

Registered number
03422709

First Advantage Europe Ltd

Report and Accounts

31 December 2019



First Advantage Europe Ltd
Report and accounts
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First Advantage Europe Ltd
Company Information

Director
Bret T Jardine

Auditors
Taylor Rushby Limited
The Coach House
Headgate
Colchester
Essex
CO3 3BT

Registered office
30th Floor, 40 Bank Street
Canary Wharf
London
E14 5NR

Registered number
03422709

First Advantage Europe Ltd
Registered number: 03422709
Director's Report

The director presents his report and accounts for the year ended 31 December 2019.

Principal activities

The company's principal activity during the year continued to be the provision of pre-employment screening services.

Directors

The following persons served as directors during the year:

Bret T Jardine

Director's responsibilities

The director is responsible for preparing the report and accounts in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 him to ensure that the accounts 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.

First Advantage Europe Ltd

Registered number: 03422709

Director's Report

Disclosure of information to auditors

The director confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 26 August 2020 and signed on its behalf.



Bret T Jardine
Director

First Advantage Europe Ltd
Independent auditor's report
to the member of First Advantage Europe Ltd

Opinion

We have audited the accounts of First Advantage Europe Ltd for the year ended 31 December 2019 which comprise the Profit and Loss Account, the Balance Sheet and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out below, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In accordance with the exemption provided by FRC's Ethical Standard - Provisions Available for Audits of Small Entities, we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The other information comprises the information included in the report and accounts, other than the accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report has been prepared in accordance with applicable legal requirements.

First Advantage Europe Ltd
Independent auditor's report
to the member of First Advantage Europe Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

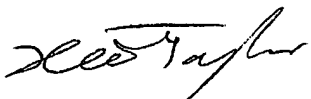
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Nicholas Taylor
(Senior Statutory Auditor)
for and on behalf of
Taylor Rushby Limited
Accountants and Statutory Auditors
26 August 2020

The Coach House
Headgate
Colchester
Essex
CO3 3BT

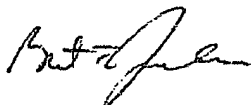
First Advantage Europe Ltd
Profit and Loss Account
for the year ended 31 December 2019

	2019	2018
	£	£
Turnover	5,340,866	4,256,669
Cost of sales	(2,832,828)	(2,605,726)
Gross profit	<u>2,508,038</u>	<u>1,650,943</u>
Administrative expenses	(2,105,221)	(1,950,444)
Operating profit/(loss)	<u>402,817</u>	<u>(299,501)</u>
Interest receivable	80	32
Interest payable	(16)	-
Profit/(loss) before taxation	<u>402,881</u>	<u>(299,469)</u>
Tax on profit/(loss)	-	-
Profit/(loss) for the financial year	<u><u>402,881</u></u>	<u><u>(299,469)</u></u>

First Advantage Europe Ltd**Registered number:** 03422709**Balance Sheet****as at 31 December 2019**

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	4	69,730	45,221
Current assets			
Debtors	5	2,638,657	2,264,214
Cash at bank and in hand		<u>803,062</u>	<u>780,053</u>
		3,441,719	3,044,267
Creditors: amounts falling due within one year	6	(4,091,278)	(4,072,198)
Net current liabilities		<u>(649,559)</u>	<u>(1,027,931)</u>
Net liabilities		<u>(579,829)</u>	<u>(982,710)</u>
Capital and reserves			
Called up share capital		4,502,751	4,502,751
Profit and loss account		<u>(5,082,580)</u>	<u>(5,485,461)</u>
Shareholder's funds		<u>(579,829)</u>	<u>(982,710)</u>

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.



Bret T Jardine
Director

Approved by the board on 26 August 2020

First Advantage Europe Ltd
Notes to the Accounts
for the year ended 31 December 2019

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from rendering of services. Turnover from the rendering of services is recognised as services are completed in accordance with the contracts.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Office equipment	over four years
Computers	over three years
Furniture, fixtures and fittings	over seven years

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

First Advantage Europe Ltd
Notes to the Accounts
for the year ended 31 December 2019

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Audit information

The audit report is unqualified.

Senior statutory auditor:	Nicholas Taylor
Firm:	Taylor Rushby Limited
Date of audit report:	26 August 2020

3 Employees

	2019 Number	2018 Number
Average number of persons employed by the company	86	77

4 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 January 2019	148,902
Additions	56,430
At 31 December 2019	205,332
Depreciation	
At 1 January 2019	103,681
Charge for the year	31,921
At 31 December 2019	135,602
Net book value	
At 31 December 2019	69,730
At 31 December 2018	45,221

First Advantage Europe Ltd
Notes to the Accounts
for the year ended 31 December 2019

5 Debtors	2019	2018
	£	£
Trade debtors	965,504	589,692
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,577,099	1,592,219
Other debtors	96,054	82,303
	<u>2,638,657</u>	<u>2,264,214</u>
 6 Creditors: amounts falling due within one year	 2019	 2018
	£	£
Trade creditors	207,594	211,011
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,978,849	3,240,174
Taxation and social security costs	269,203	171,675
Other creditors	635,632	449,338
	<u>4,091,278</u>	<u>4,072,198</u>
 7 Other financial commitments	 2019	 2018
	£	£
Total future minimum payments under non-cancellable operating leases	<u>403,198</u>	<u>505,944</u>

8 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102, paragraph 33.1A, from disclosing transactions with other group companies.

First Advantage Europe Ltd
Notes to the Accounts
for the year ended 31 December 2019

9 Controlling party

The company was wholly owned by STG-Fairway B.V., a corporation registered in The Netherlands.

The ultimate controlling party was STG-Fairway Holdings LLC, a United States corporation which is controlled by affiliates of Symphony Technology Group. STG-Fairway Holdings LLC draws up consolidated financial statements.

On 31 January 2020 Symphony Technology Group and other equity holders of STG-Fairway Holdings LLC sold their interests in STG-Fairway Holdings LLC to a private equity fund managed by Silver Lake Partners. After the transactions, STG-Holdings LLC changed its name to First Advantage Holdings LLC and is still regarded to be the ultimate controlling party.

10 Other information

First Advantage Europe Ltd is a private company limited by shares and incorporated in England and Wales. Its registered office is:

30th Floor, 40 Bank Street

Canary Wharf

London

E14 5NR

First Advantage Europe Ltd
Detailed profit and loss account
for the year ended 31 December 2019
This schedule does not form part of the statutory accounts

	2019 £	2018 £
Sales	5,340,866	4,256,669
Cost of sales	(2,832,828)	(2,605,726)
Gross profit	<u>2,508,038</u>	<u>1,650,943</u>
Administrative expenses	(2,105,221)	(1,950,444)
Operating profit/(loss)	<u>402,817</u>	<u>(299,501)</u>
Interest receivable	80	32
Interest payable	(16)	-
Profit/(loss) before tax	<u>402,881</u>	<u>(299,469)</u>

First Advantage Europe Ltd
Detailed profit and loss account
for the year ended 31 December 2019
This schedule does not form part of the statutory accounts

	2019 £	2018 £
Sales		
Sales	5,340,866	4,256,669
Cost of sales		
Interview and search costs	2,098,397	2,029,715
Direct labour	680,583	542,367
Social Security costs	53,848	33,644
	<u>2,832,828</u>	<u>2,605,726</u>
Administrative expenses		
Employee costs:		
Wages and salaries	846,075	815,328
Pensions	110,065	68,396
Medical insurance and other benefits	40,999	54,908
Social Security costs	179,957	149,265
Recruitment and relocation expenses	1,888	31,966
Staff training and welfare	3,652	14,884
Travel and subsistence	97,177	89,096
Redundancy costs	3,750	9,500
Entertaining	1,524	1,869
	<u>1,285,087</u>	<u>1,235,212</u>
Premises costs:		
Rent, rates and service charges	227,427	215,576
Light and heat	25,749	23,605
Cleaning and maintenance	30,825	30,947
	<u>284,001</u>	<u>270,128</u>
General administrative expenses:		
Telecommunications costs	84,274	83,903
Stationery, postage and printing	8,840	9,400
Subscriptions	1,306	116
Bank charges	8,097	7,325
Insurance	12,694	14,487
Loss/(profit) on foreign currency translation	25,207	58,322
Computer costs	189,941	91,277
Repairs and maintenance	28,627	10,709
Depreciation	31,921	21,243
Bad debt recovery	3,140	(23,749)
Sundry expenses	-	(78)
	<u>394,047</u>	<u>272,955</u>
Legal and professional costs:		
Audit fees	6,302	5,500
Legal fees	1,000	1,517
Consultancy fees	8,007	14,649
Management and support fees	88,510	95,889
Marketing expenses	38,267	55,194
Other legal and professional	-	(600)
	<u>142,086</u>	<u>172,149</u>
	<u>2,105,221</u>	<u>1,950,444</u>