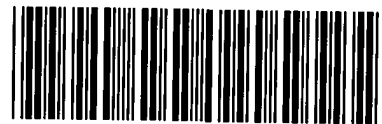


Privax Services (UK) Limited

Annual Report and Financial Statements

For the year ended 31 December 2016

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Privax Services (UK) Limited

Company Information

Director	Kelby Barton
Company number	08417876
Registered office	7th Floor 110 High Holborn London United Kingdom WC1V 6JS
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Privax Services (UK) Limited

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Privax Services (UK) Limited

Director's Report

For the year ended 31 December 2016

The director presents his report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of providing software development services.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Peter Seebohm	(Appointed 27 October 2016 and resigned 29 June 2017)
Erik Siegler	(Resigned 30 September 2016)
Gagandeep Singh	(Appointed 30 September 2016 and resigned 27 October 2016)
Kelby Barton	(Appointed 29 June 2017)

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Privax Services (UK) Limited

Director's Report (Continued)

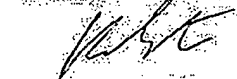
For the year ended 31 December 2016

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Kelby Barton

Director

30/06/2017

Privax Services (UK) Limited

Independent Auditors' Report

To the Members of Privax Services (UK) Limited

We have audited the financial statements of Privax Services (UK) Limited for the year ended 31 December 2016 which comprise, the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Director's Report has been prepared in accordance with applicable legal requirements.

Privax Services (UK) Limited

Independent Auditors' Report (Continued)

To the Members of Privax Services (UK) Limited

Matters on which we are required to report by exception

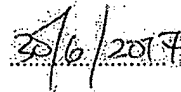
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Mark Twum-Ampofo (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Chartered Accountants
Statutory Auditor



Devonshire House
60 Goswell Road
London
EC1M 7AD

Privax Services (UK) Limited

Profit and Loss Account

For the year ended 31 December 2016

	Year ended 31 December 2016 £	8 months ended 31 December 2015 £
Turnover	2,864,124	1,755,846
Administrative expenses	(2,574,009)	(1,658,094)
Operating profit	290,115	97,752
Interest receivable from group companies	5,958	-
Interest payable to group companies	(865)	-
Profit before taxation	295,208	97,752
Taxation	(87,656)	(2,716)
Profit for the financial year	207,552	95,036
Total comprehensive income for the year	207,552	95,036

Privax Services (UK) Limited

Balance Sheet

As at 31 December 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Debtors	3	1,168,204		840,921	
Cash at bank and in hand		97,617		46,250	
		<u>1,265,821</u>		<u>887,171</u>	
Creditors: amounts falling due within one year	4	<u>(677,446)</u>		<u>(630,812)</u>	
Net current assets		<u>588,375</u>		<u>256,359</u>	
Capital and reserves					
Called up share capital	7		1		1
Capital contribution reserve		124,464		-	
Profit and loss reserves		463,910		256,358	
Total equity		<u>588,375</u>		<u>256,359</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30/06/2017 and are signed on its behalf by:


Kelby Barton
Director

Company Registration No. 08417876

Privax Services (UK) Limited

Statement of Changes in Equity

For the year ended 31 December 2016

	Notes	Share capital £	contribution reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2015		<u>1</u>		<u>161,322</u>	<u>161,323</u>
Period ended 31 December 2015:					
Profit and total comprehensive income for the period				<u>95,036</u>	<u>95,036</u>
Balance at 31 December 2015		<u>1</u>		<u>256,358</u>	<u>256,359</u>
Period ended 31 December 2016:					
Profit and total comprehensive income for the period				<u>207,552</u>	<u>207,552</u>
Increase in reserve			<u>124,464</u>		<u>124,464</u>
Balance at 31 December 2016		<u>1</u>	<u>124,464</u>	<u>463,910</u>	<u>588,375</u>

Privax Services (UK) Limited

Notes to the Financial Statements

For the year ended 31 December 2016

1 Accounting policies

Company information

Privax Services (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7th Floor 110 High Holborn, London, United Kingdom, WC1V 6JS.

1.1 Accounting convention

These financial statements have been prepared in accordance with section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

These financial statements for the year ended 31 December 2016 are the first financial statements Privax Services (UK) Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for support services net of VAT and trade discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.4 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

1.5 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.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Privax Services (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 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.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.9 Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the company's estimate of shares or options that will eventually vest. Where an equity-settled scheme has been replaced by a cash settled scheme where the liability rests with the ultimate parent company this continues to be accounted for as an equity-settled scheme in this company, the subsidiary, and the fair value of the options as originally calculated continues to be expensed on a straight line basis over the vesting period.

Privax Services (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

1 Accounting policies

(Continued)

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Total	23	26

3 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts due from group undertakings	1,146,158	797,819
Other debtors	22,046	43,102
	1,168,204	840,921

4 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	4,233	15,805
Amounts due to group undertakings	191,564	363,042
Corporation tax	88,383	578
Other taxation and social security	32,255	47,719
Other creditors	361,011	203,668
	677,446	630,812

Privax Services (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

5 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £64,737 (2015 - £26,211).

6 Share-based payment transactions

	Number of share options	Weighted average exercise price
	2016 Number	2016 £
Outstanding at 1 January 2016	2,500	0.01
Granted	13,000	3.72
Forfeited	(41)	0.01
Outstanding at 31 December 2016	15,459	3.12
Exercisable at 31 December 2016	15,459	3.12

The options outstanding at 31 December 2016 had an exercise price ranging from \$0.01 to \$19.80, and a remaining contractual life of 3.5 to 4.5 years.

Total expenses of £132,683 related to share based payment transactions were recognised in the year. (2015 - £-).

7 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid 1 Ordinary Shares of £1 each	1	1

8 Related party transactions

The company has taken advantage of the exemption available in FRS102.33.1a from disclosing transactions with Avast Holding B.V. and its wholly owned subsidiaries.

9 Parent company

The immediate controlling party is Privax Limited, a company registered in England and Wales. The registered address of Privax Limited is 7th Floor, 110 High Holborn, London, WC1V 6JS.