

QTec Analytics Limited

(formerly Quest Global Holdings Limited)

Report and Financial Statements

Year Ended

31 December 2013

Company Number 03047110



QTec Analytics Limited

**Report and financial statements
for the year ended 31 December 2013**

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Directors

L M Dorfman CBE
Lord Stevens of Kirkwhelpington
D S Altschuler
Sir H Solomon
J L Joffe
M Davis
S R Kappes

Registered office

22 Manchester Square, London W1U 3PT

Company number

03047110

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

QTec Analytics Limited

Strategic report for the year ended 31 December 2013

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2013.

Principal activities

QTec Analytics Limited (QTec, or the Company) is the UK-registered parent company of a group of businesses united by the shared commitment to bring big data analytical tools and technology to decision makers. The principal activity of the Company and the group is to serve as a growth platform that provides technology-enabled security and integrity solutions to a range of customers including governments, intelligence agencies, commercial enterprises, foundations and individuals. The Company's three business units during the period under review address complementary yet distinct market needs, combining service, product and technology offerings in each segment. These were as follows:

- Voyager - a provider of software-based solutions specializing in social media monitoring and analytics. Based in London with R&D activities in Tel Aviv, Voyager's analytic solution provides social media monitoring in real time in multiple languages, tools to query and visualize relationships and trends in vast unstructured data, and the ability to predict and provide alerts to organizations regarding issues or threats before they happen.
- Monitor 360 - an intelligence and decision support organization that helps solve complex strategic and operational problems for businesses, foundations and national security organizations. With offices in San Francisco, CA and Washington, DC, Monitor 360 leverages big data analytics to provide a mixture of product based socio-cultural and strategic communications analysis, customized analytic studies and more general advisory services – all focused on key decision makers.
- Quest - an international advisory firm that helps clients manage and respond to security and integrity challenges facing their core assets, including brand. Quest's clients include global corporations, international sporting federations, police and national security agencies, and high net-worth individuals

The Company's principle strategy is to continue transforming the group into a leading technology player in the social media and analytics space. The Company's Voyager unit is core to this strategy, representing a proprietary technology and fast-growing market position in social media analytics. As such, Voyager is able to provide proprietary services and crucial insights that help to guide the strategies and differentiate the offerings of other group units. For example, Monitor 360 has begun to integrate various social media analytic tools into its activities, launching new, highly valued offerings to its clients.

In November 2013, the Company successfully raised \$4.5 million in funding from its existing shareholders, \$2.5 million of which was invested in further development of the Voyager business unit, \$1.0 million of which was used to repurchase an outstanding economic interest in the Company, and \$1.0 million of which was used to fund the on going operating costs of the group business in general.

QTec Analytics Limited

Strategic report for the year ended 31 December 2013 (*continued*)

Business review

The Companies Act requires the company to set out in this annual report a fair review of the business of the company during the year ended 31 December 2013, including an analysis of the position of the company at the end of the period and a description of the principal risks and uncertainties facing the company (known as the 'business review').

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the limited size and scope of our business and is written in the context of the risks and uncertainties we face.

Each of the company's three business units made important progress during 2013:

- **Voyager:** QTec's Voyager Analytics Limited operation continued to develop its proprietary technology for analysis of social media. Voyager also made strong progress in securing initial clients for its analytical systems and services. As anticipated, Voyager produced operating losses during 2013 as investments in technology and marketing exceeded the unit's revenues.
- **Monitor 360:** QTec's Monitor 360 business was solidly profitable based on continued demand for its services among its traditional clients with the U.S. Government. Monitor 360 also developed and introduced a new, technology-enabled offering – Narrative Analytics – aimed at both government and non-government clients. Initial reception of Narrative Analytics has been promising.
- **Quest:** QTec's Quest unit experienced growth in revenue during 2013, primarily among Middle Eastern clients and High Net Worth Individuals. However, notwithstanding this growth, Quest operated at a loss and a series of actions were taken to lower the unit's cost base. In June 2014, the Quest unit was sold to a new holding company. See note 23 for further information.

The company's three units each operate in markets that are highly competitive and subject to rapid change. Given QTec's limited size, the company is relatively reliant on large contracts with a limited number of customers. In addition, given the importance of technology to the company's offerings, there is risk that others might develop or incorporate technologies that are superior. With these risks and uncertainties in mind, the board closely monitors the activities of the group and regularly receives management reports; which include financial results, budgets, cash forecasts and assessments of current and future business developments for each business unit as well as for the consolidated group as a whole. In addition, to the extent that QTec's businesses are international in scope, we are mindful of and closely manage our currency exposure.

The results for the year are set out on page 8. Turnover for the year was £8.6 million (2013 - £7.0 million) producing gross profit of £7.6 million (2013 - £5.8 million). The Company incurred a loss of £3.1 million (2013 - £2.0 million). The Company has not historically been profitable, recently due to substantial investments in technology and establishing the platform for strong future growth. In connection with its on going transformation into a technology-enabled software and service provider, the Company anticipates future profitability to result from accelerated revenue growth and close management of operating expenses. Accordingly, the Company's directors continue to view the future with confidence.

QTec Analytics Limited

Strategic report
for the year ended 31 December 2013 (*continued*)

Key Performance Indicators

The Company uses a range of financial performance measures to monitor and manage the Company effectively. These include turnover, gross margin, EBITDA (excluding exceptional items) and cash.

Principal Risks and Uncertainties

As a small, entrepreneurial business, the success of the Company is dependent on retaining and motivating its key management and employees who have important capabilities, relationships and leadership responsibilities. To support this objective, the Company offers competitive remuneration packages and equity in the form of an EMI share option scheme and other stock option plans to incentivise and retain key staff.

The Company targets segments in which its current and prospective offerings are viewed as unique and advantaged. However, other enterprises may recognize the attractiveness of these segments and introduce competing offerings that could hinder the Company's future growth.

A significant portion of the Company's current revenue derives from existing clients under short-term contracts. While the Company believes its relationships with these clients to be very strong, there can be no assurance that such clients will continue to renew contracts or that the terms of such renewals will be as favourable to the Company as its current terms.

The Company uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the business to a number of financial risks which include currency risk, credit risk, cash flow and liquidity risk. With respect to currency risk, the Company trades internationally and is exposed to movements in US dollars and Israeli shekels. The Company monitors and minimizes as far as possible exposure from currency risk on an on going basis. The Company's principal credit risk relates to the recovery of amounts from trade debtors. In order to manage credit risk, the Company sets limits for customers based on a combination of payment history and credit checks for new customers. The Company monitors cash flow as part of its day-to-day control procedures. The Company's Board of Directors considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Approval

This strategic report was approved on behalf of the Board on

J L Joffe

Director

Date



25 November 2014

QTec Analytics Limited

Report of the directors for the year ended 31 December 2013

The directors present their report together with the audited financial statements for the year ended 31 December 2013.

The company changed its name from Quest Global Holdings Limited to QTec Analytics Limited on 2 June 2014. The company changed its name from Quest Global Limited to Quest Global Holdings Limited on 21 October 2013. The company changed its name from Monitor Quest Limited to Quest Global Limited on 13 March 2013.

Results and dividends

The profit and loss account is set out on page 8 and shows the result for the year.

No dividends will be distributed for the year ended 31 December 2013 (2012 - £Nil).

The company adheres to the policies and standards identified in the Company's Quality Management System, which is certified by British Standards Institute to ISO9001.

Directors

The directors of the company during the year were:

R I H Andrews	(resigned 31 October 2013)
L M Dorfman CBE	
Lord Stevens of Kirkwhelpington	
D S Altschuler	
Sir H Solomon	
J L Joffe	
M Davis	(appointed 23 January 2013)
S R Kappes	(appointed 23 January 2013)

Going concern

While the company operated at a loss during 2013, a substantial portion represents investments in technology, marketing and other resources intended to support rapid growth in future revenues. In the meantime, the company continues to actively take measures to improve near-term revenues and closely manage costs throughout its businesses and the directors expect that successful implementation of such measures will improve the company's financial performance. The directors have the support from the shareholders, who participated in a round of equity funding during November 2013 and are committed to ensuring that the company has adequate finances to continue as a going concern for a period of at least twelve months from the date of signing the financial statements.

QTec Analytics Limited

Report of the directors for the year ended 31 December 2013 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 group and company financial statements 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

PricewaterhouseCoopers LLP resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the board

J L Joffe



Director

Date

25 November 2014

QTec Analytics Limited

Independent auditor's report

TO THE MEMBERS OF QTEC ANALYTICS LIMITED

We have audited the financial statements of QTec Analytics Limited for the year ended 31 December 2013 which comprise of the consolidated profit and loss account, the consolidated statement of recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement 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).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at 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 group's and the parent company's affairs as at 31 December 2013 and of the group's loss 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 the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

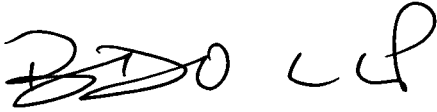
QTec Analytics Limited

Independent auditor's report (*continued*)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Gary Hanson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date 28 November 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

QTec Analytics Limited

Consolidated profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	8,639,032	6,986,318
Cost of sales		(1,067,121)	(1,154,162)
Gross profit		<u>7,571,911</u>	<u>5,832,156</u>
Administrative expenses		(10,927,512)	(7,183,782)
Exceptional items	6	(619,238)	(502,457)
Operating loss	4	(3,974,839)	(1,854,083)
Interest expense		(15,770)	(23,917)
Loss on ordinary activities before taxation		(3,990,609)	(1,878,000)
Taxation benefit/(charge)	7	266,210	(346,929)
Loss after taxation before minority interest		(3,724,399)	(2,224,929)
Minority Interest		586,938	191,774
Loss for the financial year		<u>(3,137,461)</u>	<u>(2,033,155)</u>

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes on pages 13 to 28 form part of these financial statements.

QTec Analytics Limited

Consolidated statement of recognised gains and losses for the year ended 31 December 2013

	Note	2013 £	2012 £
Loss for the financial year for the group		(3,137,461)	(2,033,155)
Currency translation difference on foreign currency net investment	15	151,730	(177,680)
		<hr/>	<hr/>
Total loss for the group since the last financial statements		(2,985,731)	(2,210,835)
		<hr/>	<hr/>

The notes on pages 13 to 28 form part of these financial statements.

QTEC Analytics Limited

Consolidated balance sheet at 31 December 2013

Company number 03047110	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Intangible assets	8		192,513		1,009,383
Tangible assets	9		206,001		181,239
			<u>398,514</u>		<u>1,190,622</u>
Current assets					
Debtors	11	2,210,498		3,184,271	
Cash at bank and in hand		4,238,177		3,886,309	
		<u>6,448,675</u>		<u>7,070,580</u>	
Creditors: amounts falling due within one year	12	(1,731,117)		(2,359,045)	
Net current assets			<u>4,717,558</u>		<u>4,711,535</u>
Net assets			<u>5,116,072</u>		<u>5,902,157</u>
Capital and reserves					
Called up share capital	13		741,027		602,735
Share premium	14		13,453,863		10,805,571
Reserve for share-based payments	14		28,442		28,442
Foreign currency reserve	14		(7,887)		(159,617)
Profit and loss account	14		(8,320,661)		(5,183,200)
Shareholders' funds	15		<u>5,894,784</u>		<u>6,093,931</u>
Minority Interest			<u>(778,712)</u>		<u>(191,774)</u>
			<u>5,116,072</u>		<u>5,902,157</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 November 2014

J L Joffe
Director



25 November 2014

The notes on pages 13 to 28 form part of these financial statements.


QTEC Analytics Limited

Company balance sheet at 31 December 2013

Company number 03047110	Note	2013	2013	2012	2012
		£	£	As restated £	As restated £
Fixed assets					
Intangible assets	8		-		20,820
Tangible assets	9		-		67,886
Investments	10		4,962,397		4,962,397
			<u>4,962,397</u>		<u>5,051,103</u>
Current assets					
Debtors	11	3,291,003		3,497,933	
Cash at bank and in hand		1,646,076		917,369	
		<u>4,937,079</u>		<u>4,415,302</u>	
Creditors: amounts falling due within one year	12	(190,551)		(1,495,047)	
		<u>4,746,528</u>		<u>2,920,255</u>	
Net current assets			<u>4,746,528</u>		<u>2,920,255</u>
Net assets			<u>9,708,925</u>		<u>7,971,358</u>
Capital and reserves					
Called up share capital	13		741,027		602,735
Share premium	14		13,453,863		10,805,571
Reserve for share-based payments	14		28,442		28,442
Profit and loss account	14		(4,514,407)		(3,465,390)
			<u>9,708,925</u>		<u>7,971,358</u>
Shareholders' funds	15		<u>9,708,925</u>		<u>7,971,358</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 November 2014

J L Joffe
Director

 25 November 2014

The notes on pages 13 to 28 form part of these financial statements.

QTec Analytics Limited

Consolidated cash flow statement for the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash outflow from operating activities	16	(2,705,260)	(1,025,604)
Returns on investments and servicing of finance	17	(15,770)	(23,917)
Taxation	17	266,210	(346,929)
Capital expenditure and financial investment	17	(106,169)	(1,537,043)
Acquisitions and disposals		-	(248,718)
Cash outflow before use of liquid resources and financing		<u>(2,560,989)</u>	<u>(3,182,211)</u>
Financing	17	<u>2,912,857</u>	<u>6,850,126</u>
Increase in cash		<u>351,868</u>	<u>3,667,915</u>
Reconciliation of net cash flow to movement in net funds/debt			
Increase in cash in the year		<u>351,868</u>	<u>3,667,915</u>
Movement in net funds in the year		<u>351,868</u>	<u>3,667,915</u>
Net funds at 1 January 2013		<u>3,886,309</u>	<u>218,394</u>
Net funds at 31 December 2013		<u>4,238,177</u>	<u>3,886,309</u>

The notes on pages 13 to 28 form part of these financial statements.

QTec Analytics Limited

Notes forming part of the financial statements for the year ended 31 December 2013

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared under the going concern basis as the directors have prepared projections and forecasts, which confirm that the group can meet its working capital requirements for at least 12 months from the date of signing of these financial statements. While the group operated at a loss during 2013, a substantial portion represents investments in technology, marketing and other resources intended to support rapid growth in future revenues. In the meantime, the group continues to actively take measures to improve near-term revenues and closely manage costs throughout its businesses and the directors expect that successful implementation of such measures will improve the group's financial performance. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis.

Turnover

Turnover represents the net sales of services, excluding value added tax. Revenue is recognised in line with services provided, as the right to the income is earned. Turnover is recognised as-and-when the services are performed or straight-line over the life of the contract. Amounts invoiced in advance of performance are deferred and recognised in future periods.

Intangible fixed assets

Costs incurred in applying for trademarks have been capitalised and will be amortised over a period of ten years from the date of registration.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	- 33% on cost and 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only if recoverability is considered probable.

QTec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

1 Accounting policies (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Share based payments

The Company has a share option scheme for executives and senior employees of the Company and its subsidiaries. In accordance with the plan, options may be granted by the Board to purchase ordinary shares. Each employee share option converts to one ordinary share on exercise. No amounts are paid or are payable on receipt of the option and they do not carry rights to dividends or voting rights. In 2011 some options were granted with immediate vesting and no market conditions. In 2012 there were additional grants with straight-line vesting over 3 to 4 years with no market conditions.

The following share-based payment arrangements were in existence during the current and prior years:

	2013 £	2012 £
Outstanding at beginning of period	121,873	11,411
Granted during the period	-	116,609
Cancelled during the period	(15,575)	(6,147)
Exercised during the period	-	-
	<hr/>	<hr/>
Outstanding at end of period	106,298	121,873
Weighted average share price	18.61	18.80
Exercisable at end of period	46,258	43,474

QTec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

1 Accounting policies (continued)

Share based payments (continued)

Fair value of share options granted in the year

As the Company's shares are not quoted on a listed exchange and there is no observable market price for them, the view taken by the Board is that neither the Monte Carlo method nor the Black Scholes method are appropriate methods of calculating the fair value of the options. On occasion, money is raised by issuing new shares to current or new investors and the fair value at that time of one ordinary share is derived by dividing the new monetary amount invested by the number of new shares issued. There were no options granted in 2013. All the options granted in 2012 were granted at an exercise price of £20.15/share which was equal to latest fair value established by this method. When options are granted at less than fair value, the option is valued at the difference between the fair value and the exercise price.

2 Turnover

An analysis of turnover by geographical market is given below:

	2013 £	2012 £
United Kingdom	1,269,271	2,108,747
Europe	240,246	200,150
Rest of World	7,129,515	4,677,421
	<u>8,639,032</u>	<u>6,986,318</u>

3 Employees

	2013 £	2012 £
Staff costs (including directors) consist of:		
Wages and salaries	6,149,767	3,399,008
Social security costs	496,191	287,738
Other pension costs	23,848	18,340
	<u>6,669,806</u>	<u>3,705,086</u>

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

	Number	Number
Security and technology	60	55
Investigations	3	3
Management and administration	10	9
	<u>73</u>	<u>67</u>

QTEC Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

4 Operating loss

	2013 £	2012 £
This is arrived at after charging/(crediting):		
Property rentals under operating leases	574,981	361,199
Depreciation	81,595	60,385
Amortisation of intangibles and goodwill	842,139	640,253
Auditors' remuneration	57,055	100,650
Loss on disposal of fixed assets	-	4,662
	<u> </u>	<u> </u>

5 Directors' remuneration

	2013 £	2012 £
Directors' remuneration	653,153	311,631
Directors' pension contributions to money purchase schemes	4,667	4,400
	<u> </u>	<u> </u>

Information regarding the highest paid director for the year ended 31 December 2013 is as follows:

Highest paid director	<u>431,460</u>	<u>292,701</u>
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6 Exceptional Items

	2013 £	2012 £
Voyager related costs	<u>619,238</u>	<u>502,457</u>

In 2012, the company set up a new business, Voyager Analytics Limited ('Voyager'), to develop and market specialist software, in partnership with Infinity 8 Holdings Limited ('Infinity'), an Israel based company. The company owns a 57% equity interest in Voyager before potential dilution for employee stock options. There were start-up costs incurred in 2012 and in 2013 there was a one-time exceptional payment made to the owners of Infinity in relation to an agreement made with them.

QTec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

7 Taxation on loss on ordinary activities

	2013 £	2012 £
<i>UK corporation tax</i>		
Current tax on profits of the year	-	-
	<hr/>	<hr/>
	-	-
<i>Foreign tax</i>		
Current tax on foreign income for the year	(266,210)	346,929
	<hr/>	<hr/>
	(266,210)	346,929
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
Taxation on loss on ordinary activities	(266,210)	346,929
	<hr/>	<hr/>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	(3,990,609)	(1,878,000)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21%/21.5% (2012 - 24.5%)	(856,873)	(460,110)
Effects of:		
Expenses not deductible for tax purposes	190,063	6,779
Depreciation in excess of capital allowances	155,269	10,697
Generation of tax losses	527,872	627,568
Adjustment to tax charge in respect of previous periods	(309,503)	(430,496)
Other	26,962	592,491
	<hr/>	<hr/>
Current tax (benefit)/charge for period	(266,210)	346,929
	<hr/>	<hr/>

The group has estimated tax losses of £4,432,550 (2013 - £3,904,678) available to be carried forward and offset against any future profits.

QTEC Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

8 Intangible fixed assets

Group	Customer contracts £	Goodwill £	Patents and licences £	Total £
<i>Cost</i>				
At 1 January 2013	1,365,568	248,718	24,134	1,638,420
Additions	-	-	-	-
Disposals	-	-	(5,120)	(5,120)
Exchange adjustments	(27,166)	-	-	(27,166)
At 31 December 2013	1,338,402	248,718	19,014	1,606,134
<i>Amortisation</i>				
At 1 January 2013	600,850	24,872	3,315	629,037
Amortisation for the year	789,987	49,744	2,408	842,139
Eliminated on disposal	-	-	(5,120)	(5,120)
Exchange adjustments	(52,435)	-	-	(52,435)
At 31 December 2013	1,338,402	74,616	603	1,413,621
<i>Net book value</i>				
At 31 December 2013	-	174,102	18,411	192,513
At 31 December 2012	764,718	223,846	20,819	1,009,383
Company			Patents and licences £	Total £
<i>Cost</i>				
At 1 January 2013			24,134	24,134
Transferred to group undertakings			(24,134)	(24,134)
At 31 December 2013			-	-
<i>Amortisation</i>				
At 1 January 2013			3,314	3,314
Amortisation for the year			1,806	1,806
Transferred to group undertakings			(5,120)	(5,120)
At 31 December 2013			-	-
<i>Net book value</i>				
At 31 December 2013			-	-
At 31 December 2012			20,820	20,820

QTec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

9 Tangible assets							
Group	Leasehold improvements	Plant and machinery	Fixtures and fittings	Motor vehicles	Computer equipment	Total	
	£	£	£	£	£	£	
<i>Cost</i>							
At 1 January 2013	31,392	86,309	111,631	26,786	136,231	392,349	
Additions	-	-	22,782	-	83,387	106,169	
Disposals	(1,680)	(5,297)	(3,561)	(1,000)	(32,463)	(44,001)	
Exchange adjustments	-	-	(1,315)	-	(1,121)	(2,436)	
At 31 December 2013	<u>29,712</u>	<u>81,012</u>	<u>129,537</u>	<u>25,786</u>	<u>186,034</u>	<u>452,081</u>	
<i>Depreciation</i>							
At 1 January 2013	14,841	79,469	46,851	6,650	63,299	211,110	
Charge for the year	2,965	3,638	18,890	6,400	49,702	81,595	
Disposals	(1,680)	(5,297)	(3,562)	(1,000)	(32,462)	(44,001)	
Exchange adjustments	-	-	(894)	-	(1,730)	(2,624)	
At 31 December 2013	<u>16,126</u>	<u>77,810</u>	<u>61,285</u>	<u>12,050</u>	<u>78,809</u>	<u>246,080</u>	
<i>Net book value</i>							
At 31 December 2013	<u>13,586</u>	<u>3,202</u>	<u>68,252</u>	<u>13,736</u>	<u>107,225</u>	<u>206,001</u>	
At 31 December 2012	<u>16,551</u>	<u>6,840</u>	<u>64,780</u>	<u>20,136</u>	<u>72,932</u>	<u>181,239</u>	

QTec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

9 Tangible assets (*continued*)

Company	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<i>Cost</i>						
At 1 January 2013	31,393	86,309	45,548	26,786	76,279	266,315
Additions	-	-	279	-	7,397	7,676
Transfer to group undertaking	(31,393)	(86,309)	(45,827)	(26,786)	(83,676)	(273,991)
At 31 December 2013	-	-	-	-	-	-
<i>Depreciation</i>						
At 1 January 2013	14,841	79,469	41,237	6,650	56,232	198,429
Charge for the year	2,223	2,724	2,707	4,797	10,798	23,249
Transfer to group undertaking	(17,064)	(82,193)	(43,944)	(11,447)	(67,030)	(221,678)
At 31 December 2013	-	-	-	-	-	-
<i>Net book value</i>						
At 31 December 2013	-	-	-	-	-	-
At 31 December 2012	16,552	6,840	4,311	20,136	20,047	67,886

QTec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

10 Fixed asset investments

Company	Shares in group undertakings As restated £
<i>Cost</i>	
At 1 January 2013 as previously reported	5,923,000
Amounts reclassified as amounts due by group undertakings	(960,603)
	<hr/>
At 1 January 2013 as restated	4,962,397
Additions	1,500
Impairment	(1,500)
	<hr/>
At 31 December 2013	4,962,397
	<hr/>
<i>Net book value</i>	
At 31 December 2013	4,962,397
	<hr/> <hr/>
At 31 December 2012	4,962,397
	<hr/> <hr/>

In the 2012 figures of the company the amounts owed by group undertakings has been increased by £960,603 following a reclassification from investments (see note 25).

The company's investments at the balance sheet date in the share capital of companies include the following.

Name of company	Class of shares	% Holding	Nature of business
Quest Investigations Limited	Ordinary	100	Dormant
Quest Sports Limited	Ordinary	100	Dormant
QTEC Analytics Limited	Ordinary	100	Dormant
Sports Integrity Solutions Limited	Ordinary	100	Dormant
Quest Technology Limited	Ordinary	100	Dormant
Voyager Analytics Limited (Quest Sports Integrity Solutions Limited)	Ordinary	57	Trading
Bionic 8 Analytics Limited *	Ordinary	57	Trading (Israel)

* Owned by Voyager Analytics Limited

Name of company	Class of shares	% Holding	Nature of business
Quest Global Limited	Ordinary	100	Trading

Qtec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

10 Fixed asset investments (continued)

	2013 £	2012 £
Aggregate capital and reserves	(109,622)	-
Result for the year	109,623	-
	<u>1</u>	<u>-</u>

Name of company	Country of incorporation	Class of shares	% holding	Nature of business
Qtec Analytics LLC (Monitor Quest Holdings USA LLC)	USA	Members	100	US company

	2013 £	2012 £
Aggregate capital and reserves	1,179,184	2,958,787
Result for the year	(894,481)	(1,779,603)
	<u>284,703</u>	<u>1,179,184</u>

Name of company	Class of shares	% holding	Nature of business
Voyager Analytics Limited	Ordinary	57	Trading

	2013 \$	2012 \$
Aggregate capital and reserves	2,224,546	3,000,009
Result for the year	(2,455,045)	(775,463)
	<u>(230,499)</u>	<u>2,224,546</u>

Qttec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

11 Debtors

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 As restated £
Amounts falling due within one year:				
Trade debtors	908,798	1,478,583	-	808,371
Other debtors	41,261	25,142	-	16,534
Taxes receivable	368,531	15,710	-	-
Called up share capital not paid	122,642	122,642	122,636	122,636
Prepayments and accrued income	665,504	1,384,560	-	274,007
Amounts owed by group undertakings	-	-	3,097,720	2,158,700
	<u>2,106,736</u>	<u>3,026,637</u>	<u>3,220,356</u>	<u>3,380,248</u>
Amounts falling due after more than one year:				
Other debtors	<u>103,762</u>	<u>157,634</u>	<u>70,647</u>	<u>117,685</u>
Aggregate amounts	<u>2,210,498</u>	<u>3,184,271</u>	<u>3,291,003</u>	<u>3,497,933</u>

In the 2012 figures of the company the amounts owed by group undertakings has been increased by £960,603 following a reclassification from investments (see note 25).

12 Creditors: amounts falling due within one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Amounts owed to group undertakings	-	-	190,551	890,455
Trade creditors	245,097	560,984	-	220,313
Social security and other taxes	41,546	466,924	-	60,405
Other creditors	231,256	81,505	-	78,045
Accruals and deferred income	1,213,218	1,249,632	-	245,829
	<u>1,731,117</u>	<u>2,359,045</u>	<u>190,551</u>	<u>1,495,047</u>

QTEC Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

13 Share capital

Company and Group	Allotted, issued and fully paid	
	2013 £	2012 £
Ordinary shares of £1 each	738,249	599,957
'A' Ordinary shares of £ 1 each	2,778	2,778
	<u>741,027</u>	<u>602,735</u>

During the year 138,292 (2012 - 297,388) ordinary shares were issued for cash at a premium of £19.15 (2012 - £19.15). In 2012 48,027 ordinary shares were issued as part of the acquisition price of Monitor Government Venture Services LLC, valued at US\$1,500,000 based on £20.15 per share.

14 Reserves

Group	Profit and loss account £	Share premium £	Foreign exchange reserve £	Share based equity reserve £	Total £
At 1 January 2013	(5,183,200)	10,805,571	(159,617)	28,442	5,491,196
Deficit for the year	(3,137,461)	-	-	-	(3,137,461)
Foreign exchange reserve	-	-	151,730	-	149,286
Share issue	-	2,648,292	-	-	2,648,292
At 31 December 2013	<u>(8,320,661)</u>	<u>13,453,863</u>	<u>(7,887)</u>	<u>28,442</u>	<u>5,151,313</u>
Company					
At 1 January 2013	(3,465,390)	10,805,571	-	28,442	7,368,623
Deficit for the year	(1,049,017)	-	-	-	(1,049,017)
Share issue	-	2,648,292	-	-	2,648,292
At 31 December 2013	<u>(4,514,407)</u>	<u>13,453,863</u>	<u>-</u>	<u>28,442</u>	<u>8,967,898</u>

QTEC Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

15 Reconciliation of movements in shareholders' funds

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Loss for the financial year	(3,137,461)	(2,033,155)	(1,049,017)	(410,458)
Foreign exchange reserve	151,730	(177,680)	-	-
New share capital subscribed	138,292	345,415	138,292	345,415
Premium on issued share capital	2,648,292	6,614,651	2,648,292	6,614,651
Share based payment	-	28,442	-	28,442
Net (reduction in)/addition to shareholders' funds	(199,147)	4,777,673	1,737,567	6,578,050
Opening shareholders' funds	6,903,931	1,316,258	7,971,358	1,393,308
Closing shareholders' funds	5,894,784	6,093,931	9,708,925	7,971,358

16 Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating loss before interest and taxes	(3,974,839)	(1,854,083)
Depreciation	81,595	60,385
Amortisation	842,139	640,253
Decrease/(increase) in debtors	973,773	(1,749,673)
(Decrease)/increase in creditors	(627,928)	1,877,514
Net cash outflow from operating activities	(2,705,260)	(1,025,604)

Qttec Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

17 Analysis of cash flows for headings netted in the cash flow statement

	2013 £	2012 £
Returns on investment and servicing of finance		
Interest paid	(15,770)	(23,917)
Taxation		
Corporation tax refunded/(paid)	266,210	(346,929)
Capital expenditure and financial investment		
Payments to acquire intangible fixed assets	-	(1,370,465)
Payments to acquire tangible fixed assets	(106,169)	(166,578)
	(106,169)	(1,537,043)
Acquisitions and disposals		
Purchase of subsidiary undertaking	-	(248,718)
Financing		
Issue of ordinary share capital	2,786,584	6,988,394
Translation differences	126,273	(138,268)
	2,912,857	6,850,126

18 Analysis of net debt

	At 1 January 2013 £	Cash flow £	Other non-cash changes £	At 31 December 2013 £
Cash in hand and at bank	3,886,309	351,868	-	4,238,177
Total	3,886,309	351,868	-	4,238,177

QTEC Analytics Limited

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

19 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2013 £	Land and buildings 2012 £	Other 2013 £	Other 2012 £
Operating leases which expire:				
Within one year	485,956	43,796	308,477	960
From 1 to 5 years	1,082,799	103,815	103,815	160
	<u>1,568,755</u>	<u>412,292</u>	<u>412,292</u>	<u>1,120</u>

20 Related party transactions

During the year fees totalling £12,500 (2012 - £3,500) were charged to the Travelex Group, of which Mr L Dorfman CBE is both a director and a shareholder and Lord Stevens of Kirkwhelpington is a director. No balance was outstanding at year-end (2012 - Nil).

During the year expenses totalling £6,613 (2012 - £5,893) were charged to Axiom International Limited, of which Lord Stevens of Kirkwhelpington is a director. No balance was outstanding at year end (2012 - £5,893).

During the year expenses totalling £12,553 (2012 - £Nil) were paid to Axiom International Limited, of which Lord Stevens of Kirkwhelpington is a director. No balance was outstanding at year end (2012 - £Nil).

During the year consulting expenses totalling £17,685 (2012 - £16,352) were paid to The Protector Group, of which Lord Stevens of Kirkwhelpington is a director. No balance was outstanding at year end (2012 - £Nil).

21 Share-based payment transactions

No new share options were issued to employees of the group during the year. A provision of £Nil (2012 - £28,442) has been recorded in accordance with the valuation of the exercise price of the shares vested during the year.

22 Loss of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not present as part of these financial statements. The parent company's loss for the year was £1,049,017 (2012 - loss of £410,458).

QTec Analytics Limited

**Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)**

23 Post balance sheet events

In February 2014 Voyager Analytics Limited raised an additional \$5,000,000 via issuance of additional shares to its existing shareholders.

In June 2014, the company sold its entire holding in its subsidiary undertaking Quest Global Limited to a new holding company (which was incorporated for the purpose of facilitating the sale). The ownership of this new holding company consists of the executive management of Quest Global Limited.

In September 2014 Voyager Analytics Limited raised an additional \$20,000,000 via issuance of additional shares to a strategic third-party investor.

24 Controlling party

There is no ultimate controlling party.

25 Prior year adjustments

In 2012, fixed asset investments were overstated by £960,603 and amounts due from group undertakings were understated by £960,603.

The prior year figures have been altered to reflect these adjustments which affect the balance sheet date.