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Registered number: 04416865

QUINTEL TECHNOLOGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

QUINTEL TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	J C Stoffel (resigned 4 August 2017) J J Coronas (resigned 4 August 2017) R J Dispo (appointed 4 August 2017) J Liu (appointed 4 August 2017) M S Liu (appointed 4 August 2017)
Registered number	04416865
Registered office	2 Temple Back East Temple Quay Bristol Avon BS1 6EG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP

QUINTEL TECHNOLOGY LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

J C Stoffel (resigned 4 August 2017)
J J Coronas (resigned 4 August 2017)
R J Dispo (appointed 4 August 2017)
J Liu (appointed 4 August 2017)
M S Liu (appointed 4 August 2017)

Directors' responsibilities statement

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

Small companies note

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

This report was approved by the board on 26 September 2018 and signed on its behalf.

R J Dispo
Director

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUINTEL TECHNOLOGY LIMITED

Opinion

We have audited the financial statements of Quintel Technology Limited for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

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

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

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUINTEL TECHNOLOGY LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Grant Thornton UK LLP

Rhian Owen
Senior statutory auditor
for and on behalf of, Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Cardiff
Date: 26 September 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	*2016 £*
Turnover	4	**21,528,468**	*22,337,308*
Cost of sales		**(21,925,440)**	*(19,020,056)*
Gross (loss)/profit		**(396,972)**	*3,317,252*
Administrative expenses		**(2,376,266)**	*(9,810,068)*
Exceptional income	8	**2,448,270**	-
Operating loss	5	**(324,968)**	*(6,492,816)*
Interest payable and similar charges		**(284,870)**	*(146,654)*
Loss before tax		**(609,838)**	*(6,639,470)*
Loss for the financial year		**(609,838)**	*(6,639,470)*

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 9 to 21 form part of these financial statements.

QUINTEL TECHNOLOGY LIMITED
REGISTERED NUMBER:04416865

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	9		3,957,294		2,816,987
Tangible assets	10		179,712		323,944
			4,137,006		3,140,931
Current assets					
Stocks	11	-		7,365,878	
Debtors	12	640,640		4,824,705	
Cash at bank and in hand	13	195,726		14,300	
		836,366		12,204,883	
Creditors: amounts falling due within one year	14	(7,944,658)		(18,313,053)	
Net current liabilities			(7,108,292)		(6,108,170)
Total assets less current liabilities			(2,971,286)		(2,967,239)
Creditors: amounts falling due after more than one year	15		(42,262,934)		(41,657,143)
Net liabilities			(45,234,220)		(44,624,382)
Capital and reserves					
Called up share capital	17		21,165,536		21,165,536
Profit and loss account	18		(66,399,756)		(65,789,918)
			(45,234,220)		(44,624,382)

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26 September 2018

R J Dispo
Director

The notes on pages 9 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	**21,165,536**	**(59,150,448)**	**(37,984,912)**
Loss for the year	-	(6,639,470)	(6,639,470)
At 1 January 2017	**21,165,536**	**(65,789,918)**	**(44,624,382)**
Loss for the year	-	(609,838)	(609,838)
At 31 December 2017	**21,165,536**	**(66,399,756)**	**(45,234,220)**

1. General information

Quintel Technology Limited is a private company limited by shares and incorporated in England and Wales. The address of the registered office is given in the company information page of these financial statements.

The principle activity of the company is the designing, devloping and delivery of high performance antenna solutions.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company is dependent on the continued support of its parent company Quintel Cayman, Ltd. Quintel Cayman, Ltd. is in turn dependent on the support of Cirtek Holdings Philippines Corp. The directors are confident that the required funds will be available to support the Company until the point that the Company no longer requires funding support. The directors have no reason to believe that continued support will not be made available. The ultimate controlling party and the Company's parent undertaking have also confirmed that they will not seek repayment of any existing debt for at least twelve months post the date of signing these financial statements.

On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The accounts do not reflect the adjustments that would have to be made should continuing finance not be available, namely reducing the value of the assets to their realisable amounts, providing for any further liabilities which might arise and reclassifying all fixed assets and long term liabilities as current assets and liabilities respectively.

2. Accounting policies (continued)

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:
- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment	- 4 to 5 years
Computer equipment	- 3 to 4 years

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

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

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

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

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is

2. Accounting policies (continued)

2.9 Financial instruments (continued)

an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. *Accounting policies (continued)*

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of comprehensive income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or notes to the financial statements. The key areas are summarised below:

Depreciation and amortisation
The company exercises judgement to determine useful lives and residual values of tangible and intangible fixed assets. The assets are written down to their residual values over their estimated useful lives.

Carrying value of intangible assets
Management is of the opinion that the carrying value of intangible fixed assets is appropriate and that no impairment charge is required in the financial year. US employee costs of individuals directly involved in development projects are capitalised at a rate of 95%. Management considers this to be a reasonable estimate of time spent on development activities.

Basis of preparation
As detailed in note 2.2 above management considers the preparation of the financial statements on a going concern basis to be appropriate.

Accrued loan interest
Non-current liabilities at 31 December 2016 included £2,448,270 in relation to aged accrued loan interest. This amount has been released to the Statement of comprehensive income in the current year on the basis that the amount is no longer payable following the sale of the company on 4 August 2017. Further detail on the sale of the company is included in note 21.

4. Turnover

100% of the company's turnover *(2016: 100%)* is attributable to geographical markets outside the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2017	*2016*
	£	*£*
Depreciation of tangible fixed assets	**156,080**	*161,123*
Amortisation of intangible assets	**1,817,413**	*2,517,994*
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	**12,625**	*17,250*
Exchange losses/ (gains)	**666,016**	*(246,119)*

6. Employees

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

	2017 No.	*2016 No.*
Administration	1	*1*
Operations	1	*1*
Research and development	-	*1*
	2	*3*

7. Directors' remuneration

	2017 £	*2016 £*
Directors' emoluments	-	*49,668*
Company contributions to defined contribution pension schemes	-	*2,063*
	-	*51,731*

During the year retirement benefits were accruing to no (2016: 1) directors in respect of defined contribution pension schemes.

8. Exceptional items

	2017 £	*2016 £*
Release of aged accrued loan interest	(2,448,270)	-
	(2,448,270)	-

As per note 3 above brought forward aged accrued loan interest has been released to the Statement of comprehensive income in the current year on the basis that the amount is no longer payable following the sale of the company on 4 August 2017. Further detail on the sale of the company is included in note 21.

9. Intangible assets

	Development £
Cost	
At 1 January 2017	**13,597,317**
Additions	**2,957,720**
At 31 December 2017	**16,555,037**
Amortisation	
At 1 January 2017	**10,780,330**
Charge for the year	**1,817,413**
At 31 December 2017	**12,597,743**
Net book value	
At 31 December 2017	**3,957,294**
At 31 December 2016	*2,816,987*

10. Tangible fixed assets

	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2017	**731,793**	**98,467**	**830,260**
Additions	**11,848**	**-**	**11,848**
At 31 December 2017	**743,641**	**98,467**	**842,108**
Depreciation			
At 1 January 2017	**407,849**	**98,467**	**506,316**
Charge for the year on owned assets	**156,080**	**-**	**156,080**
At 31 December 2017	**563,929**	**98,467**	**662,396**
Net book value			
At 31 December 2017	**179,712**	**-**	**179,712**
At 31 December 2016	*323,944*	*-*	*323,944*

11. Stocks

	2017 £	*2016 £*
Raw materials	-	*1,865*
Finished goods and goods for resale	-	*7,364,013*
	-	*7,365,878*

From February 2017 inventory was recognised in Quintel USA, Inc rather than Quintel Technology Limited. Quintel USA, Inc remits an arms length profit margin to Quintel Technology Limited, in exchange for development, materials sourcing, supply chain management, and other key business functions.

12. Debtors

	2017 £	*2016 £*
Trade debtors	**1,375**	*1,239*
Amounts owed by group undertakings	**637,794**	*4,798,837*
Other debtors	**1,471**	*24,629*
	640,640	*4,824,705*

13. Cash and cash equivalents

	2017 £	*2016 £*
Cash at bank and in hand	**195,726**	*14,300*

14. Creditors: Amounts falling due within one year

	2017 £	*2016 £*
Trade creditors	**1,870,017**	*12,141,166*
Amounts owed to group undertakings	**5,729,397**	*5,489,502*
Other taxation and social security	**7,986**	*6,856*
Other creditors	**337,258**	*675,529*
	7,944,658	*18,313,053*

15. Creditors: Amounts falling due after more than one year

	2017 £	*2016 £*
Amounts owed to group undertakings	**42,262,934**	*39,208,873*
Accruals and deferred income	-	*2,448,270*
	42,262,934	*41,657,143*

There are conversion rights attached to the amounts owed to group undertakings. The number of shares which the lender will be entitled to on the date of conversion will vary depending on market value at the date of conversion. In accordance with FRS 102 they have been disclosed as amounts owed to group undertakings.

As per note 3 above brought forward aged accrued loan interest has been released to the Statement of comprehensive income in the current year on the basis that the amount is no longer payable following the sale of the company on 4 August 2017. Further detail on the sale of the company is included in note 21 below.

16. Financial instruments

	2017 £	*2016 £*
Financial assets		
Financial assets measured at fair value through profit or loss	**834,895**	*4,814,376*
Financial liabilities		
Financial liabilities measured at amortised cost	**50,199,606**	*59,953,340*

Financial assets measured at fair value through profit or loss comprise trade debtors, amounts due from group undertakings and cash.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, accruals and other creditors.

17. Share capital

	2017 £	*2016 £*
Authorised		
30,000,000 Ordinary shares of £1 each	**30,000,000**	*30,000,000*
Allotted, called up and fully paid		
21,165,536 Ordinary shares of £1 each	**21,165,536**	*21,165,536*

17. Share capital (continued)

A share subscription agreement was finalised on 11 March 2011. This agreement entitled employees to non voting ordinary shares in the Company's parent company Quintel Cayman, Ltd. The shares are acquired proportionally over a period of 4 years from the later of 1 August 2007 and the date employment commences. If the employee leaves prior to the expiry of the 4 years the employee is no longer entitled to the remaining uninsured balance. The total shares issued under the scheme relating to Quintel Technology Limited employees amounted to 1,114,182 *(2016: 1,114,182)* shares at a par value £0.0001 per share. The market value of these shares as at year end is not considered to be material. The fair value of these options at grant date is not considered to be material to the financial statements as the group has been loss making throughout the vesting period.

18. Reserves

Profit & loss account

The profit and loss account includes all current and prior period profits and losses.

19. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £19,059 *(2016: £18,377)*. The amount recognised in creditors at year end is £2,616 *(2016: £6,601)*.

20. Related party transactions

During the year the company's sister company, Quintel USA Inc, provided management, legal, administrative and other services to the company on an arms length basis. During the year Quintel USA, Inc made payments on behalf of the Company. The net impact of these transactions was an expense of £5,482,503 (2016: expense of £8,031,842). As at the year end Quintel USA Inc owed the company £632,321 (2016: creditor £8,031,842).

During the year the company made sales to its sister company, Quintel USA Inc, which amounted to £21,528,468 (2016: £24,270,847). During the year payments of £19,960,727 (2016: £14,255,565) were received. As at the year end Quintel USA Inc owed the company £12,398,088 (2016: £12,830,679).

During the year the company received loans from its parent company, Quintel Cayman Limited, of £2,394,445 (2016: £3,402,164). Quintel Cayman Limited charged the company £284,942 (2016: £146,654) in respect of interest in the year. During the year the company made payments of £98,675 (2016: £117,948) on behalf of Quintel Cayman Limited. At year end the company owed Quintel Cayman Limited £47,279,086 (2016: £44,698,374).

During the year the company made payments of £5,473 (2016: £nil) on behalf of Quintel Mauritius Ltd. At year end Quintel Mauritius Ltd owed the company £5,473 (2016: £nil).

As disclosed in note 21 below, from 4 August 2017 the ultimate beneficial owner of the company was Cirtek Holdings Philippines Corp (CHPC). From 4 August 2017 to the year end the company made purchases with a total value of £323,769 from CHPC and made payments to CHPC with a total value of £2,425,344. At the year end the company owed CHPC £338,570.

21. Ultimate parent undertaking and controlling party

On 4 August 2017, Trillium International-I Holding Limited entered into a transaction to sell the shares of Quintel Cayman, Ltd. to Cirtek Holdings Philippines Corp., a company based in the Philippines.

The parent company during the year ended 31 December 2017 is considered to be Quintel Cayman, Ltd. due to its 100% shareholding in the company.

The ultimate controlling party is considered to be Cirtek Holdings Philippines Corp. due to its 100% shareholding in Quintel Cayman Ltd.

22. Post balance sheet events

In April 2018, the company received a favourable ruling relating to a legal case against Huawei Technologies USA, Inc. A settlement of $4,950,000 was received by the company in June 2018.