

Precision Risk and Intelligence Limited

Report & Financial Statements

For the year ended 31 December 2016

Company Registration No. 08680122



Precision Risk and Intelligence Limited
Report and financial statements
For the year ended 31 December 2016

Company Information

Company registration number:	08680122
Registered office:	Lysander House (2nd Floor) Catbrain Lane Cribbs Causeway Bristol BS10 7TQ
Directors:	E Bilney J L Coetzee J C H Pollen
Auditors:	BDO LLP Registered Auditors and Chartered Accountants 55 Baker Street London W1U 7EU

Precision Risk and Intelligence Limited
Report and financial statements
For the year ended 31 December 2016

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Precision Risk and Intelligence Limited
Directors' report
For the year ended 31 December 2016

The directors present this report and the audited financial statements for the year ended 31 December 2016.

Precision Risk and Intelligence Limited ("the Company") is a limited company incorporated in England and Wales on 6 September 2013.

Principal activity

The Company's principal activity is the supply of investigative and security services, including risk management services for organisations and individuals.

Business review

The profit for the year after taxation was £178,175 (2015: loss of £15,822). No dividends were paid or proposed in the year ended 31 December 2016 (2015: £nil).

Future outlook

The directors intend for the Company to continue its current operations.

Directors

The directors who served during the period and to the date of signing the accounts were:

A Banks	(resigned 22 September 2016)
E Bilney	
J L Coetzee	
J C H Pollen	(appointed 23 September 2016)

Strategic report exemption

The directors have taken advantage of the small companies' exemption as defined under the Companies Act 2006 from the requirement to prepare a strategic report.

Financial risk management objectives and policies

The Company's parent company, PRI Holdings Limited ("PRI Holdings"), uses financial instruments such as cash, loans, debtors and creditors in order to raise finance for the Company's operations. The existence of these instruments exposes the Company to financial risks which are detailed below.

Liquidity / cash flow risk

PRI Holdings seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and profitably. PRI Holdings and the Company as a whole monitors cash flow using forecasting techniques to ensure that all liabilities are met when due.

Interest risk

PRI Holdings monitors its banking facilities and compliance with related covenants as required. Company monies are also monitored to minimise interest charges on overdrafts and to ensure cash balances are used to offset overdrafts.

Credit risk

The principal credit risk for the Company arises from its debtors as part of its premium cash handling operations. In order to manage credit risk the directors have incorporated a range of credit control procedures to monitor debt levels and to ensure that any debts are collected as soon as reasonable possible.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to the auditor

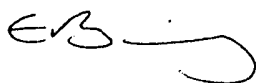
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditor is aware of that information.

Auditors

The auditors are BDO LLP, who are eligible for re-appointment.

This report was approved by the Board and signed on its behalf by:



E Bilney
Director
Date:

25th September 2017

Precision Risk and Intelligence Limited
Independent auditor's report to the member of Precision Risk and Intelligence Limited
For the year ended 31 December 2016

We have audited the financial statements of Precision Risk and Intelligence Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Precision Risk and Intelligence Limited
Independent auditor's report to the member of Precision Risk and Intelligence Limited (continued)
For the year ended 31 December 2016

Matters on which we are required to report by exception


In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

David Roberts (Senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom

Date 25 Sept 2017



BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Precision Risk and Intelligence Limited
Statement of comprehensive Income
For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	2	957,873	85,461
Cost of sales		(530,655)	(37,619)
Gross profit		427,218	47,842
Administrative expenses		(249,146)	(63,693)
Operating profit/(loss)	3	178,072	(15,851)
Interest receivable		103	29
Profit/(loss) on ordinary activities before tax		178,175	(15,822)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial period, being total comprehensive income		178,175	(15,822)

The notes on pages 8 to 12 are an integral part of these financial statements.

Precision Risk and Intelligence Limited
Statement of financial position
For the year ended 31 December 2016

	Note	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	7	761		6,834	
			761		6,834
Current assets					
Debtors	8	47,119		53,416	
Cash at bank		22,246		58,757	
		69,365		112,173	
Creditors					
Amounts falling due within one year	9	(1,208,782)		(1,435,838)	
Net current liabilities			(1,139,417)		(1,323,665)
Total assets less current liabilities			(1,138,656)		(1,316,831)
Net liabilities			(1,138,656)		(1,316,831)
Capital and reserves					
Share capital	10		100		100
Profit and loss account			(1,138,756)		(1,316,931)
Shareholders' funds			(1,138,656)		(1,316,831)

The notes on pages 8 to 12 are an integral part of these financial statements.

These financial statements are prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved by the board of directors and were signed on its behalf by:



E Bilney
Director

25th September 2017

Precision Risk and Intelligence Limited
Statement of changes in equity
For the year ended 31 December 2016

	Share capital £	Profit & loss account £	Total equity £
At 1 January 2016	100	(1,316,931)	(1,316,831)
Comprehensive income for the year			
Profit for the year	-	178,175	178,175
Other comprehensive income for the year	-	-	-
Total comprehensive income	100	178,175	178,175
Contributions by and distributions to owners	-	-	-
As at 31 December 2016	100	(1,138,756)	(1,138,656)
	Share capital £	Profit & loss account £	Total equity £
At 1 January 2015	100	(1,301,109)	(1,301,009)
Comprehensive income for the year			
Profit for the year	-	(15,822)	(15,822)
Other comprehensive income for the year	-	-	-
Total comprehensive income	100	(15,822)	(15,822)
Contributions by and distributions to owners	-	-	-
As at 31 December 2015	100	(1,316,931)	(1,316,831)

The notes on pages 8 to 12 are an integral part of these financial statements.

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

1.2 Going concern basis

The directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future.

The directors have received assurances from the Company's ultimate beneficial owner, Arron Banks, that adequate financial support will be provided to the Company in order to ensure that the Company has adequate resources to continue its operations for the foreseeable future.

Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

1.3 Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies; the directors do not consider there to be significant level of uncertainty in any estimate used in preparing these accounts.

There are no estimates and judgements that have a significant risk of causing material misstatement of the reported amounts of assets and liabilities or revenues and expenses.

1.4 Cash flow statement

The directors have taken advantage of the small companies' exemption from preparing a cash flow statement, under FRS 102 and the Companies Act 2006.

1.5 Income recognition

Turnover largely represents fees receivable for the supply of personal security services to individuals. It also includes fees receivable for the supply of investigation services, principally regarding the investigation of fraudulent insurance claims. Turnover is stated net of any discounts, returns and value added taxes. Turnover is recognised on an accruals basis to match income to specific costs incurred on the supply of investigation services which are being recharged at a mark-up.

1.6 Taxation, including deferred income taxes

The tax expense for the period recognised in the income statement comprises current tax and deferred tax.

Current tax which is payable or receivable on taxable profits or losses is recognised as an expense or credit in the period in which the profits or losses arise. The current income tax charge is calculated on the basis of the tax rates enacted or substantially enacted at the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis at rates calculated to expense the cost of each asset, less their estimated residual value, over the expected useful lives on the following basis:

- Computer hardware	3 years
- Computer software	3 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.8 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

Financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction; therefore the transaction is measured at the present value of the future receipts discounted at market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets that are measured at cost and amortised cost are assessed for objective evidence of impairment. If evidence is found, an impairment loss is recognised in the income statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount the Company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction; therefore the liability is measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expires.

Financial asset and liabilities are offset and the net amount reported in the Statement of financial position where there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.10 Creditors

Short term creditors are measured at the transaction price.

2. Turnover

All turnover arose with the United Kingdom.

Precision Risk and Intelligence Limited
Notes to the financial statements (continued)
For the year ended 31 December 2016

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets (see note 7)	6,073	9,432
Audit fees	7,800	8,100
Fees for non-audit services - tax compliance	2,000	3,500
	<u>2,000</u>	<u>3,500</u>

4. Staff costs

	2016	2015
	£	£
Wages and salaries	97,216	-
Social security costs	10,769	-
Pension costs	289	-
Staff benefits	12,705	3,758
	<u>120,979</u>	<u>3,758</u>

Staff related costs are recharged from Rock Services Limited ("Rock Services"), a related party through a common ultimate controlling party (see note 13). The directors have taken advantage of the small companies' exemption as defined under the Companies Act 2006 from the requirement to disclose information on average employee numbers.

5. Directors' emoluments

	2016	2015
	£	£
Directors' emoluments	26,634	-
	<u>26,634</u>	<u>-</u>

6. Taxation

The tax charge /(credit) on the profit for the year is higher (2015: higher) than would arise using the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016	2015
	£	£
Factors affecting the tax charge for the year:		
Profit/(loss) before tax	178,175	(15,822)
Profit/(loss) before tax multiplied by the UK corporation tax rate of 20% (2015: 20.25%)	35,635	(3,204)
Effects of:		
- Expenses not deductible for tax purposes	416	325
- Tax rate changes	7,529	25,951
- Unrelieved tax losses and other deductions arising in the period	(43,580)	(23,072)
Tax charge on profit on ordinary activities	<u>-</u>	<u>-</u>

An unrecognised deferred tax asset of £189,000 (2015: £233,251) arises on cumulative tax losses for the period.

Precision Risk and Intelligence Limited
Notes to the financial statements (continued)
For the year ended 31 December 2016

7. Tangible fixed assets	Computer hardware £	Computer software £	Total £
Cost			
At 1 January 2015	17,285	11,011	28,296
Additions	-	-	-
At 31 December 2015	17,285	11,011	28,296
Additions	-	-	-
At 31 December 2016	17,285	11,011	28,296
Depreciation			
At 1 January 2015	6,685	5,345	12,030
Charge for the year (see note 3)	5,762	3,670	9,432
At 31 December 2015	12,447	9,015	21,462
Charge for the year (see note 3)	4,288	1,785	6,073
At 31 December 2016	16,735	10,800	27,535
Net book value			
At 31 December 2015	4,838	1,996	6,834
At 31 December 2016	550	211	761
8. Debtors		2016 £	2015 £
Called up share capital not paid		100	100
Recoverable VAT		11,360	-
Trade debtors		-	5,400
Other debtors		35,659	47,916
		47,119	53,416
9. Creditors: Amounts falling due within one year		2016 £	2015 £
Trade creditors		52,588	-
Amounts owed to related parties (see note 12)		1,136,878	1,398,400
Accruals and deferred income		19,316	31,173
Current tax		-	-
VAT liability		-	6,265
		1,208,782	1,435,838

Amounts owed to related parties are unsecured, interest free and repayable on demand.

Precision Risk and Intelligence Limited
Notes to the financial statements (continued)
For the year ended 31 December 2016

10. Share capital

	2016 £	2015 £
Allotted and called up:		
100 ordinary share of £1 each	100	100

11. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	69,265	112,073
Financial liabilities		
Liabilities measured at amortised cost	1,156,194	1,435,838

12. Related party transactions

	2016 Income £	2016 Expense £	2015 Income £	2015 Expense £
Transactions with entities sharing key management				
Rock Services Limited	-	(194,427)	-	(67,056)
Year end balances arising from transactions with entities sharing key management				
	2016 Receivable £	2016 Payable £	2016 Net £	2015 Net £
<u>Recharges</u>				
Precision Risk Services Limited	-	-	-	(170,000)
Rock Services Limited	-	(194,427)	(194,427)	(67,056)
<u>Loans: Unsecured, interest free and repayable on demand</u>				
Eldon Insurance Services Limited	-	(14,583)	(14,583)	-
Rock Services Limited	-	(927,868)	(927,868)	(1,161,344)
	-	(1,136,878)	(1,136,878)	(1,398,400)

13. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is PRI Holdings Limited. The registered address is Akara Building, 21 De Castro Street, Wickhams Cay 1, Road Town, Totala, BVI.

The ultimate controlling party of PRI Holdings Limited is A Banks by virtue of his majority shareholding.