is difficult for the Police Service to remain competitive with private sector employers. For example, security companies frequently offer higher salaries for shorter working hours. Many police officers find it difficult to resist such opportunities.

Similar concerns have been noted by Barrland's military. Fewer members of the Army, Navy and Air Force are extending their contracts to remain in their chosen services. Again, many are tempted by superior rewards being offered in the private sector.

A government source admitted that the loss of experienced personnel was a problem, particularly when they have specialised skills, such as pilots or medical staff.

Barrland Daily

Take care when installing security cameras



Homeowners have been warned to take care when installing security cameras on their properties. These devices are becoming increasingly popular, being cheap to buy and easy to install. Sensors built into the cameras detect motion and trigger both audio and video recording, with the resulting files being uploaded to the Cloud. These cameras discourage burglars and other intruders, but there are concerns about the legality of

their recordings. In some circumstances, homeowners may be breaking strict laws designed to protect privacy and personal data.

Barrland is one of many countries that protects access to individuals' personal data. Legislation makes it a crime to collect data without permission. "Data" includes video footage collected by closed-circuit television (CCTV) systems. The law was intended to regulate the operation of commercial CCTV systems, but it also applies to domestic security cameras.

A lawyer advised the Barrland Daily that homeowners should check the positioning of their cameras. There is unlikely to be a problem if their field of view is restricted to the homeowner's property. The homeowner could be at risk of prosecution if the camera's coverage includes public property or, worse, private property belonging to someone else. Cameras should not, for example, be able to record activity on public pavements or in neighbours' gardens.