

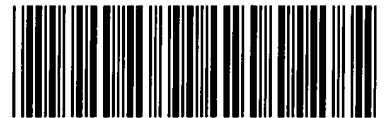
# Financial Statements

## iJet Intelligent Risk Systems UK Limited

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For the Year Ended 31 December 2016

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COMPANIES HOUSE

**Registered number: 08432606**

**IJet Intelligent Risk Systems UK Limited**

## Company Information

**Directors**

A Dinsmore  
D B McIndoe  
J M Rose  
E S Ryan  
M J Briskey

**Registered number**

08432606

**Registered office**

28 Lime Street  
London  
EC3M 7HR

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
Victoria House  
199 Avebury Boulevard  
Milton Keynes  
MK9 1AU

**Bankers**

Silicon Valley Bank  
3003 Tasman Drive  
Santa Clara  
California  
95054

## Contents

	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Independent auditor's report</b>	<b>3 - 4</b>
<b>Statement of comprehensive income</b>	<b>5</b>
<b>Statement of financial position</b>	<b>6</b>
<b>Statement of changes in equity</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 17</b>

## **Directors' Report**

**For the Year Ended 31 December 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

### **Principal activity**

The Company was established on 6 March 2013 to provide enterprise risk management and business resiliency solutions. The principal activity of the Company is mainly to gather open source information from various countries and cities around the world which is evaluated by intelligence analysts and prioritised by urgency level for customers enabling them to respond to incidents more efficiently and effectively.

### **Directors**

The directors who served during the year were:

A Dinsmore  
D B McIndoe  
J M Rose  
E S Ryan  
M J Briskey

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

## Directors' Report (continued)

For the Year Ended 31 December 2016

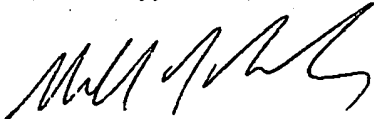
### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies provisions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



M J Briskey  
Director

Date: 22 Sep 17



## Independent Auditor's Report to the Members of iJet Intelligent Risk Systems UK Limited

We have audited the financial statements of iJet Intelligent Risk Systems UK Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' responsibilities statement on page 1, the directors are 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 Practice Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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.



## Independent Auditor's Report to the Members of iJet Intelligent Risk Systems UK Limited (continued)

### **Opinion 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 financial statements are prepared is consistent with those financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

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.

### **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 directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

*Grant Thornton UK LLP*

Laura Brierley (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Milton Keynes

Date: *27 September 2017*

## Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	643,117	416,980
Gross profit		643,117	416,980
Administrative expenses		(609,723)	(397,125)
Operating profit	4	33,394	19,855
Tax on profit	7	(6,952)	(3,938)
Profit for the year		26,442	15,917
Other comprehensive income for the year			
Total comprehensive income for the year		26,442	15,917

The results relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 17 form part of these financial statements.



## Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	8	1,678	3,044
		<u>1,678</u>	<u>3,044</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	79,535	32,225
Cash at bank and in hand	10	15,894	25,242
		<u>95,429</u>	<u>57,467</u>
Creditors: amounts falling due within one year	11	(49,773)	(39,619)
<b>Net current assets</b>		<u>45,656</u>	<u>17,848</u>
<b>Total assets less current liabilities</b>		<u>47,334</u>	<u>20,892</u>
<b>Provisions for liabilities</b>			
Deferred tax	13	(548)	(548)
		<u>(548)</u>	<u>(548)</u>
<b>Net assets</b>		<u><u>46,786</u></u>	<u><u>20,344</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account	15	46,785	20,343
		<u>46,786</u>	<u>20,344</u>

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 were approved and authorised for issue by the board and were signed on its behalf by:

  
M J Briskey  
Director

Date: 22 Sep 17

The notes on pages 8 to 17 form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	1	20,343	20,344
<b>Comprehensive income for the year</b>			
Profit for the year	-	26,442	26,442
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	26,442	26,442
<b>Total transactions with owners</b>	-	-	-
At 31 December 2016	1	46,785	46,786

## Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1	4,426	4,427
<b>Comprehensive income for the year</b>			
Profit for the year	-	15,917	15,917
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	15,917	15,917
<b>Total transactions with owners</b>	-	-	-
At 31 December 2015	1	20,343	20,344

The notes on pages 8 to 17 form part of these financial statements.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2016**

### **1. General Information**

iJet Intelligent Risk Systems UK Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at 28 Lime Street, London, England, EC3M 7HR.

### **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.

This is the first year in which the financial statements have been prepared under FRS 102. Information on the impact of first-time adoption of FRS 102 is given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies.

Management confirm there were no significant judgments or estimates that have been applied in these financial statements.

#### **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).

This information is included in the consolidated financial statements of iJet International, Inc. as at 31 December 2016 and these financial statements may be obtained from 185 Admiral Cochrane Drive, Annapolis, MD 21401, United States.

#### **2.3 Going concern**

The directors have reviewed the company's projected profits and cash flows which they have prepared on the basis of a detailed analysis of the company's finances and future prospects. The company has a net current asset position and has received confirmation from its parent undertaking, iJet International, Inc. that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. Accordingly the financial statements have been prepared on a going concern basis.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.4 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.

#### 2.5 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.

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:

Office equipment	- 33% per annum
Computer equipment	- 33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.6 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.7 Cash and cash equivalents

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

#### 2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like other debtors and creditors and receivables from related parties.

#### 2.9 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.

#### 2.10 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

#### 2.11 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.12 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 Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

#### 2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

#### 2.14 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 reporting 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 Statement of financial position 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 reporting date.

### 3. Turnover

All turnover is attributable to geographical markets outside the United Kingdom.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 4. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	1,366	1,296
Defined contribution pension cost	27,481	-
	<u>27,481</u>	<u>-</u>

During the year, no director received any emoluments (2015: £Nil).

### 5. Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,250	6,250
	<u>8,250</u>	<u>6,250</u>

#### Fees payable to the company's auditor and its associates in respect of:

Taxation compliance services	3,000	1,500
VAT compliance services	3,000	3,000
Assistance with accounts preparation	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

### 6. Employees

The average monthly number of employees, including directors, during the year was 9 (2015 - 9).

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 7. Taxation

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	6,952	3,691
Adjustments in respect of previous periods	-	(301)
	<u>6,952</u>	<u>3,390</u>
<b>Total current tax</b>	<u>6,952</u>	<u>3,390</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	548
	<u>-</u>	<u>548</u>
<b>Total deferred tax</b>	<u>-</u>	<u>548</u>
<b>Taxation on profit on ordinary activities</b>	<u>6,952</u>	<u>3,938</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>33,394</u>	<u>19,855</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20%)	6,679	3,971
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	273	-
Adjustments to tax charge in respect of prior periods	-	(301)
Adjust closing deferred tax to average rate of 20%	-	(61)
Deferred tax not recognised	-	329
<b>Total tax charge for the year</b>	<u>6,952</u>	<u>3,938</u>



## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 8. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2016	1,742	2,695	4,437
At 31 December 2016	1,742	2,695	4,437
<b>Depreciation</b>			
At 1 January 2016	677	716	1,393
Charge for the period on owned assets	291	1,075	1,366
At 31 December 2016	968	1,791	2,759
<b>Net book value</b>			
At 31 December 2016	774	904	1,678
At 31 December 2015	1,065	1,979	3,044

### 9. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	52,508	11,172
Other debtors	960	1,213
Prepayments	26,067	19,840
	<u>79,535</u>	<u>32,225</u>

Amounts owed by group undertakings are repayable on demand and are carried at amortised cost basis.

### 10. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>15,894</u>	<u>25,242</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Corporation tax	7,874	3,691
Other taxation and social security	-	3,248
Accruals and deferred income	41,899	32,680
	<u>49,773</u>	<u>39,619</u>

### 12. Financial Instruments

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	64,572	32,225
	<u>64,572</u>	<u>32,225</u>
 Financial liabilities measured at amortised cost	 41,899	 32,680
	<u>41,899</u>	<u>32,680</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings, prepayments and other debtors.

Financial liabilities measured at amortised cost comprise the amount of accruals.

### 13. Deferred taxation

	2016 £	2015 £
At beginning of year	548	-
Charged to profit or loss	-	548
<b>At end of year</b>	<u>(548)</u>	<u>(548)</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	548	548
	<u>548</u>	<u>548</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 14. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

### 15. Reserves

#### Profit and loss account

Includes all current and prior period retained profits and losses.

### 16. Pension commitments

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contribution payable are charged to the profit and loss account. The pension cost charged represents contributions payable by the company and amounted to £27,481 (2015: nil).

### 17. Commitments under operating leases

At 31 December, the company had future minimum lease payments under non-cancellable operating lease in respect of office desks as follows:

	2016 £	2015 £
Due within 1 year	<u>-</u>	<u>13,500</u>

### 18. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 Section 33, removing the requirement to disclose transactions with group companies on the grounds that all subsidiaries within iJet Group are wholly owned.

### 19. Controlling party

iJet International Inc, a company incorporated in the United States, is the ultimate controlling party and owns 100% of the share capital. iJet Intelligent Risk Systems UK Limited is consolidated within iJet International Inc.

**iJet Intelligent Risk Systems UK Limited**

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2016**

### **20. 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.