

PROVIDENCE SOLUTIONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



PROVIDENCE SOLUTIONS LIMITED
REGISTERED NUMBER: 07290497

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	1,583	4,152
		<u>1,583</u>	<u>4,152</u>
Current assets			
Debtors		183,060	209,747
Cash at bank and in hand		53,166	62,630
		<u>236,226</u>	<u>272,377</u>
Creditors: amounts falling due within one year	7	(1,252,742)	(279,521)
Net current liabilities		<u>(1,016,516)</u>	<u>(7,144)</u>
Total assets less current liabilities		<u>(1,014,933)</u>	<u>(2,992)</u>
Creditors: amounts falling due after more than one year		-	(400,000)
Provisions for liabilities		(316)	(830)
Net liabilities		<u><u>(1,015,249)</u></u>	<u><u>(403,822)</u></u>
Capital and reserves			
Called up share capital		201,100	201,100
Profit and loss account		(1,216,349)	(604,922)
		<u><u>(1,015,249)</u></u>	<u><u>(403,822)</u></u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30 September 2017

PROVIDENCE SOLUTIONS LIMITED
REGISTERED NUMBER: 07290497

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016



Ralph Karam
Director

The notes on pages 3 to 9 form part of these financial statements.

PROVIDENCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Providence Solutions Limited is a limited liability company registered in England and Wales. Its principal place of business is 25 North Row, London, W1K 6DJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company has reported a loss for the period of £611,426 (2015: £14,216) and has net liabilities at the balance sheet date of £1,015,248 (2015: £403,822). The company is therefore dependent on the parent company for continuing support. The parent company has confirmed its ongoing support for the company.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed 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.

PROVIDENCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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:

Computer equipment	- 3 years Straight Line (33% on cost)
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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.

2.5 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.

2.6 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.

2.7 Financial instruments

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

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.

2.8 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.

PROVIDENCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 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.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 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.

PROVIDENCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year 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. Employees

The average monthly number of employees, including directors, during the year was 4 (2015 - 5).

PROVIDENCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2016	8,805
At 31 December 2016	<u>8,805</u>
Depreciation	
At 1 January 2016	4,653
Charge for the year on owned assets	2,569
At 31 December 2016	<u>7,222</u>
Net book value	
At 31 December 2016	<u>1,583</u>
At 31 December 2015	<u>4,152</u>

5. Debtors

	2016 £	2015 £
Trade debtors	159,993	178,636
Other debtors	23,067	28,661
Prepayments and accrued income	-	2,450
	<u>183,060</u>	<u>209,747</u>

6. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	53,166	62,630
	<u>53,166</u>	<u>62,630</u>

PROVIDENCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	241,402	98,546
Amounts owed to group undertakings	600,000	150,000
Other taxation and social security	10,840	10,317
Other creditors	400,000	-
Accruals and deferred income	500	20,658
	<u>1,252,742</u>	<u>279,521</u>

8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	-	400,000
	<u>-</u>	<u>400,000</u>

9. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	53,166	62,630
	<u>53,166</u>	<u>62,630</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

10. Deferred taxation

	2016 £
At beginning of year	(830)
Charged to profit or loss	514
At end of year	<u>(316)</u>

PROVIDENCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	(316)
	<u>(316)</u>

11. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
100,500 "B" Non-voting shares of £2 each	201,000	201,000
	<u>201,100</u>	<u>201,100</u>

12. 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 £675 (2015 - £Nil). Contributions totalling £Nil (2015 - £Nil) were payable to the fund at the balance sheet date.

13. Controlling party

The ultimate controlling party is Providence Wealth Corporation Limited by virtue of its 100% holding of the ordinary voting shares in Providence Solutions Limited.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.