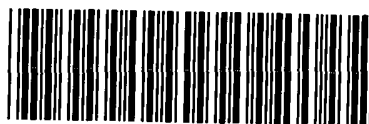


Registered number: 04036193

HIRERIGHT LTD
FINANCIAL STATEMENTS AND ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021

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HIRERIGHT LTD

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HIRERIGHT LTD

COMPANY INFORMATION

Directors

Stephen Girdler
Thomas Spaeth

Registered number

04036193

Registered office

15 Westferry Circus
Canary Wharf, London
E14 4HD
United Kingdom

Independent auditors

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

HIRERIGHT LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Strategic Report of Hireright Ltd (the "Company") for the year ended 31 December 2021.

Introduction

The Company is a wholly owned subsidiary of Hireright UK Holding Limited. The Company is ultimately owned by HireRight Holdings Corporation Group (formerly 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 year are set out in detail in the Statement of Comprehensive Income and Balance Sheet on pages 12 and 13.

Turnover from operations for year ended 31 December 2021 was £30,981,623 (year ended 31 December 2020: £24,434,030).

Global pandemic (COVID-19) had an impact on the Company's turnover, however the Company continued its expansion in the Asia and Pacific region and according with management predictions the Company anticipated full recover in the 2021 in terms of previous levels of customer demand. Total revenue for year 2021 increased by 27% comparing to 2020. In first quarter of 2021 total revenue decreased by approximately 14% comparing to the first quarter of 2020 however in the period April to June 2021 and July to September 2021 total revenues increased by 22% and 56% respectively comparing to the corresponding periods in 2020. In last quarter of 2021 total revenue had increased by 50% comparing to the last quarter of 2020.

The gross profit margin for year ended 31 December 2021 was 41% (year ended 31 December 2020: 42%).

The loss before taxation for year ended 31 December 2021 was £2,671,862 (year ended 31 December 2020 profit: £608,152).

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.

HIRERIGHT LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172 (1) statement

Directors of the Company are required to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in so doing have regard, among other matters to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The following paragraphs summarise how the Directors' fulfil their duties:

Customers

The Company operates within the increasingly wide variety of organizations that exist in today's global business environment. By offering high quality service Company is aiming to become the world's most respected, most accurate, most accessible background screening and workforce solutions partner. In 2020 we put a lot of effort to own our data and increase data accuracy, quality, and speed, by investing in reporting and data management, automate our process and focus on process improvement. In 2020 the Company was continuously increasing its presence on a global market. In 2020 we launched a new HireRight brand to strengthen its position on global market- which was the culmination of a lot of hard work and collaboration from Team Members across the organization and the globe. In 2021 the Company has initiated a transformation process to improve technological and operational capabilities to increase the market share.

Employees

Team Members are the core of our organisation. The management continued 'Town Hall' meeting sessions with all the employees, where management presented current position of the Company and forecast. Employees were encouraged to ask questions about the business, its strategy, performance, current initiatives. These sessions provide directors with the opportunity to gather feedback from employees. Additionally, once a year the Company launches 'Organizational Health Survey' to all Team Members, globally. This survey covers topics like company direction, leadership, performance management, operational effectiveness, communication, culture, and more. This is an opportunity to share employees' feelings and detailed feedback and allows management to collect expressive data around the current health of the organization.

Culture and values

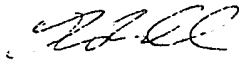
As a Company we solicited the input of over 1,000 HireRight global Team Members about what matters most when providing and receiving high quality customer service, and building strong teams. Culture teams and marketing worked with the results to hone in on the characteristics that enable HireRight to stand out among its competition, meet and exceed customer expectations, and cultivate a solid global work environment. Our CORE4 Values (Service-First Mindset, Grounded in Respect, Collaborative Spirit, Sense of Ownership) keep us firmly rooted, while giving us the freedom to grow and thrive as a company, and individually.

**HIRERIGHT LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Community and environment

HireRight is committed to a sustainable, environmentally conscious and socially responsible future. We specialized in helping organizations efficiently implement, manage and control their screening programs. By offering web-based background screening solutions we are constantly reducing the use of paper in our internal departments and have helped our customers reduce their paper use. Through innovation and technology, we have designed our systems to help automate a very paper-heavy industry. Every day we strive to reduce our carbon footprint. HireRight understands also the importance of giving back to our communities. Our employees are encouraged and given time off work to participate in charitable volunteer work.

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



Stephen Girdler
Director

Date: 28 September 2022

**HIRERIGHT LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their annual report and the audited financial statements of HireRight Ltd (the "Company") for the year ended 31 December 2021.

Principal activities

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

The Company is ultimately owned by HireRight Holdings Corporation (formerly 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.

Results and dividends

The loss for the year ended 31 December 2021 amounted to £2,193,045 (year ended 31 December 2020 profit: £493,360).

No dividends were paid in 2021 (2020: £Nil). The directors do not recommend nor propose payment of any final dividend for the year ended 31 December 2021 (2020: £Nil).

Comparatives are presented for the 12 month year ended 31 December 2020.

Future development

In 2021 the Company is planning to continue its expansion and increase its global market share by strengthening its position in EMEA markets and APAC regions.

Directors

The directors who served during the 12 month period and up to the date of signing the financial statements were:

Stephen Girdler
Thomas Spaeth

Qualifying third party indemnity provisions

During the financial year 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 Holdings Corporation (formerly HireRight GIS Group Holdings LLC) effective from 12 July 2018.

**HIRERIGHT LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021 the Company had cash balances of £5,004,688 (as at 31 December 2020: £978,017), amounts due to fellow Group companies of £3,118,419 (31 December 2020: £4,314,608). As at 31 December 2021 there were no amounts due to subsidiaries (31 December 2020: £3,016,680). As at 31 December 2021 there were amounts owed by Group undertakings of £5,712,433 (as at 31 December 2020: £12,453,478) out of which an intercompany loan to Hireright Canada amounted to £2,013,010 (as at 31 December 2020; £1,846,892).

There are no formal repayment terms for the intercompany loans and intercompany balances. The directors have obtained confirmation from the operative corporate ultimate parent HireRight Holdings Corporation (formerly HireRight GIS Group Holdings LLC) (the "Parent"), 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.

HIRERIGHT LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Going Concern (continued)

HireRight Holdings Corporation (formerly HireRight GIS Group Holdings LLC) (the "Parent"), the ultimate holding company has confirmed that it has a clear understanding of the strategy and business plan of the Company, including the Company's projected funding requirements for at least the next 12 months from the date of financial statements.

The Parent will provide financial support to the Company such that the Company is able to operate as a going concern and to settle its liabilities as they fall due. This financial support will include:

- not seeking the repayment of amounts advanced to the Company by the Parent and/or other members of the Parent group unless adequate alternative financing has been secured by the Company; and
- advancing further amounts to the Company as required by the Company.

In providing this assurance, the Parent has taken full account of its own funding requirements, obligations and commitments for the same period as this letter covers. Further, the Parent has undertaken that this will remain in place for the foreseeable future and will not be withdrawn during a period of 12 months from the date of financial statements.

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 2021, the anticipated level of trading activity and the continued availability of funding from Group companies taking into account the impact of COVID-19 on the business and the wider group in 2021 and its anticipated continued impact. Based on this review the directors have concluded that the going concern basis should be used in the preparation of the financial statements.

On February 24, 2022, the Russian Federation invaded Ukraine. Management monitors the current situation, however, at the time of signing the Financial Statements, in the opinion of the Management, ongoing conflict does not have a significant impact on the business and Company's operations.

Impact of Coronavirus Disease ("COVID-19")

The existence of novel coronavirus (COVID-19) was confirmed in early 2020 and by now it has spread across the world, including Great Britain, causing disruptions to businesses and economic activities, also with an impact on HireRight Ltd as demand from our customers is impacted by the global response to the pandemic. The pandemic has had limited operational impact on the Company as all personnel have been able to work from home where required.

Total revenue for year 2021 increased by 27% comparing to 2020. In first quarter of 2021 total revenue increased by approximately 27% comparing to the first quarter of 2020. In last quarter of 2021 total revenue had recovered and increased by 61% comparing to the last quarter of 2020. Company's improvement of performance was expected by the management.

However, as the situation is uncertain and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company and management will continue to monitor the coronavirus crisis impact on the performance of the Company. At the present time, taking into account the availability of financial support from the group, management considers the Company's position to be stable.

HIRERIGHT LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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, 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;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

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.

HIRERIGHT LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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: 28 September 2022

Independent auditors' report to the members of HireRight Limited

Report on the audit of the financial statements

Opinion

In our opinion, HireRight Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year 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 Financial Statements and Annual Report (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of comprehensive income and the statement of changes in equity for the year 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Director's report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the year ended 31 December 2021 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 Director's 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to taxation legislation relevant to the company's operations and data protection regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussion with management and those charged with governance, including those responsible for regulatory compliance, in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries using a risk-based approach, in particular any journal entries posted that involves unusual account combinations; and
- Reviewing minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

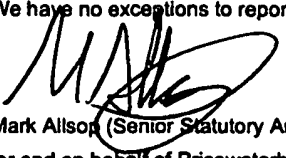
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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.



Mark Allison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 September 2022

HIRERIGHT LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts are stated in GBP)

	Note	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Turnover	4	30,981,623	24,434,030
Cost of sales		(18,268,827)	(14,115,212)
Gross profit		12,712,796	10,318,818
Administrative expenses		(11,778,498)	(10,242,226)
Other operating (expense) / income	5	(3,751,874)	398,772
Operating (loss)/profit	6	(2,817,576)	475,364
Interest receivable and similar income	10	145,714	144,683
Interest payable and similar expense		-	(11,895)
(Loss)/profit before taxation		(2,671,862)	608,152
Tax on (loss)/profit	11	478,817	(114,792)
(Loss)/Profit for the financial year		(2,193,045)	493,360
Total comprehensive (expense)/income for the financial year		(2,193,045)	493,360

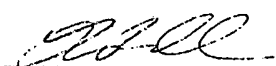
HIRERIGHT LTD
REGISTERED NUMBER: 04036193

BALANCE SHEET
AS AT 31 DECEMBER 2021

(All amounts are stated in GBP)

	<u>Note</u>	<u>31 December 2021</u>	<u>31 December 2020</u>
Fixed assets			
Tangible assets	12	625,772	1,287,998
Investments	13	37,524	37,524
		<u>663,296</u>	<u>1,325,522</u>
Current assets			
Debtors	14	14,716,261	17,501,926
Cash at bank and in hand	15	5,004,688	978,017
		<u>19,720,949</u>	<u>18,479,943</u>
Creditors: amounts falling due within one year	16	(7,295,998)	(8,360,197)
Net current assets		12,424,951	10,119,746
Total assets less current liabilities		<u>13,088,247</u>	<u>11,445,268</u>
Creditors: amounts falling due after more than one year	17	(452,674)	-
Provision for liabilities	18	(3,383,350)	-
Net assets		9,252,223	11,445,268
Capital and reserves			
Called up share capital	20	682	682
Retained earnings		9,251,541	11,444,586
Total shareholders' funds		<u>9,252,223</u>	<u>11,445,268</u>

The financial statements on pages 12 to 31 were approved and authorised for issue by the board and were signed on its behalf by:



Stephen Girdler
Director

Date: 28 September 2022

HIRERIGHT LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts are stated in GBP)

	Called up share capital	Retained earnings	Total shareholders' funds
Balance at 1 January 2020	2	10,951,906	10,951,908
Comprehensive income for the financial year			
Additional ordinary shares	680	(680)	-
Profit for the year	-	493,360	493,360
Total comprehensive income for the financial year	682	11,444,586	11,445,268
Balance at 31 December 2020 and 1 January 2021	682	11,444,586	11,445,268
Comprehensive income for the financial year			
Loss for the year	-	(2,193,045)	(2,193,045)
Total comprehensive expense for the financial year	-	(2,193,045)	(2,193,045)
Balance at 31 December 2021	682	9,251,541	9,252,223

The statement of changes in equity should be analysed together with the notes to the financial statements on pages 15 to 31 which are an integral part of the financial statements.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information on the Company

HireRight Ltd, ("the Company") is a private company limited by shares incorporated in England and Wales.

The registered office is 15 Westferry Circus, Canary Wharf, London E14 4HD, United Kingdom.

The principal activity of the Company continued to be that of providing background and pre-employment screening and investigation 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 current and prior year.

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.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions (continued)

This information is included in the consolidated financial statements of Hireright UK Holdings Limited as at 31 December 2021 and these financial statements may be obtained from 15 Westferry Circus, Canary Wharf, London E14 4HD, United Kingdom.

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

As at 31 December 2021 the Company had cash balances of £5,004,688 (as at 31 December 2020: £978,017), amounts due to fellow Group companies of £3,118,419 (31 December 2020: £4,314,608). As at 31 December 2021 there were no amounts due to subsidiaries (31 December 2020: £3,016,680). As at 31 December 2021 there were amounts owed by Group undertakings of £5,712,433 (as at 31 December 2020: £12,453,478), out of which an intercompany loan to Hireright Canada amounted to £2,013,010 (as at 31 December 2020: £1,846,892).

There are no formal repayment terms for the intercompany loans and intercompany balances. The directors have obtained confirmation from the operative corporate ultimate parent HireRight Holdings Corporation (formerly HireRight GIS Group Holdings LLC) (the "Parent"), 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.

HireRight Holdings Corporation (formerly HireRight GIS Group Holdings LLC) (the "Parent"), the ultimate holding company has confirmed that it has a clear understanding of the strategy and business plan of the Company, including the Company's projected funding requirements for at least the next 12 months from the date of financial statements. The Parent will provide financial support to the Company such that the Company is able to operate as a going concern and to settle its liabilities as they fall due. This financial support will include:

- not seeking the repayment of amounts advanced to the Company by the Parent and/or other members of the Parent group unless adequate alternative financing has been secured by the Company; and
- advancing further amounts to the Company as required by the Company.

In providing this assurance, the Parent has taken full account of its own funding requirements, obligations and commitments for the same period as this letter covers. Further, the Parent has undertaken that this will remain in place for the foreseeable future and will not be withdrawn during a period of 12 months from the date of financial statements.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2. 3 Going concern (continued)

On February 24, 2022, the Russian Federation invaded Ukraine. Management monitors the current situation, however, at the time of signing the Financial Statements, in the opinion of the Management, ongoing conflict does not have a significant impact on the business and Company's operations.

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 2021, the anticipated level of trading activity and the continued availability of funding from Group companies taking into account the impact of COVID-19 on the business and the wider group in 2022 and beyond, for at least 12 months from the date of signing of financial statements and its anticipated continued impact. Based on this review the directors have concluded that the going concern basis should be used in the preparation of the financial statements.

The existence of novel coronavirus (COVID-19) has been causing disruptions to businesses and economic activities since its outbreak in early 2020. An impact on HireRight Ltd as demand from our customers is impacted by the global response to the pandemic. The pandemic has had however limited operational impact on the Company as all personnel have been able to work from home where required.

As expected, the Company experienced improvement of performance and anticipated full recover in the second half of 2022 in terms of previous levels of customer demand.

However, as the situation is uncertain and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company and management will continue to monitor the coronavirus crisis impact on the performance of the Company. At the present time, taking into account the availability of financial support from the group, management considers the Company's position to be stable.

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. Company's principal activities are described in Note 1.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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:

Leasehold land and buildings	3 years straight line
Fixtures, fittings and equipment	5 years straight
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.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

2.6 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any 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 the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2. 6 Impairment of fixed assets (continued)

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 the Statement of Comprehensive Income, 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.

2. 7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. 8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. 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.

2. 9 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.

The Entity is applying section 11 and 12 of FRS 102 for the recognition and measurement of financial instruments.

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.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2. 9 Financial instruments (continued)

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. 10 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. 11 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.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2. 12 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. 13 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. 14 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. 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.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2. 16 Foreign currency translation (continued)

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.

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.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2. 21 Current and deferred taxation

The tax expense for the 12 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;
- 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.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts are stated in GBP)

4. Turnover

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

Analysis of turnover by country of destination:

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
United Kingdom	19,648,451	13,004,282
Rest of Europe	4,958,215	4,086,990
Rest of the World	6,374,957	7,342,758
	<u>30,981,623</u>	<u>24,434,030</u>

5. Other operating (expense) / income

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Other operating (expense) / income (Note 22)	(3,433,077)	59,565
Foreign exchange differences	(318,797)	339,207
	<u>(3,751,874)</u>	<u>398,772</u>

6. Operating (loss)/profit

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

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Depreciation of tangible assets (note 12).	(970,680)	(728,141)
Realised and unrealised exchange (losses)/gain	(318,797)	339,207

7. Auditors' remuneration

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Fees payable to the Company's auditors' for the audit of the Company's annual financial statements	<u>40,335</u>	<u>37,930</u>

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts are stated in GBP)

8. Employees

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Wages and salaries	6,706,888	6,089,765
Social security costs	834,779	755,910
Other pension costs	205,230	245,508
	<u>7,746,897</u>	<u>7,091,183</u>

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

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
	Number	Number
Operational	43	53
Administration	104	112
	<u>147</u>	<u>165</u>

9. Directors' remuneration

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Aggregate directors' remuneration	271,140	238,280
Company contributions to defined contribution pension schemes	16,720	15,360
	<u>287,860</u>	<u>253,640</u>

The highest paid director received remuneration of £271,140 (2020: £238,280).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,672 (2020: £15,536).

10. Interest receivable and similar income

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Other interest receivable	<u>145,714</u>	<u>144,683</u>

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in GBP)

11. Tax on (loss)/profit

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Corporation tax		
Current tax on (loss)/profit for the financial year	(152,514)	164,041
Adjustments in respect of previous periods	(4,431)	-
Foreign tax relief/other relief	-	(7,096)
Foreign tax suffered	11,119	7,206
Total current tax	(145,826)	164,151
Deferred tax		
Origination and reversal of timing differences	(325,249)	(48,628)
Effects of changes in tax rates	(36,521)	(731)
Adjustments in respect of previous periods	28,779	-
Total deferred tax	(332,991)	(49,359)
Total tax charge for the financial year	(478,817)	114,792

Factors affecting tax charge for the year

On 3 March 2021 the UK government announced its intention to increase the main rate of corporation tax to 25% from 1 April 2023. This rate was substantively enacted in May 2021, ie after the balance sheet date and the deferred tax asset (DTA) has therefore been calculated according to the 19% substantively enacted rate at 31 December 2020. The expected maximum impact of this rate change (were the 25% rate to be adopted as of 31 December 2021 on all assets) would be to increase the DTA by £17,553.

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
(Loss)/profit before taxation	(2,671,862)	608,152
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19.0%)	(507,654)	115,549
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	18,763	56,079
Non-taxable income	(3,458)	(35,833)
Loss carry back	28,550	-
Effects of overseas tax rates	9,012	110
Adjustments in respect of previous periods	24,348	-
Effects of changes in tax rates	(36,521)	(733)
Super deduction allowance	(13,122)	-
Non taxable expenses	-	-
Deferred tax not recognised	1,265	2,422
Group relief	-	(22,802)
Total tax charge for the year	(478,817)	114,792

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2020. Deferred taxes at the Balance Sheet date have been measured using this enacted tax rate and reflected in these financial statements.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts are stated in GBP)

12. Tangible assets

	Land and buildings leasehold	Assets Retirement Obligation	Fixtures, fittings and equipment	Computer equipment	Construrrtion in progress	Total
Gross book value						
As at 01.01.2020	6,230	-	33,077	3,547,010	-	3,586,317
Additions	-	41,017.0	-	76,553	772,158	889,728
heading O/S	356,884	-	172,083	111,300	(640,267)	
Disposals	(6,231)	-	(20,140)	-	-	(26,371)
As at 31.12.2020	356,883	41,017	185,020	3,734,863	131,891	4,449,674
Accumulated depreciation						
As at 01.01.2020	(6,230)	-	(25,437)	(2,428,239)	-	(2,459,906)
Additions	(30,197)	(12,749)	(19,063)	(666,132)	-	(728,141)
Disposals	6,231	-	20,140	-	-	26,371
As at 31.12.2020	(30,196)	(12,749)	(24,360)	(3,094,371)	-	(3,161,676)
Net book value						
As at 01.01.2020	-	-	7,640	1,118,771	-	1,126,411
As at 31.12.2020	326,687	28,268	160,660	640,492	131,891	1,287,998
Gross book value						
As at 01.01.2021	356,883	41,017	185,020	3,734,863	131,891	4,449,674
Additions	-	-	20,008	21,444	301,473	342,925
Transfer from fixed assets under construction	-	-	-	225,036	(225,036)	-
Disposals	-	-	-	(252,961)	(34,471)	(287,432)
As at 31.12.2021	356,883	41,017	205,028	3,728,382	173,857	4,505,167
Accumulated depreciation						
As at 01.01.2021	(30,196)	(12,749)	(24,360)	(3,094,371)	-	(3,161,676)
Additions	(62,067)	(6,651)	(37,389)	(444,321)	-	(550,428)
Lease cease (Note 18)	(264,620)	-	(142,397)	(13,235)	-	(420,252)
Disposals	-	-	-	252,961	-	252,961
As at 31.12.2021	(356,883)	(19,400)	(204,146)	(3,298,966)	-	(3,879,395)
Net book value						
As at 01.01.2021	326,687	28,268	160,660	640,492	131,891	1,287,998
As at 31.12.2021	-	21,617	882	429,416	173,857	625,772

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts are stated in GBP)

13. Investments

	Investment in subsidiary companies
Cost	
As at 1 January 2020 and 31 December 2020	<u>37,524</u>
As at 1 January 2021 and 31 December 2021	<u>37,524</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Nature of Business	Class of shares	Holding
Hireright Poland Sp. z.o.o.	Uniwersytecka 18, 40-007 Katowice, Poland	Employee screening services	102 ordinary shares of 500 Polish Zloty each	100%

Hireright Poland Sp. z.o.o generated a profit of £139,798 (2020: £128,165).

14. Debtors

	31 December 2021	31 December 2020
Trade debtors	7,359,765	4,376,793
Amounts owed by group undertakings	5,712,433	12,453,478
Corporation tax recoverable	415,932	-
Other debtors	369,538	354,510
Deferred taxation (note 19)	388,575	55,584
Prepayments and accrued income	470,018	261,561
	<u>14,716,261</u>	<u>17,501,926</u>

15. Cash at bank and in hand

	31 December 2021	31 December 2020
Cash at bank	<u>5,004,688</u>	<u>978,017</u>

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in GBP)

16. Creditors: amounts falling due within one year

	31 December 2021	31 December 2020
Trade creditors	651,014	883,743
Amounts owed to group undertakings	3,118,419	4,314,608
Corporation tax payable	-	68,954
Other taxation and social security	623,840	1,022,211
Other creditors	865,765	609,121
Accruals and deferred income	1,899,428	1,461,560
Deferred rent	137,532	-
	<u>7,295,998</u>	<u>8,360,197</u>

17. Creditors: amounts falling due after more than one year

	31 December 2021	31 December 2020
Deferred rent	<u>452,674</u>	<u>-</u>

18. Provision for liabilities

	31 December 2021	31 December 2020
Lease cease liability (Note 22)	<u>3,383,350</u>	<u>-</u>

The Company periodically identifies opportunities for cost savings through office consolidations or by exit from certain underutilized facilities. As a result the Company has physically exited its London Canary Wharf facility (100%) on December 31, 2021. This operating lease is still in effect until March 2026. The Company intends to sublease the facility within a 9 month time frame from its marketing efforts (expected sublease October 2022). The Company calculated the gross liability as the net present value of future rental payments and recurring executory costs, net of sublease income.

As a result, at 31 December 2021, the Company recognised a net liability in the amount of GBP 3,383,338, out of which GBP 935,292 refers to short term liability, and GBP 2,448,046 refers to long term liability. Additionally, entry has been recorded to the Income Statement as Other Operating Expense (Note 5). The Company recognised a depreciation charge in the amount of GBP 420,252 (Note 12) which corresponds to the remaining useful life of fixed assets at the leased property. A liability for costs that will continue to be incurred under a contract for its remaining term without economic benefit to the entity have been recognized and measured at its fair value at 1.05%, the risk-free rate.

The recurring costs include mainly service fees and real estate taxes in the amount of GBP 1,891,346, which have not been included in the future minimum lease payments (Note 22).

Based on the current market condition and under the revision of possible outcomes, in June 2022, the Company decided to sub-let only the part of the office space and re-occupy remaining area. This decision is perceived as non-adjusting post balance sheet event and remained without significant impact on the Financial Statements for year ended 31 December 2021. The Company will recalculate the provision, which will result in its decrease; the effect will be recognized in 2022.

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in GBP)

19. Deferred taxation

	31 December 2021	31 December 2020
At the beginning of financial year	55,584	6,225
Charged to profit or loss	361,770	49,359
Adjustment in respect of prior year	(28,779)	-
At end of financial year	388,575	55,584

The deferred tax asset is made up as follows:

	31 December 2021	31 December 2020
Decelerated capital allowances	152,173	16,821
Other timing differences - losses	34,783	38,763
Losses	201,619	-
	388,575	55,584

20. Called up share capital

	31 December 2021	31 December 2020
Allotted, called up and fully paid		
At 1 January: Ordinary Share shares of £1.00 (2020: £1.00) each	2	2
Additional ordinary Share shares of £1.00 each	680	680
At 31 December: Ordinary Share shares of £1.00 (2020: £1.00) each	682	682

21. 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 £205,230 (year ended 31 December 2020: £245,508).

22. Commitments under operating leases

At 31 December 2021 and at 31 December 2020, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2021	31 December 2020
Not later than 1 year	491,172	122,793
Later than 1 year and not later than 5 years	1,596,309	2,087,485
	2,087,481	2,210,278

HIRERIGHT LTD
NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in GBP)

23. 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 Holdings Corporation Group (formerly 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.

24. 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 Holdings Corporation Group (formerly 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 Holdings Corporation Group (formerly HireRight GIS Group Holdings LLC), respectively. Copies of financial statements of Hireright UK Holding Limited may be obtained from 15 Westferry Circus, Canary Wharf, London, E14 4HD and of HireRight GIS Group Holdings LLC may be obtained from 600 Third Avenue New York, NY 10016 United States.