

Registered number: 03283749

QUANTICATE INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2020



QUANTICATE INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	J McDermott	
	D Underwood	
	D Chapple	resigned 28 February 2021
	A Morgan	resigned 23 September 2020
	N Herron	appointed 1 December 2020
Company number	03283749	
Registered office	Bevan House Bancroft Court Hitchin Hertfordshire SG5 1LH	
Independent Auditors	PricewaterhouseCoopers LLP Statutory Auditors & Chartered Accountants The Maurice Wilkes Building St. John's Innovation Park Cowley Road Cambridge CB4 0DS	
Tax advisors	PricewaterhouseCoopers LLP Chartered Accountants The Maurice Wilkes Building St. John's Innovation Park Cowley Road Cambridge CB4 0DS	

QUANTICATE INTERNATIONAL LIMITED

CONTENTS

	Page(s)
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditors' report	6 - 8
Profit and loss account	9
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 – 28

QUANTICATE INTERNATIONAL LIMITED

STRATEGIC REPORT For the year ended 31 December 2020

The directors present the strategic report for the year ended 31 December 2020.

Principal activities

The company's principal activity during the year was that of a specialist data focused contract clinical research organisation with an integrated consultancy business.

Business review

Quanticate International Limited is a wholly owned subsidiary in the group headed by Quanticate Limited (the "Quanticate Group" or "Quanticate"). The Quanticate Group has its headquarters in Hitchin, UK. It is one of the largest global data focused clinical companies and has additional offices in Poland, South Africa, North America and India. Quanticate offers high quality cost-effective global solutions and has developed as a strong brand across the industry, particularly in providing high quality biostatistics and statistical programming expertise. Quanticate delivers premium quality services including consultancy, highly scalable on and off-site statistical programming and analysis, data management, pharmacovigilance and medical writing solutions. Quanticate has strong partnerships in place due to its focus on providing a high quality, value-add service to help our customers develop medicines and medical devices of the future. In working closely with pharmaceutical, biotech, nutraceutical, and medical device companies, Quanticate prides itself in being a seamless extension of its customers' internal teams offering the expertise and flexibility to adapt to any technological environment. Quanticate has delivered thousands of successful projects – covering all Phases and therapeutic areas as well as submission activities culminating in successful NDAs.

Quanticate is trusted by Top Pharma for statistical and data expertise on their most important clinical trials. The focus at Quanticate is on the accurate collection, storage, management, analysis and reporting of data from clinical trials and post-marketing surveillance. Working with many of the top pharmaceutical companies, Quanticate has successfully partnered with these companies to provide solutions to aid a cost effective, high quality and flexible approach to the support of their research and development (R&D).

Quanticate are regularly competing with, and successfully winning against, top tier global CROs and Business Process Outsourcing (BPO) organizations. The niche focus of Quanticate on the data related functions of clinical R&D, coupled with global capabilities, its reputation within the industry and high end expertise are proving to be key factors in the decision of pharmaceutical companies to select Quanticate as a strategic partner particularly in the areas of biostatistics and statistical programming.

Delivery of its solutions is through integration with client systems or through the use of efficient internal systems and processes. Quanticate has a strong focus on innovations and the Quanticate IQ portal is an example of this that provides additional value through delivering and visualising targeted data, information, and knowledge from disparate systems in the format that the customer would like to see it. IQ provides real-time access to data that enables faster decisions and optimal commercialization and will be an important part of the solution with new regulations focusing on risk-based approaches that require statistical oversight and statistical based visualisation tools.

Quanticate strives for business excellence through offering expert knowledge and delivering optimal clinical data solutions. By offering employees a working environment that creates opportunity, encourages creativity and rewards achievement, the company is committed to being the CRO of choice for the best talent in the industry - a crucial foundation in the delivery of that business excellence for clients.

Quanticate International Limited is an important company within the Quanticate Group, with focus on delivering high quality services through being a specialist functional service provider. The strong performance of 2019 continued in the first quarter of 2020. However, as the impact of the Coronavirus was felt around the world and hospitals and clinics concentrated on their virus response, the Pharmaceutical industry experienced an unprecedented reduction in access to patients on their studies, with the exception of Covid antiviral studies. This resulted in delays and extensions in most studies and delay in starting new studies until the Pharma industry understood the impact of the changed environment. The general torpor created has extended for over 18 months severely impacting the Pharma, and related CRO, industries.

QUANTICATE INTERNATIONAL LIMITED

STRATEGIC REPORT For the year ended 31 December 2020

Business review (continued)

At the start of the Pandemic the group was not involved in any Covid studies as many of its customers were not involved in antiviral or respiratory compounds. As such Quanticate was not immune to the effects and the last 9 months of 2020 and the first half of 2021 has shown a decline in sales and revenue. Turnover decreased from £17.7m in 2019 to £15.2m in 2020.

During the year, a separate Indian legal entity was created and the assets and employees of the Indian branch of the company were transferred into this entity. This resulted in the cost of the new entity, in the form of a service charge, being solely recorded in Cost of Sales in line with the treatment of other subsidiaries' service charges. This, and increased passthrough costs in the year resulted in Cost of Sales increasing from £6.6m in 2019 to £8.2m in 2020. Correspondingly, Administration Expense reduced by £1.2m to £4.5m in 2020. The company remained profitable with a Profit Before Taxation of £3.5m down from £6.4m in 2019.

As the end of the pandemic appears to be in sight, the Pharma industry has once again sought to speed up existing and new studies. In 2021 the company has renewed multi-year MSAs with large Pharma clients and has signed long term extensions on some major existing contracts in addition to major awards with new clients. The positive effect on revenue will be felt from and including Q4 of 2021. The focus continues to be growing the number of target customers and expanding current customers.

Net assets increased from £7.9m during the year to £9.7m. The reduced revenue resulted in a decrease in debtors but, by tightly controlling working capital, cash balances increased from £3.8m at the end of 2019 to £7.6m at the end of 2020.

In Q1 2020 all India staff were transferred to a wholly owned subsidiary, Quanticate India Pvt Ltd, and accordingly the average headcount decreased from 229 in 2019 to 96 in 2020.

Quanticate continues to focus on expanding current customers and adding new strategic customers. 2021 is expected to show a continuation of the slow down caused by Covid-19 in 2020. Gaps in pipelines from some key customers and FSPs continued into 2020 and first half of 2021 with most expected to resume in the fourth quarter of 2021 and into 2022. FSP's, or functional service partnerships, are where pharmaceutical companies outsource specific functional services, like programming and statistics, to a single or small number of CROs, such as Quanticate, based on their areas of expertise. Ensuring that Quanticate is providing a high-quality service is essential for long-term growth and this focus on a strong foundation was a key reason for the Group's growth in the past and will enable further sales growth over the next 3 years.

The challenge in 2021 is the planned increase in staffing levels to ensure that the resource ramp-up can keep up with client requirements and sales. Our presence as a group in three major programming and data management hubs in India puts Quanticate in an ideal position to recruit talent from established talent pools ensuring our headcount remains in line with workload. In addition, a dedicated in-house recruitment team is constantly identifying new people to join Quanticate and overseeing a graduate recruitment program to ensure future growth can be attained.

This report was approved by the board on 28 September 2021 and signed on its behalf.

DocuSigned by:

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N Herron
Director

QUANTICATE INTERNATIONAL LIMITED

DIRECTORS' REPORT
For the year ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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. The directors 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.

Results and dividends

The profit for the financial year, after taxation, amounted to £2,849,380 (2019 – £5,099,759).

An interim dividend of £1,000,000 was paid during the year (2019 - £2,600,000). The directors do not recommend a final dividend for the year (2019 - £nil). A dividend of £111,096 (2019 - £146,170) was received from a subsidiary company during the year.

Equity Dividends	2020 £	2019 £
Ordinary shares		
Interim paid £20.00 (2019: £52.00)	1,000,000	2,600,000

Directors

The directors who served during the year and since year end were

J McDermott	
D Underwood	
D Chapple	Resigned 28 February 2021
A Morgan	Resigned 23 September 2020
N Herron	Appointed 1 December 2020

QUANTICATE INTERNATIONAL LIMITED

DIRECTORS' REPORT **For the year ended 31 December 2020**

It is anticipated that the group will continue to strengthen its position as the world's leading strategic biometrics CRO. The longer term strategy for the group is to be the primary supplier of centralised clinical data services and to form further strategic alliances with its customers. As mentioned in the Strategic Report, 2020 is expected to show a reduction as a result of delays to study starts due to COVID-19, however we expect new studies to commence from fourth quarter of 2020 and early 2021.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and foreign exchange risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring the availability and levels of debt finance, and the impact of movements in exchange rates, through regular review and update of a risk register. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to price risk due to normal inflationary increases within the economy, and how these affect salary levels. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Foreign exchange risk

The company is exposed to movements in the strength of sterling against the US dollar and the Euro. The company monitors foreign exchange movements on a daily basis and where appropriate takes hedging against such movements. The company monitors its risk with regard to balances held with group entities whose functional currencies differ from its own and takes action in order to minimise the effect on the company's trading position.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before entering into contracts. The amount of exposure to any individual counterparty is subject to a limit which is assessed according to the credit check. For any cash deposits the credit rating of the bank is reviewed.

Liquidity risk

The company ensures sufficient working capital through short-term debt finance. Longer-term funding for expansion has historically come from shareholder funds; this would be reviewed if longer-term debt finance were required.

Interest rate risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which earn interest at a variable rate. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

QUANTICATE INTERNATIONAL LIMITED

DIRECTORS' REPORT
For the year ended 31 December 2020

Research and development activities

During 2020, the company continued its investment in custom technology to support the business and customers. The main focus was on IQ, the customer information portal and business intelligence tool, and the RCDM platform, for remote and risk-based monitoring and analysis. The company expects to continue this, and related, development in 2021 and beyond.

Statement of disclosure of information to auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 September 2021 and signed on its behalf.

DocuSigned by:

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N Herron
Director

QUANTICATE INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUANTICATE INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Quanticate International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: balance sheet as at 31 December 2020; profit and loss account, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

QUANTICATE INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUANTICATE INTERNATIONAL LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, 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.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal

QUANTICATE INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUANTICATE INTERNATIONAL LIMITED

risks were related to posting inappropriate accounting entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Evaluation of management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing, and;
- Reviewing meeting minutes, including those of the board of directors.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon Ormiston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
28 September 2021

QUANTICATE INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2020**

	Note	2020 £	2019 £
TURNOVER	2	15,218,431	17,738,087
Cost of sales		<u>(8,185,725)</u>	<u>(6,584,757)</u>
GROSS PROFIT		7,032,706	11,153,330
Administrative expenses		(4,512,796)	(5,761,417)
Other operating income		<u>983,963</u>	<u>1,008,127</u>
OPERATING PROFIT	3	3,503,873	6,400,040
Interest receivable and similar income	6	-	65
Interest payable and similar expenses	7	<u>(12,455)</u>	<u>(16,249)</u>
PROFIT BEFORE TAXATION		3,491,418	6,383,856
Tax on profit	8	<u>(642,038)</u>	<u>(1,284,097)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,849,380</u></u>	<u><u>5,099,759</u></u>

The notes on pages 11 to 27 form part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020**

	2020 £	2019 £
PROFIT FOR THE FINANCIAL YEAR	2,849,380	5,099,759
FOREIGN EXCHANGE DIFFERENCES ON TRANSLATION	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>2,849,380</u></u>	<u><u>5,099,759</u></u>

QUANTICATE INTERNATIONAL LIMITED

BALANCE SHEET
as at 31 December 2020

	Note	£	2020	£	£	2019	£
FIXED ASSETS							
Intangible assets	9			39,821			91,005
Tangible assets	10			62,506			202,111
Investments	11			<u>48,404</u>			<u>48,404</u>
				150,731			341,520
CURRENT ASSETS							
Debtors	12	5,765,629			7,716,477		
Cash at bank and in hand			<u>7,615,305</u>		<u>3,793,823</u>		
			13,380,934		11,510,300		
CREDITORS: amounts falling due within one year	13	(3,746,049)			(3,891,640)		
NET CURRENT ASSETS				<u>9,634,885</u>			<u>7,618,660</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				9,785,616			7,960,180
PROVISIONS FOR LIABILITIES	14			<u>(49,965)</u>			<u>(72,989)</u>
NET ASSETS				<u>9,735,651</u>			<u>7,887,191</u>
CAPITAL AND RESERVES							
Called up share capital	16			2,000			2,000
Share premium account				99,000			99,000
Share option reserve				20			940
Retained earnings				<u>9,634,631</u>			<u>7,785,251</u>
TOTAL EQUITY				<u>9,735,651</u>			<u>7,887,191</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2021

DocuSigned by:



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N Herron
Director

QUANTICATE INTERNATIONAL LIMITED**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020**

	Called up share capital £	Share premium account £	Share option reserve £	Retained earnings £	Total Equity £
Balance as at 1 January 2019	2,000	99,000	940	5,285,492	5,387,432
Profit for the financial year	-	-	-	5,099,759	5,099,759
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,099,759	5,099,759
Share option debit for the year	-	-	-	-	-
Dividends paid	-	-	-	(2,600,000)	(2,600,000)
Balance as at 31 December 2019	2,000	99,000	940	7,785,251	7,887,191
Balance as at 1 January 2020	2,000	99,000	940	7,785,251	7,887,191
Profit for the financial year	-	-	-	2,849,380	2,849,380
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,849,380	2,849,380
Share option debit for the year	-	-	(920)	-	(920)
Dividends paid	-	-	-	(1,000,000)	(1,000,000)
Balance as at 31 December 2020	2,000	99,000	20	9,634,631	9,735,651

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice. A summary of the more important accounting policies is described below.

1.1 General Information

Quanticate International Limited ('the Company') is a contract research organisation with an integrated consultancy business based in the UK and globally in Poland, South Africa and India.

The company is a private company limited by shares and incorporated in England. The address of its registered office is Bevan House, 9-11 Bancroft Court, Hitchin, Hertfordshire, SG5 1LH.

1.2 Statement of compliance

The individual financial statements of Quanticate International Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

1.3 Basis of accounting

The financial statements have been prepared under the historical cost convention. The company has not prepared consolidated financial statements. The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 401 of the Companies Act 2006 because its ultimate parent, Quanticate Limited, a company incorporated in the United Kingdom, prepares consolidated financial statements which are publicly available. Information is therefore presented for the individual company, not its group.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.20.

1.4 Going concern

The Company meets its day-to-day working capital requirements through its available cash and its banking facilities. The Company's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

1.5 FRS102

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1 ACCOUNTING POLICIES (continued)

1.5 FRS 102 (continued)

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in Quanticate Limited consolidated financial statements, includes the Company's cash flows. Copies of the Quanticate Limited consolidated financial statements can be obtained from the Group Finance Director at Bevan House, 9-11 Bancroft Court, Hitchin, SG5 1LH;
- (ii) From disclosing the Company key management personnel compensation, as required by FRS102 paragraph 33.7.

1.6 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when the company has obtained a contractual right to the consideration in respect of the services provided. In respect of time and materials based contracts revenue is recognised when the service has been provided to the client. With respect to fixed fee contracts revenue is recognised on a percentage of completion basis over the period the services are provided. Revenue arising from contract variations is only recognised when fully approved by the customer.

1.7 Intangible fixed assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual assets over their estimated useful lives as follows;

Software	-	33%
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1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Property held on lease	-	Equal instalments over remaining period of lease*
Computer equipment	-	33% straight line
Fixtures & fittings	-	15% straight line
Office equipment	-	33% straight line

*unless the useful life of the asset is determined to be less than that of the lease.

1.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

1.11 Accrued income

Contracts are valued at cost plus attributable profit earned to date.

Revenue recognised in excess of invoicing is recorded as accrued income in the balance sheet. Invoicing in excess of revenue recognised is recorded as deferred income until the above revenue recognition criteria are met.

Accrued and deferred income in the balance sheet is reviewed periodically and any doubtful accrued income is provided for in the profit and loss account.

1.12 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.13 Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is pound sterling.

(ii) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling when they occurred.

Exchange gains and losses are recognised in the profit and loss account.

1.14 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

1.15 Share-based payments

Employees of the company (including senior executives) receive remuneration and payment in shares, whereby employees render services as consideration for equity instruments in the company's parent undertaking ("equity-settled transactions")

The cost of equity-settled transactions is measured with reference to the fair value at the date on which they are granted. In calculating fair value, no account is taken of any vesting conditions, other than conditions linked to market conditions. The fair value is determined by an external valuer using an appropriate pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees are expected to become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The profit and loss charge for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Where the terms of an equity-settled transaction are modified, as a minimum, an expense is recognised as if the terms had not been modified over the original vesting period. In addition, an expense is recognised for any modification which increases the total fair value of the share-based payment, or is otherwise beneficial to the employee, as measured at the date of modification, over the remainder of the new vesting period.

1.16 Cash and cash equivalents

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

1.17 Debtors

Trade receivables are recognised at the transaction price.

Trade receivables are reviewed periodically and any doubtful debts provided for in the profit and loss account.

1.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.19 Distributions to equity holders

Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

1.20 Critical accounting estimates and assumptions

There are no estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year. Other estimates made in the preparation of the financial statements include:

- (i) **Impairment of debtors**
The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the credit rating of the debtor, the aged profile of the debtors and historical data with regard to debtors.
- (ii) **Accrued income, provisions and contingencies**
The Company operates on both time and materials and fixed price contracts. Fixed fee contracts require estimates of costs to complete in determining the level of revenue to be recognised. Also it is necessary to consider the recoverability of accrued income and provisioning required. When calculating any doubtful accrued income provision, management considers the contract terms, quality of the services, and the debtor credit profile.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Clinical Research	<u>15,218,431</u>	<u>17,738,087</u>

A geographical analysis of turnover is as follows:

	2020 £	2019 £
UK	4,034,761	6,830,564
EU	5,800,992	8,155,707
Rest of World	<u>5,382,678</u>	<u>2,751,816</u>
	<u>15,218,431</u>	<u>17,738,087</u>

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	108,754	136,748
Amortisation of intangible fixed assets	59,225	56,263
(Profit)/Loss on disposal of fixed assets	(32,035)	3,429
Auditors' remuneration	59,282	50,259
Auditors' remuneration – non-audit services	25,900	15,000
Difference on foreign exchange losses/(gains)	157,557	160,754
Operating lease payments	196,175	504,859
Pension costs	173,467	245,240

The non-auditing services charge includes £25,900 (2019: £15,000) for taxation services.

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	4,185,309	6,011,545
Social security costs	533,574	580,137
Other pension costs	173,467	245,240
	<u>4,892,350</u>	<u>6,836,922</u>

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

	2020 No.	2019 No.
Employees	<u>96</u>	<u>229</u>
Administrative employees	31	50
Operational employees	65	179
Employees	<u>96</u>	<u>229</u>

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

5. DIRECTORS' REMUNERATION

	2020 £	2019 £
Emoluments	<u>655,200</u>	<u>730,881</u>
Company pension contributions	<u>4,825</u>	<u>4,565</u>

During the year there were retirement benefits accruing to 1 director (2019 - 1) in respect of money purchase pension schemes.

The highest paid director received remuneration of £358,080 (2019 - £387,389).

The value of the company's contributions paid to a pension scheme in respect of the highest paid director amounted to £nil (2019 - £nil).

240 options to purchase shares were awarded to directors (2019: nil). Directors' holdings of options to purchase shares in Quanticate Limited, the company's parent company, from the 2018 EMI Plan are as follows:

D Chapple	240 Performance based
N Herron	19 Performance based

Terms of the options granted above and relating to the director are as follows:

- (a) The exercise price of standard and performance options is £446;
- (b) The estimated earliest vesting period for standard options is 28 May 2013, and that relating to performance options was 4 March 2018;
- (c) The expiry date for both standard and performance options of D Chapple is 10 years from the date of grant, for the bulk of options it is May 2023; and for A Morgan is May 2028.
- (d) The non-market conditions attached to performance options is occurrence of sale or IPO of Quanticate Limited with a minimum exit price achieved of £50m.

Please refer to note 17 "Share Based Payments" for further details relating to share options granted.

The Profit and Loss charge relating to share options granted to directors amounted to £nil (2019- £nil).

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £	2019 £
On bank deposits	-	65
	<u>-</u>	<u>65</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Invoice financing fees	<u>12,455</u>	<u>16,249</u>

8. TAX ON PROFIT

	2020 £	2019 £
Tax expense included in profit and loss account		
UK corporation tax based on profit for the year 19%(2019-19%)	637,506	1,187,286
Foreign tax suffered	20,528	200,902
Foreign tax relief/(other relief)	-	(68,425)
Adjustments in respect of prior periods	10,720	(50,125)
Total current tax	<u>668,754</u>	<u>1,269,638</u>
Deferred tax		
Effect of changes in tax rates	1,012	(1,938)
Origination and reversal of timing differences	2,350	18,411
Adjustments in respect of prior periods	(30,078)	(2,014)
Total deferred tax	<u>(26,716)</u>	<u>14,459</u>
Tax on profit	<u>642,038</u>	<u>1,284,097</u>

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

8. TAX ON PROFIT (continued)

Factors affecting tax charge

The tax assessed on the profit before taxation for the year is lower (2019 – higher) than the standard rate of corporation tax in the UK of 19% (2019 – 19%):

	2020 £	2019 £
Profit before taxation – continuing operations	<u>3,491,418</u>	<u>6,383,856</u>
Profit before taxation at standard UK tax rate 19% (2019 – 19%)	663,369	1,212,933
Effects of:		
Expenses not deductible	28	20,537
Effects of overseas tax rates	20,528	132,477
Non taxable dividends	(23,541)	(27,773)
Adjustments in respect of prior periods	(19,358)	(52,139)
Tax rate changes	1,012	(1,938)
	<u>(21,331)</u>	<u>71,164</u>
Total tax charge for the year	<u>642,038</u>	<u>1,284,097</u>

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

9. INTANGIBLE ASSETS

	Software £	Total £
Cost		
At 1 January 2020	744,176	744,176
Additions	<u>8,041</u>	<u>8,041</u>
At 31 December 2020	<u>752,217</u>	<u>752,217</u>
Accumulated amortisation		
At 1 January 2020	653,171	653,171
Charge for the year	<u>59,225</u>	<u>59,225</u>
At 31 December 2020	<u>712,396</u>	<u>712,396</u>
Net book value		
At 31 December 2020	<u>39,821</u>	<u>39,821</u>
At 31 December 2019	<u>91,005</u>	<u>91,005</u>

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

10. TANGIBLE ASSETS

	Short-term Leasehold Property £	Computer Equipment and Fixtures & Fittings £	Total £
Cost			
At 1 January 2020	39,760	1,098,423	1,138,183
Additions	-	8,447	8,447
Disposals	-	(209,720)	(209,720)
At 31 December 2020	<u>39,760</u>	<u>897,150</u>	<u>936,910</u>
Accumulated depreciation			
At 1 January 2020	39,760	896,312	936,072
Charge for the year	-	108,754	108,754
Disposals	-	(170,422)	(170,422)
At 31 December 2020	<u>39,760</u>	<u>834,644</u>	<u>874,404</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>62,506</u>	<u>62,506</u>
At 31 December 2019	<u>-</u>	<u>202,111</u>	<u>202,111</u>

QUANTICATE INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020****11. INVESTMENTS**

	Shares in group undertakings £	Total £
Cost		
At 1 January 2020	48,404	48,404
Additions	<u>-</u>	<u>-</u>
At 31 December 2020	<u>48,404</u>	<u>48,404</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Nature of Business	Holding
Quanticate Polska Sp.z.o.o. (a company incorporated in Poland)	Ordinary	Contract Research	100%
Quanticate (Pty) Ltd. (a company incorporated in South Africa)	Ordinary	Contract Research	100%
Quanticate Pharma Service Inc (a company incorporated in Canada)	Ordinary	Contract Research	100%
Quanticate India Private Limited (a company incorporated in India)	Ordinary	Contract Research	100%

Registered Address

- 1) Quanticate Polska Sp z.o.o, 2 Hankiewicz Street, 02-103 Warszawa, Regon: 140369509, NIP: 1070003777, Poland
- 2) Quanticate (Pty) Ltd, 11 Reid Street, Westdene, Bloemfontein, 9301, South Africa
- 3) Quanticate Pharma Service Inc, 2 Robert Speck Parkway, Suite 750, Mississauga, Ontario, L4Z 1H8, Canada
- 4) Quanticate India Private Limited, HM Vibha Towers, 4th Floor, Site No 66/5-25, Luskur Hosur Road, Adugodi, Koramangala, Bangalore - 560 030, India

The aggregate of the share capital and reserves as at 31 December 2020 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit result £
Quanticate Polska Sp.z.o.o. (a company incorporated in Poland)	93,160	55,255
Quanticate (Pty) Ltd. (a company incorporated in South Africa)	66,673	10,769
Quanticate Pharma Service Inc (a company incorporated in Canada)	(11,723)	(11,917)
Quanticate India Private Limited (a company incorporated in India)	186,462	195,583

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020**12. DEBTORS**

	2020 £	2019 £
Trade debtors	3,537,521	3,550,004
Amounts owed by group undertakings	116,725	182,036
Other debtors	1,546,685	1,403,865
Prepayments and accrued income	564,698	2,580,572
	<u>5,765,629</u>	<u>7,716,477</u>

13. CREDITORS:
Amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	-	-
Trade creditors	1,081,264	610,284
Amounts owed to group undertakings	774,886	414,645
Other creditors	24,092	5,538
Taxation and social security	208,808	293,204
Accruals and deferred income	1,656,999	2,567,969
	<u>3,746,049</u>	<u>3,891,640</u>

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

14. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Dilapidation provisions	38,000	34,308
Deferred Tax (see note 15.)	<u>11,965</u>	<u>38,681</u>
	<u>49,965</u>	<u>72,989</u>

Dilapidation provisions relate to dilapidation obligations on leasehold properties over the term of the lease.

15. DEFERRED TAX LIABILITY

	2020 £	2019 £
Liability at start of year	(38,681)	(24,221)
Adjustment in respect of prior years	30,078	2,014
Deferred tax charge to income statement for the year	<u>(3,362)</u>	<u>(16,474)</u>

Liability at end of year

<u>(11,965)</u>	<u>(38,681)</u>
-----------------	-----------------

	2020 £	2019 £
Fixed asset timing differences	(14,405)	(26,593)
Short term timing differences	<u>2,440</u>	<u>(12,088)</u>
	<u>(11,965)</u>	<u>(38,681)</u>

Deferred tax (assets):

	2020 £	2019 £
Recoverable within 12 months	2,440	-
	<u>2,440</u>	<u>-</u>

Deferred tax (liabilities):

	2020 £	2019 £
Recoverable within 12 months	(14,405)	(38,681)
	<u>(14,405)</u>	<u>(38,681)</u>

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

16. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
50,000 (2019: - 50,000) Ordinary shares of 4p each	<u>2,000</u>	<u>2,000</u>

17. SHARE BASED PAYMENTS

During 2020 the parent company awarded Nil share options to employees of the company in the 2008 EMI Plan (2019 – *nil options*) and closed the plan, and awarded Nil options in the 2018 EMI Plan (2019 – *nil options*).

Certain employees of the company along with other group employees have been granted options over the shares in Quanticate Limited. The terms of which are contained in the below assumptions. Employees are required to remain in employment with the group.

The share option valuation was performed by an independent valuer for the year ended 31 December 2020, and the Monte Carlo model was used. Some terms of the options granted were as follows:

- (a) The exercise price of standard options is £446;
- (b) The estimated earliest vesting period for the 2018 EMI Plan it is October 2023;
- (c) The expiry date is 5 years from the date of grant in the 2018 EMI Plan;
- (d) The non-market conditions attached to the options is occurrence of sale or IPO of Quanticate Limited with a minimum exit price achieved of £75m for the 2018 EMI Plan. An estimated success rate of the performance event used for the valuation is 30% for the 2018 EMI Plan.

Other key assumptions used by the valuation model were as follows:

- (i) Shares volatility rate - 70%
- (ii) Risk free interest rate - 2%
- (iii) Dividend yield - 12%
- (iv) Proportion of options that vest – 30% options will not lapse.
- (v) The non-market share price of Quanticate Ltd at the date of grant was £446.

As a result of application of the Monte Carlo valuation model, which used the terms and key assumptions stated above, the fair values of options awarded and applicable at the date of the grant were as follows:

Performance based £4.83 for the 2018 EMI Plan

The company recognises an equity-settled share-based payment expense and bears the expense and/or credit due to the majority of employees issued share options being employed by this company in the group.

The Profit and Loss credit relating to share options granted to employees amounted to £920 (2019 – charge £nil).

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

17. SHARE BASED PAYMENTS (continued)

Summary of share based payments

	2018/2017	2013/2012	2009/2008
Grant date			
Option price at grant date	£446	£446	£446
Exercise price – Standard	£446	£446	£446
Exercise price – Performance based	£0.10	£0.10	£0.10
Shares under option – Standard	11/0	5/41	37/284
Shares under option – Performance based	279/35	5/89	48/616
Vesting period (years) – Standard	5	5	5
Vesting period (years) – Performance based	10	10	10

A reconciliation of the share option movements over the year to 31 December 2020 is shown below:

	2020	2020	2019	2019
	No	Weighted Average Exercise Price £	No	Weighted Average Exercise Price £
Outstanding at 1 January	483	£446.00	520	£446.00
Granted	278	£446.00	0	£446.00
Forfeited	(440)	£446.00	(37)	£446.00
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at 31 December	321	£446.00	483	£446.00
Exercisable at 31 December	-	-	-	-

18. PENSION COMMITMENTS

The company operates a defined contribution, pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £173,467 (2019 - £245,240). Contributions totalling £24,092 (2019 - £13,213) were payable to the fund at the balance sheet date and are included in creditors.

19. OPERATING LEASE COMMITMENTS

At 31 December the company had annual commitments under non-cancellable operating leases as follows:

	Property, plant and equipment	
	2020	2019
	£	£
Payments due:		
Not later than one year	163,802	322,010
Later than one year and not later than five years	50,023	141,575
Later than five years	-	-

QUANTICATE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

20. TRANSACTIONS WITH DIRECTORS

There are no transactions with Directors (2019: £nil).

21. RELATED PARTY TRANSACTIONS

There are 3 (2019: 3) close family members of the directors who are employed by the entity. These family members received salary commensurate with their grade and responsibilities. Aggregate salaries and out-of-pocket expenses paid to these employees was £103,271 (2019: £106,842).

The company has provided cross guarantees with OPS Search & Selection Limited and Quanticate UK Limited fellow subsidiaries of Quanticate Limited in respect of borrowings from RBS Invoice Finance Limited. At the year end the amount due to this finance provider by OPS Search & Selection Limited was £nil (2019 - £nil) and by Quanticate UK Limited was £nil (2019 - £Nil).

The Company is exempt from disclosing other related party transactions per FRS 102 paragraph 33.1A as they are with other companies that are wholly owned within the Group.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Quanticate Limited, a company incorporated in Great Britain, is the company's parent undertaking and consolidated financial statements are drawn up for this undertaking only.

D Underwood is considered to be the ultimate controlling party.