

Revenue Recognition and Ethics Policy Awareness

Background

During the year end closing for 2010, one of Brink's subsidiaries cut off their invoice date on December 28, 2010 and did not accrue for the final 3 days of unbilled revenues. As a result, the subsidiary understated revenues in 2010 and overstated revenues in 2011. This early cut off was not brought to Regional or Corporate finance management's attention even though the effect was material to the subsidiary's 2010 earnings.

Other Issues Identified:

We learned later that some accounting employees disagreed with the accounting approach but did not reach out beyond the local management level.

Lesson Learned

In addition to the lesson learned regarding properly including revenue in the year in which it is earned, we believe the lesson to be learned from this accounting error is the importance of raising concerns to the appropriate levels of Regional or Corporate management when accounting staff disagree with local management.

The following options are available for voicing the concerns of all employees if they disagree with any accounting matter:

- Regional management is available to employees and can act as a second line of support in a situation such as the above.
- The Corporate Accounting team is always available as contacts in the event of a suspected accounting error that needs to be corrected. Brink's World Global Finance page has phone numbers for key contacts.
- If you are an individual required to sign the quarterly representation letters, those quarterly representations require you to raise any concerns you have regarding the accuracy of accounting.

Any change in accounting method, or change in business practice that has an accounting effect, such as early cut off, should be disclosed to Regional or Corporate management through one of the above options.



Learn Once, Globally: Case Study

- Ethics hotline - If you wish to voice your concerns anonymously, you may contact the Brink's ethics hotline. The hotline number is 877-275-4585 or +1 (804) 289-9612 if calling internationally. Reports to the ethics hotline are confidentially managed by the Brink's legal department and employees who disclose such information are protected from any adverse action for having reported a possible violation.