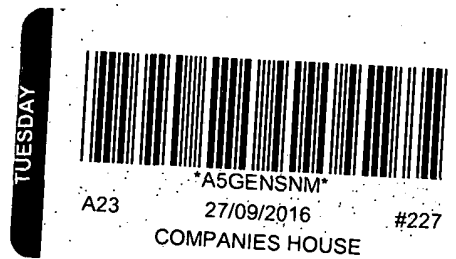


# Precision Risk & Intelligence Limited

Report & Financial Statements

For the year ended 31 December 2015



Company Registration No. 08680122

**PRECISION RISK & INTELLIGENCE LIMITED**  
**Financial Statements**  
For the year ended 31 December 2015

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**COMPANY INFORMATION**

**Company Registration Number:** 08680122

**Registered Office:** Lysander House (2<sup>nd</sup> Floor)  
Catbrain Lane, Cribbs Causeway  
Bristol  
BS10 7TQ

**Directors:** A Banks  
E Bilney  
J Coetzee

**Company Secretary:** E Bilney

**Bankers:** Barclays Bank  
53 – 55 Broadmead  
Bristol  
BS1 3EA

**Auditor:** BDO LLP  
Registered Auditors & Chartered Accountants  
55 Baker Street  
London  
United Kingdom

**PRECISION RISK & INTELLIGENCE LIMITED**

**Financial Statements**

For the year ended 31 December 2015

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## Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 December 2015.

### Principal Activity

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

### Business Review & Future Developments

The Company was incorporated on 6 September 2013.

Going forward the Company is looking to maintain the services it is currently providing.

### Results & Dividends

The loss for the period after taxation amounted to £15,822 (16 month period to 31 December 2014: £1,301,009). No dividends have been paid.

### Directors

The Directors who served during the period and to the date of signing the financial statements were:

A Banks  
E Bilney  
J Coetzee

### 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.

### Going concern status

The Directors believe that the Company continues to have adequate resources to manage its business risks successfully. The Directors have received assurances from ICS Risk Solutions Limited and the Company's ultimate beneficial owner, Arron Fraser Banks that he will provide adequate financial support to the Company in order to ensure that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

### Financial Risk Management Objectives and Policies

The Group parent company, PRI Holdings Limited, 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 as follows:

#### *Liquidity risk / cash flow risk*

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

#### *Interest rate risk*

The Company has minimal exposure to interest rate fluctuations on bank borrowings as these are covered by its parent company and no interest is charged by related companies on inter-company debt.

**PRECISION RISK & INTELLIGENCE LIMITED**

**Report of the Directors**

For the year ended 31 December 2015

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**Financial Risk Management Objectives and Policies (continued)**

***Credit Risk***

The principal credit risk for the Group arises from its trade debtors and in relation to money lent across the group companies. 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 reasonably possible. In the initial stages of the Company, no debtor balances and therefore no credit risk remains at the period end.

**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 (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 then 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 Auditor**

Each of the persons who is a Director 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 auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

**Auditor**

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

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

  
E Bilney

Director

Date: 22ND SEPTEMBER 2016

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRECISION RISK & INTELLIGENCE LIMITED

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### Independent Auditor's report

We have audited the financial statements of Precision Risk and Intelligence Limited for the year ended 31 December 2015 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](http://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 2015 and of its loss 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 the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements and 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: 23 Sep 2016



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

**PRECISION RISK & INTELLIGENCE LIMITED**  
**Statement of Comprehensive Income**  
For the year ended 31 December 2015

**Statement of Comprehensive Income**

	NOTE	2015 £	For period ending 31 December 2014 £
Turnover	1	85,461	66,180
Cost of sales		<u>(37,619)</u>	<u>(50,555)</u>
Gross Profit		47,842	15,625
Administrative expenses		<u>(63,693)</u>	<u>(1,319,677)</u>
Operating Loss	2	(15,851)	(1,304,052)
Interest receivable and similar items		29	2,943
Loss on ordinary activities before tax		<u>(15,822)</u>	<u>(1,301,109)</u>
Tax on profit on ordinary activities	5	-	-
Loss for the financial year		<u>(15,822)</u>	<u>(1,301,109)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>(15,822)</u>	<u>(1,301,109)</u>

The notes on pages 7 to 11 are an integral part of these financial statements.

**PRECISION RISK & INTELLIGENCE LIMITED**  
**Statement of Financial Position**  
As at 31 December 2015

**Statement of Financial Position**

	NOTE	2015		2014	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	6		6,834		16,266
<b>Current Assets</b>					
Debtors	7		53,416		42,550
Cash at bank			<u>58,757</u>		<u>7,619</u>
			112,173		50,169
<b>Creditors:</b>					
Amounts falling due within one year	8		<u>(1,435,838)</u>		<u>(1,367,444)</u>
<b>Net current assets</b>			<b>(1,323,665)</b>		<b>(1,317,275)</b>
<b>Net assets less current liabilities</b>			<b><u>(1,316,831)</u></b>		<b><u>(1,301,009)</u></b>
<b>Capital and Reserves</b>					
Share capital	9		100		100
Profit and loss account			<u>(1,316,931)</u>		<u>(1,301,109)</u>
<b>Total Equity</b>			<b><u>(1,316,831)</u></b>		<b><u>(1,301,009)</u></b>

The notes on pages 7 to 11 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 entities regime.

The financial statements were approved by the Board of Directors and authorised for issue on its behalf by:

E Bilney   
Director  
Date: 22nd SEPTEMBER 2016.

Company number: 08680122



**PRECISION RISK & INTELLIGENCE LIMITED**  
**Statement of Changes in Equity**  
**As at 31 December 2015**

**Statement of Changes in Equity**

	Share Capital £	Profit & Loss Account £	Total Equity £
At 1 January 2015	100	(1,301,109)	(1,301,009)
<b>Comprehensive income for the year</b>			
Profit for the year		(15,822)	(15,822)
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income</b>		(15,822)	(15,822)
Contributions by and distributions to owners		-	-
<b>As at 31 December 2015</b>	<b>100</b>	<b>(1,316,931)</b>	<b>(1,316,831)</b>

**Statement of changes in Equity as at 31 December 2014**

	Share Capital £	Profit & Loss Account £	Total Equity £
At 6 September 2013	-	0	0
<b>Comprehensive income for the year</b>			
Profit for the year		(1,301,109)	(1,301,109)
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income</b>		(1,301,109)	(1,301,109)
Contributions by and distributions to owners		-	-
Shares issued during the period	100	-	100
<b>As at 31 December 2014</b>	<b>100</b>	<b>(1,301,109)</b>	<b>(1,301,009)</b>

**Notes to the Financial Statements**

**1. Principal accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The date of transition to FRS102 was 6 September 2013.

The policies applied under the Company's previous accounting framework are not materially different to FRS 102, and have not impacted on equity or comprehensive income.

The following principle accounting policies have been applied:

**1.2 Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have received assurances from ICS Risk Solutions Limited and the Company's ultimate beneficial owner, Arron Banks, that he will provide adequate financial support to the Company in order to ensure that the Company has adequate resources to continue in operational existence 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**

There are no estimates and judgements that have a significant risk of causing material misstatement to the carrying amounts of assets and liabilities within the financial year.

**1.4 Cash flow**

The Directors have taken advantage of the small companies' exemption as defined under FRS 102 and the Companies Act 2006 from the requirement to prepare a cash flow statement.

**1.5 Turnover**

Turnover primarily represents fees receivable for the supply of investigation services, principally regarding the investigation of fraudulent 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 Current and deferred income tax**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date.

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

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.

**PRECISION RISK & INTELLIGENCE LIMITED**  
**Notes to the Financial Statements**  
For the year ended 31 December 2015

**1.7 Tangible fixed assets**

Tangible fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on tangible assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

- Computer hardware and computer software: 3 years straight line

**1.8 Financial Instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and accrued expenses.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment 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 that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when 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.

**1.11 Interest Income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

**2. Operating loss**

	2015	For period ending 31 December 2014
	£	£
<b>Operating loss is stated after charging:</b>		
Depreciation of tangible fixed assets	9,432	12,030
Auditor's remuneration - audit services	8,100	10,000
Fees payable to auditors for other services - tax compliance	3,500	3,000
Staff costs	-	264,798
	<u>-</u>	<u>264,798</u>

**3. Staff costs**

Staff-related costs are recharged from Rock Services Limited, a related party through the same ultimate controlling party. 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.

**4. Directors' emoluments**

	2015	For period ending 31 December 2014
	£	£
Directors' emoluments	-	85,223
	<u>-</u>	<u>85,223</u>

**PRECISION RISK & INTELLIGENCE LIMITED**  
**Notes to the Financial Statements**  
For the year ended 31 December 2015

**5. Tax on loss on ordinary activities**

	2015	For period ending 31 December 2014
	£	£
Current tax:		
- UK corporation tax on profits for the period	-	-
Deferred tax		
- Origination and reversal of timing differences	-	-
<b>Tax on (loss)/profit on ordinary activities</b>	<u>-</u>	<u>-</u>

An unrecognised deferred tax asset of £233,251 (2014: £256,664) arises on tax losses for the period.

The tax assessed for the period is higher (2014: higher) than the standard effective rate of 20.25% on corporation tax in the UK (2014: 21.9%). The differences are explained below:

	2015	2014
	£	£
<b>(Loss) on ordinary activities before tax</b>	<u>(15,822)</u>	<u>(1,301,109)</u>
(Loss) on ordinary activities multiplied by standard rate in the UK	(3,204)	(284,408)
Effects of:		
- Expenses not deductible for tax purposes	325	4,261
- Tax rate changes	25,951	23,824
- Unrelieved tax losses and other deductions arising in the period	<u>(23,072)</u>	<u>256,323</u>
Total tax charge/(credit) for the period	<u>-</u>	<u>-</u>

**6. Tangible assets**

	Computer hardware	Computer software	Total
	£	£	£
<b>Cost</b>			
Brought forward at 1 January 2015	17,285	11,011	28,296
Additions	-	-	-
At 31 December 2015	<u>17,285</u>	<u>11,011</u>	<u>28,296</u>
<b>Accumulated depreciation</b>			
Brought forward at 1 January 2015	6,685	5,345	12,030
Charge for the period	5,762	3,670	9,432
At 31 December 2015	<u>12,446</u>	<u>9,015</u>	<u>21,462</u>
<b>Net Book Value</b>			
At 31 December 2015	<u>4,838</u>	<u>1,996</u>	<u>6,834</u>
At 31 December 2014	<u>10,600</u>	<u>5,667</u>	<u>16,266</u>

**PRECISION RISK & INTELLIGENCE LIMITED**  
**Notes to the Financial Statements**  
For the year ended 31 December 2015

**7. Debtors**

	2015	2014
	£	£
Called up share capital not paid	100	100
Recoverable VAT	-	42,450
Trade debtors	5,400	-
Other debtors	47,916	-
	<u>53,416</u>	<u>42,550</u>

**8. Creditors: Amounts falling due within one year**

	2015	2014
	£	£
Amounts owed to related parties (note 11)	1,398,400	1,340,905
Accruals	31,173	26,539
VAT liability	6,265	-
	<u>1,435,838</u>	<u>1,367,444</u>

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

**9. Called up share capital**

	2015	2014
	£	£
<b>Allotted and called up:</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**10. Financial Instruments**

	2015	2014
	£	£
<b>Financial Assets</b>		
Financial assets measured at amortised cost	<u>112,073</u>	<u>42,450</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	<u>1,435,838</u>	<u>1,367,444</u>

**11. Related Party Transactions**

Transactions during the period with related parties were as follows:

	2015		2014	
	Income	Expenses	Income	Expenses
	£	£	£	£
Transactions during the period with entities controlled by key management				
Precision Risk Services Limited	-	-	24,936	(332,608)
Rock Services Limited	-	(67,056)	-	(956,611)
	<u>-</u>	<u>(67,056)</u>	<u>24,936</u>	<u>(1,289,219)</u>

**PRECISION RISK & INTELLIGENCE LIMITED**  
**Notes to the Financial Statements**  
For the year ended 31 December 2015

**11. Related Party Transactions (continued)**

Balances at the end of the period with related parties were as follows:

Period end balances outstanding with entities controlled by key management	2015 Due from	2015 Due to	2015 Net	2014 Net
	£	£	£	£
<b>Recharges:</b>				
Precision Risk Services Limited	-	(170,000)	(170,000)	(192,972)
Rock Services Limited	-	(67,056)	(67,056)	(956,611)
<b>Loans (unsecured, interest free and repayable on demand):</b>				
Precision Risk Services Limited	-	-	-	-
Rock Services Limited	-	(1,161,344)	(1,161,344)	(191,322)
	-	(1,398,400)	(1,398,400)	(1,340,905)

**12. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking is PRI Holdings Limited. The registered address is Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Totola, BVI.

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