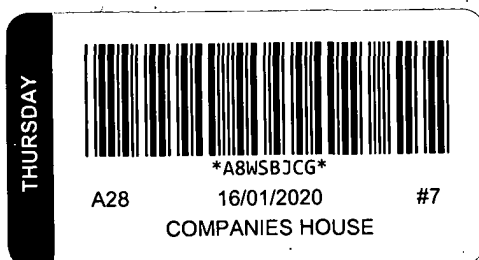


Registered number: 04036193

HIRERIGHT LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018



HIRERIGHT LTD

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HIRERIGHT LTD

COMPANY INFORMATION

Directors

Stephen Girdler
Thomas Spaeth

Registered number

04036193

Registered office

Gun Court
70 Wapping Lane
London
E1W 2RD

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

HIRERIGHT LTD

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018

The directors present their Strategic Report of Hireright Ltd (the "Company") for the 15 month period ended 31 December 2018.

Introduction

The Company is a wholly owned subsidiary of Hireright UK Holding Limited. The Company is ultimately owned by HireRight GIS Group Holdings LLC (the "Parent Company") and the majority shareholders of the Parent Company are investment funds managed by General Atlantic LLC and Stone Point Capital LLC.

Financial key performance indicators

The results of the Company for the period/year are set out in detail in the Statement of Comprehensive Income and Balance Sheet on pages 9 and 10.

Turnover from operations for the 15 month period ended 31 December 2018 was £36,474,264 (year ended 30 September 2017: £25,731,979). Turnover increased due to customer wins in the financial services sector and expansion in the Middle East region.

The gross profit margin for the 15 month period ended 31 December 2018 was 44% (year ended 30 September 2017: 38%). The profit before taxation for the 15 month period ended 31 December 2018 was £9,063,682 (year ended 30 September 2017: £2,665,980).

The Company continues to evolve with the market conditions to ensure that growth and investment in the business balanced.

Principal risks and uncertainties

The principal business risks are confidence in and health of the global economy. Our business is to partner with and support our clients, as such we are dependent upon regional, sector and economic factors. The Company aims to mitigate risk by diversifying services into as many market sectors as economically possible.

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



Stephen Girdler
Director

Date: 16 January 2020

HIRERIGHT LTD

DIRECTORS' REPORT FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018

The directors present their annual report and the audited financial statements of Hireright Ltd (the "Company") for the 15 month period ended 31 December 2018

Principal activities

The principal activity of the Company continued to be that of providing background and pre-employment screening services.

The Company is ultimately owned by HireRight GIS Group Holdings LLC (the "Parent Company") and the majority shareholders of the Parent Company are investment funds managed by General Atlantic LLC and Stone Point Capital LLC. On 28 November 2017 the Company changed ownership from Kroll Holdings Ltd to Hireright UK Holdings Ltd. The ultimate parent has not changed as a result of the transaction.

Results and dividends

The profit for the 15 month period amounted to £8,772,739 (year ended 30 September 2017: £2,167,924).

No dividends were paid (2017: £Nil). The directors do not recommend nor propose payment of any final dividend (2017: £Nil).

Comparatives are presented for the 12 month year ended 30 September 2017.

Directors

The directors who served during the 15 month period and up to the date of signing the financial statements were:

Stephen Girdler
Thomas Spaeth

**DIRECTORS' REPORT (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

Qualifying third party indemnity provisions

During the financial period and up to the date of signing the financial statements, the Company maintained liability insurance for its directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The provision was held by Corporate Risk Holdings, LLC up until 11 July 2018 and HireRight GIS Group Holdings LLC effective from 12 July 2018.

Financial risk management

Cash flow risk

The Company manages its cash resources by considering the forecast timing of cash flows from customer receipts and forecast cash flows from the payment of payroll costs, administrative expenses, bank interest and other liabilities, together with the timing of the repayments relating to intercompany loans and balances. The timing of cash receipts and payments is reviewed on a monthly basis and any anticipated changes are considered in the light of future working capital requirements and the availability of cash and group borrowing facilities.

Credit risk

The Company's principal financial assets are investments, bank balances and trade and other debtors. The credit risk on trade debtor balances is mitigated by the Company's credit control facilities.

Liquidity risk

The Company manages liquidity risk by reviewing the future net cash requirements of the business, by holding cash balances to fund short term requirements.

Interest rate risk

The Company remains cash positive and a funding source for the rest of the group, so interest rate risk is considered to be low.

Price risk

The Company manages price risk by entering into contracts with specific pricing terms.

Going Concern

The Company finances its operations through cash, intercompany loans and intercompany balances.

As at 31 December 2018 the Company had cash balances of £1,240,907 (2017: £1,056,808), an intercompany loan due to Hireright LLC, its immediate parent company of £2,440,178 (2017: £4,184,282), amounts due to fellow Group companies of £62,274 (2017: £4,767,048) and amounts due to subsidiaries of £2,073,813 (2017: £1,662,223). At 31 December 2018 there were amounts owed by Group undertakings of £8,497,482 (2017: £5,105,592).

There are no formal repayment terms for the intercompany loans and intercompany balances. The directors have obtained confirmation from the operative corporate parent Hireright LLC that the intercompany receivables will be settled by Hireright LLC, if required, in order to allow the Company to meet their liabilities as they fall due.

The directors have reviewed the going concern status of the Company by considering the cash and intercompany borrowing position of the Company at 31 December 2018, the anticipated level of trading activity and the continued availability of funding from Group companies. Based on this review the directors have concluded that the going concern basis should be used in the preparation of the financial statements.

HIRERIGHT LTD

DIRECTORS' REPORT (CONTINUED) FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors 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.

Disclosure of information to auditors

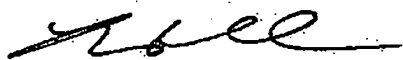
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

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



Stephen Girdler
Director

Date: 16 January 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIRERIGHT LTD

Report on the audit of the financial statements

Opinion

In our opinion, Hireright Ltd's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity for the 15 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the 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 remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIRERIGHT LTD (CONTINUED)

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIRERIGHT LTD (CONTINUED)

Other required reporting

Companies Act 2006 exception reporting

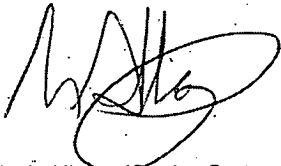
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to prepare financial statements in accordance with the small companies regime. We have no exceptions to report arising from this responsibility.



Mark Allsop (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 16 January 2020

HIRERIGHT LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

		15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
	Note		
Turnover	4	36,474,264	25,731,979
Cost of sales		(20,325,945)	(16,051,111)
Gross profit		16,148,319	9,680,868
Administrative expenses		(14,548,883)	(7,261,159)
Other operating income	5	7,277,680	157,784
Operating profit	6	8,877,116	2,577,493
Interest receivable and similar income	10	186,566	88,487
Profit before taxation		9,063,682	2,665,980
Tax on profit	11	(290,943)	(498,056)
Profit for the financial period/year		8,772,739	2,167,924
Total comprehensive income for the financial period/year		8,772,739	2,167,924


The notes on pages 12 to 28 form part of these financial statements.

HIRERIGHT LTD
REGISTERED NUMBER: 04036193

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	31 December 2018 £	30 September 2017 £
Fixed assets			
Tangible assets	12	1,115,624	1,124,332
Investments	13	37,524	37,524
		<u>1,153,148</u>	<u>1,161,856</u>
Current assets			
Debtors	14	15,617,437	12,957,958
Cash at bank and in hand	15	1,240,907	1,056,808
		<u>16,858,344</u>	<u>14,014,766</u>
Creditors: amounts falling due within one year	16	(7,820,689)	(13,758,558)
Net current assets		<u>9,037,655</u>	<u>256,208</u>
Total assets less current liabilities		<u><u>10,190,803</u></u>	<u><u>1,418,064</u></u>
Capital and reserves			
Called up share capital	18	2	2
Profit and loss account		10,190,801	1,418,062
Total shareholders' funds		<u><u>10,190,803</u></u>	<u><u>1,418,064</u></u>

The financial statements on pages 9 to 28 were approved and authorised for issue by the board and were signed on its behalf by:



Stephen Girdler
Director

Date: 16 January 2020

The notes on pages 12 to 28 form part of these financial statements.

HIRERIGHT LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total shareholders' (deficit)/funds
	£	£	£
At 1 October 2016	2	(749,862)	(749,860)
Comprehensive income for the financial year			
Profit for the financial year	-	2,167,924	2,167,924
Total comprehensive income for the financial year	-	2,167,924	2,167,924
At 30 September 2017 and 1 October 2017	2	1,418,062	1,418,064
Comprehensive income for the financial period			
Profit for the financial period	-	8,772,739	8,772,739
Total comprehensive income for the financial period	-	8,772,739	8,772,739
At 31 December 2018	2	10,190,801	10,190,803

The notes on pages 12 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

1. General information

Hireright Ltd (the "Company") is a private company limited by shares incorporated in England and Wales. The registered office is Gun Court, 70 Wapping Lane, London, E1W 2RD.

The principal activity of the Company continued to be that of providing background and pre-employment screening services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 (see note 3).

The following principal accounting policies have been applied consistently throughout the period:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hireright UK Holdings Limited as at 30 September 2018 and these financial statements may be obtained from Gun Court, 70 Wapping Lane, London, E1W 2RD.

As the financial statements of Hireright UK Holding Limited are publicly available the Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements.

2.3 Going concern

The directors have reviewed the going concern status of the Company by considering the cash and intercompany borrowing position of the Company at 31 December 2018, the anticipated level of trading activity and the continued availability of funding from Group companies. Based on this review the directors have concluded that the going concern basis should be used in the preparation of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts. Turnover is recognised on an invoicing basis once background screening is completed and results have been shared with customers.

2.5 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings leasehold	- 3 years straight line
Fixtures, fittings and equipment	- 5 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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.

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

2.9 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.11 Retirement benefits

The Company operates a defined contribution Group Personal Pension Scheme. The assets of this scheme are held separately from those of the Company in an independently administered fund. For defined contribution schemes the amounts charged to the Statement of Comprehensive Income in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either creditors or debtors in the Balance Sheet.

2.12 Foreign exchange

Transactions in foreign currencies are recorded in pounds sterling at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rate of exchange prevailing at year end. All exchange differences are included in the Statement of Comprehensive Income.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If an such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.17 Interest payable and similar expenses

Interest payable and similar expenses are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.18 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.19 Interest receivable and similar income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Current and deferred taxation

The tax expense for the 15 month period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements estimate and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The directors do not consider there to be any critical accounting judgements, estimates or assumptions made in the preparation of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

4. Turnover

The whole of the turnover is attributable to the principal activities of the Company.

Analysis of turnover by country of destination:

	15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
United Kingdom	22,651,334	16,223,187
Rest of Europe	6,847,903	4,282,086
Rest of the World	6,975,027	5,226,706
	36,474,264	25,731,979

5. Other operating income

	31 December 2018 £	30 September 2017 £
Other operating income	7,277,680	157,784
	7,277,680	157,784

Other operating income relates to the release of liabilities through a deeds of release amounting in total to GBP 7 million that were signed between the Company and Kroll Holdings Ltd and Kroll Associates U.K. Limited in the course of the group restructuring.

HIRERIGHT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018

6. Operating profit

The operating profit is stated after charging/(crediting):

	15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
Depreciation of tangible assets (note 12)	771,713	429,492
Exchange differences	(332,928)	(53,594)
	<u>438,785</u>	<u>375,898</u>

7. Auditors' remuneration

	15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
Fees payable to the Company's auditors' for the audit of the Company's annual financial statements	34,727	46,500
Fees payable to the Company's auditors' for the preparation of the Company's annual financial statements	3,090	3,000
	<u>37,817</u>	<u>49,500</u>

HIRERIGHT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018

8. Employees

Staff costs, including directors' remuneration, were as follows:

	15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
Wages and salaries	6,905,259	5,318,266
Social security costs	1,049,417	627,870
Other pension costs	259,095	193,943
	<u>8,213,771</u>	<u>6,140,079</u>

The average monthly number of employees, including the directors, during the 15 month period/year was as follows:

	15 month period ended 31 December 2018 Number	Year ended 30 September 2017 Number
Operational	118	105
Administration	90	71
	<u>208</u>	<u>176</u>

HIRERIGHT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018

9. Directors' remuneration

	15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
Aggregate directors' remuneration	1,424,167	212,659
Company contributions to defined contribution pension schemes	20,329	15,450
	<u>1,444,496</u>	<u>228,109</u>

The highest paid director received remuneration of £1,424,167 (2017: £212,659).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,329 (2017: £15,450).

The emoluments of Mr T Spaeth are paid by group company Hireright LLC (formerly Hireright Inc.) and recharged to the Company as part of a management charge. This management charge also includes a recharge of administration costs borne by Hireright LLC on behalf of the Company and it is not possible to identify separately the amount of Mr T Spaeth's emoluments.

10. Interest receivable and similar income

	15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
Other interest receivable	<u>186,566</u>	<u>88,487</u>

HIRERIGHT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018

11. Tax on profit

	15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
Corporation tax		
Current tax on profits for the financial period/year	389,284	531,144
Adjustments in respect of previous periods	(42,765)	(36,582)
Total current tax	346,519	494,562
Deferred tax		
Origination and reversal of timing differences	(55,509)	2,830
Effects of changes in tax rates	2,933	664
Adjustments in respect of previous periods	(3,000)	-
Total deferred tax	(55,576)	3,494
Total tax charge for the financial year	290,943	498,056

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

11. Tax on profit (continued)

Factors affecting tax charge for the 15 month period/year

The tax assessed for the 15 month period/year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%). The differences are explained below:

	15 month period ended 31 December 2018 £	Year ended 30 September 2017 £
Profit before taxation	9,063,682	2,665,980
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	1,722,100	519,866
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,541	14,108
Non-taxable income	(1,402,866)	-
Adjustments in respect of previous periods	(45,765)	(36,582)
Effects of changes in tax rates	2,933	664
Total tax charge for the 15 month period/year	290,943	498,056

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the Balance Sheet date have been measured using this enacted tax rate and reflected in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

12. Tangible assets

	Land and buildings leasehold £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 October 2017	6,230	23,665	2,055,789	2,085,684
Additions	-	9,412	755,170	764,582
Disposals	-	-	(3,681)	(3,681)
31 December 2018	6,230	33,077	2,807,278	2,846,585
Accumulated depreciation				
At 1 October 2017	6,230	12,890	942,232	961,352
Charge for the period	-	7,274	764,439	771,713
Disposals	-	-	(2,104)	(2,104)
31 December 2018	6,230	20,164	1,704,567	1,730,961
Net book value				
31 December 2018	-	12,913	1,102,711	1,115,624
At 30 September 2017	-	10,775	1,113,557	1,124,332

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

13. Investments

	Investments in subsidiary companies £
Cost	
At 1 October 2017 and 1 October 2016	37,524
	<hr/>
31 December 2018 and 30 September 2017	<u>37,524</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Nature of Business	Class of shares	Holding
FPR Limited	Unit 41 Knowsthorpe Gate, Leeds, LS9 0SW	Dormant	20,625 ordinary shares of £1 each	100%
Hireright Poland Sp. Z.o.o.	ul. Uniwersytecka 18 40-007 Katowice, Poland	Employee screening services	102 ordinary shares of 500 Polish Zloty each	100%

An application to strike off subsidiary company FPR Limited was made during the prior year. This company was dissolved on 28 November 2017.

Hireright Poland Sp. Z.o.o generated a profit for the year ended 30 September 2018 of £240,425 (2017: £155,918).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

14. Debtors

	31 December 2018 £	30 September 2017 £
Trade debtors	6,489,660	7,346,863
Amounts owed by group undertakings	8,497,483	5,105,592
Other debtors	78,682	124,382
Deferred taxation (note 17)	58,926	3,350
Prepayments and accrued income	492,686	377,771
	<u>15,617,437</u>	<u>12,957,958</u>

15. Cash at bank and in hand

	31 December 2018 £	30 September 2017 £
Cash at bank and in hand	<u>1,240,907</u>	<u>1,056,808</u>

16. Creditors: amounts falling due within one year

	31 December 2018 £	30 September 2017 £
Trade creditors	267,801	220,728
Amounts owed to group undertakings	4,576,264	10,613,553
Corporation tax	116,836	291,108
Other taxation and social security	1,275,689	793,298
Other creditors	128,538	35,212
Accruals and deferred income	1,455,561	1,804,659
	<u>7,820,689</u>	<u>13,758,558</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

17. Deferred taxation

	31 December 2018 £
At beginning of financial period	3,350
Charged to profit or loss	52,576
Adjustment in respect of prior years	3,000
Utilised in period	-
At end of financial period	58,926

The deferred tax asset is made up as follows:

	31 December 2018 £	30 September 2017 £
Accelerated capital allowances	31,279	(2,636)
Other timing differences - losses	27,647	5,986
	58,926	3,350

18. Called up share capital

	31 December 2018 £	30 September 2017 £
Allotted, called up and fully paid		
2 (2017: 2) Ordinary Share shares of £1 (2017: £1) each	2	2

19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £259,095 (2017: £193,943).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2018**

20. Commitments under operating leases

At 31 December 2018, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2018 £	30 September 2017 £
Not later than 1 year	60,700	60,700
Later than 1 year and not later than 5 years	-	94,625
	<u>60,700</u>	<u>155,325</u>

21. Related party transactions

The Company has taken advantage of an available FRS 102 exemption from the requirement to disclose related party transactions with other wholly-owned undertakings within the HireRight GIS Group Holdings LLC.

There are no related party transactions with key management personnel, entities that have joint control or significant influence over the entity, or other related parties.

22. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Hireright UK Holding Limited. The Company is ultimately owned by HireRight GIS Group Holdings LLC (the "Parent Company") and the majority shareholders of the Parent Company are investment funds managed by General Atlantic LLC and Stone Point Capital LLC.

The smallest and largest groups in which results of the Company were consolidated were Hireright UK Holdings Limited and HireRight GIS Group Holdings LLC, respectively. Copies of financial statements of Hireright UK Holdings Limited may be obtained from Gun Court, 70 Wapping Lane, London E1W 2RD and of HireRight GIS Group Holdings LLC may be obtained from 600 Third Avenue New York, NY 10016 United States.