

**REGISTERED NUMBER: 04612415 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016  
FOR  
PALANTIR UK LIMITED**

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FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**PALANTIR UK LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

**DIRECTORS:**

H Hawkins  
D MacPherson  
B G Dyck

**SECRETARY:**

H Hawkins

**REGISTERED OFFICE:**

5th Floor  
Watling House  
33 Cannon Street  
London  
EC4M 5SB

**REGISTERED NUMBER:**

04612415 (England and Wales)

**AUDITORS:**

Garrod Beckett & Co. Ltd.  
Registered Auditors  
10 Town Quay Wharf  
Abbey Road  
Barking  
Essex  
IG11 7BZ

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

The directors present their strategic report for the year ended 31st December 2016.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the company during the year was the supply of software and consultancy.

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £1,223,648. The directors have not recommended a dividend.

**FINANCIAL RISK MANAGEMENT**

The principal current assets of the business are cash or assets that are converted into cash within a short period of time and the directors ensure that the business maintains surplus cash reserves to minimise liquidity risk. The company's income stream is based on pre-agreed contractual arrangements with clients thereby reducing price risk and credit risk. Conversion of current assets into cash in accordance with the contractual arrangements is closely monitored. The company is financed by its parent company which has subordinated the debt owed to it to claims by third parties.

The company continually monitors its current and future capital requirements through its risk management framework and financial projections.

**KEY PERFORMANCE INDICATORS**

Given the nature of the business, the company's directors are of the opinion that analysis using Key Performance Indicators (KPIs) is not necessary for an understanding of the development, performance or position of the business.

**ON BEHALF OF THE BOARD:**

D MacPherson - Director

28th September 2017

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

The directors present their report with the financial statements of the company for the year ended 31st December 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company during the year was software supply and consultancy.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2016.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2016 to the date of this report.

H Hawkins  
D MacPherson  
B G Dyck

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**PALANTIR UK LIMITED (REGISTERED NUMBER: 04612415)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

**AUDITORS**

The auditors were appointed on 3rd September 2014.

The auditors, Garrod Beckett & Co. Ltd., will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

D MacPherson - Director

28th September 2017

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PALANTIR UK LIMITED**

We have audited the financial statements of Palantir UK Limited for the year ended 31st December 2016 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in a Report of the Auditors 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2016 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
PALANTIR UK LIMITED**

**Matters on which we are required to report by exception**

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

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

MR P J GARROD (Senior Statutory Auditor)  
for and on behalf of Garrod Beckett & Co. Ltd.  
Registered Auditors  
10 Town Quay Wharf  
Abbey Road  
Barking  
Essex  
IG11 7BZ

28th September 2017

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>	3	8,130,163	9,144,563
Cost of sales		<u>4,267,636</u>	<u>6,249,629</u>
<b>GROSS PROFIT</b>		3,862,527	2,894,934
Administrative expenses		<u>5,047,929</u>	<u>4,742,234</u>
<b>OPERATING LOSS</b>	6	(1,185,402)	(1,847,300)
Interest receivable and similar income		<u>62</u>	<u>34</u>
<b>LOSS BEFORE TAXATION</b>		(1,185,340)	(1,847,266)
Tax on loss	8	<u>38,308</u>	<u>17,930</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		(1,223,648)	(1,865,196)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(1,223,648)</u>	<u>(1,865,196)</u>

The notes form part of these financial statements

**PALANTIR UK LIMITED (REGISTERED NUMBER: 04612415)**

**BALANCE SHEET**  
**31ST DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		181,752		300,930
<b>CURRENT ASSETS</b>					
Debtors	11	3,040,576		2,654,213	
Cash at bank		<u>1,178,202</u>		<u>2,348,887</u>	
		4,218,778		5,003,100	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>7,714,909</u>		<u>7,394,761</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(3,496,131)</u>		<u>(2,391,661)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(3,314,379)</u>		<u>(2,090,731)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		150,000		150,000
Retained earnings	14		<u>(3,464,379)</u>		<u>(2,240,731)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(3,314,379)</u>		<u>(2,090,731)</u>

The financial statements were approved by the Board of Directors on 28th September 2017 and were signed on its behalf by:

D MacPherson - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1st January 2015</b>	150,000	(375,535)	(225,535)
<b>Changes in equity</b>			
Total comprehensive income	-	(1,865,196)	(1,865,196)
<b>Balance at 31st December 2015</b>	150,000	(2,240,731)	(2,090,731)
<b>Changes in equity</b>			
Total comprehensive income	-	(1,223,648)	(1,223,648)
<b>Balance at 31st December 2016</b>	150,000	(3,464,379)	(3,314,379)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	(1,062,234)	888,056
Tax paid		<u>(38,308)</u>	<u>(31,901)</u>
Net cash from operating activities		<u>(1,100,542)</u>	<u>856,155</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(70,205)	(31,104)
Interest received		<u>62</u>	<u>34</u>
Net cash from investing activities		<u>(70,143)</u>	<u>(31,070)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(1,170,685)</u>	<u>825,085</u>
<b>Cash and cash equivalents at beginning of year</b>	18	2,348,887	1,523,802
<b>Cash and cash equivalents at end of year</b>	18	<u>1,178,202</u>	<u>2,348,887</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

**1. STATUTORY INFORMATION**

Palantir UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Turnover**

1.1 The company provides consultancy which is charged on the time incurred and is billed in the months following.

1.2 The company enters into licence contracts with clients for a minimum of one year. The income for these contracts is taken to the revenue on a month by month basis from the date of sale.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademarks and patents were amortised evenly over their estimated useful life of four years.

**Software Licences**

The company purchases licences which are the basis of the licence sales (see 1.2 above). The expenditure on the licence is written off on a month by month basis as a cost of sale.

**Tangible fixed assets and depreciation**

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

Leasehold	- Straight line over the life of the lease
Equipment	- 50% on cost
Fixtures and fittings	- 33% on cost

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the rate prevailing of the date of transactions. All exchange differences are taken to the Profit and Loss account.

**Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

**3. TURNOVER**

Turnover attributable to geographical markets outside the United Kingdom amounted to 87% for the year (2015: 61%).

**4. EMPLOYEES AND DIRECTORS**

	2016 £	2015 £
Wages and salaries	3,779,965	4,624,159
Social security costs	437,352	553,547
Other pension costs	177,398	180,057
	<u>4,394,715</u>	<u>5,357,763</u>

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

	2016	2015
Consultancy staff	27	41
Administration staff	43	50
	<u>70</u>	<u>91</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

**5. DIRECTORS' EMOLUMENTS**

	2016	2015
	£	£
Directors' remuneration	<u>59,776</u>	<u>131,098</u>

Two of the directors' salaries amounting to £250,000 (2015: £250,000) were paid directly by the parent company.

**6. OPERATING LOSS**

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

	2016	2015
	£	£
Depreciation - owned assets	189,383	319,003
Foreign exchange differences	<u>(70,317)</u>	<u>(27,211)</u>

**7. AUDITORS' REMUNERATION**

The provision for Auditor's remuneration for auditing 2016 financial statements is £25,000 (2015: £20,000), the Auditor's fees for taxation and other non-audit services amount to £40,272 (2015: £36,658).

**8. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss for the year was as follows:

	2016	2015
	£	£
Current tax:		
Unrecoverable withholding tax from overseas operations	52,251	17,930
Tax - Prior year adjustment	<u>(13,943)</u>	<u>-</u>
Tax on loss	<u>38,308</u>	<u>17,930</u>

**9. PENSION COSTS**

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 charge represents contributions due from the company and amounted to £177,398 (2015: £180,057).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**10. TANGIBLE FIXED ASSETS**

	Leasehold £	Equipment £	Fixtures and fittings £	Website £	Totals £
<b>COST</b>					
At 1st January 2016	328,777	611,531	202,522	31,878	1,174,708
Additions	-	70,205	-	-	70,205
Disposals	-	(234,998)	-	-	(234,998)
At 31st December 2016	<u>328,777</u>	<u>446,738</u>	<u>202,522</u>	<u>31,878</u>	<u>1,009,915</u>
<b>DEPRECIATION</b>					
At 1st January 2016	140,073	544,358	157,469	31,878	873,778
Charge for year	66,531	87,366	35,486	-	189,383
Eliminated on disposal	-	(234,998)	-	-	(234,998)
At 31st December 2016	<u>206,604</u>	<u>396,726</u>	<u>192,955</u>	<u>31,878</u>	<u>828,163</u>
<b>NET BOOK VALUE</b>					
At 31st December 2016	<u>122,173</u>	<u>50,012</u>	<u>9,567</u>	<u>-</u>	<u>181,752</u>
At 31st December 2015	<u>188,704</u>	<u>67,173</u>	<u>45,053</u>	<u>-</u>	<u>300,930</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade debtors	1,201,031	1,035,256
Other debtors	262,383	228,645
VAT	13,208	-
Prepayments	241,939	226,025
Prepayments (deferred costs)	1,178,585	1,145,674
Accrued income	<u>143,430</u>	<u>18,613</u>
	<u>3,040,576</u>	<u>2,654,213</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade creditors	47,600	23,104
Amounts owed to group undertakings	5,741,835	5,420,627
Social security and other taxes	125,219	145,053
VAT	-	19,879
Other creditors	2,983	6,766
Accruals	109,166	140,399
Deferred income	<u>1,688,106</u>	<u>1,638,933</u>
	<u>7,714,909</u>	<u>7,394,761</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2016 £	2015 £
Number:	Class:			
150,000	Ordinary	£1	<u>150,000</u>	<u>150,000</u>

**14. RESERVES**

	Retained earnings £
At 1st January 2016	(2,240,731)
Deficit for the year	<u>(1,223,648)</u>
At 31st December 2016	<u>(3,464,379)</u>

**15. ULTIMATE PARENT COMPANY**

On the 12th June 2017 the ultimate parent company changed from Palantir Economic Solutions Limited, a company incorporated in The Commonwealth of The Bahamas to Palantir Solutions Incorporated, a company incorporated in Delaware, United States of America.

**16. RELATED PARTY DISCLOSURES**

**Entities with control, joint control or significant influence over the entity**

As at 31st December 2016, the company was wholly owned by Palantir Economic Solutions Limited, a company incorporated in The Commonwealth of The Bahamas. During the year the company supplied services to Palantir Economic Solutions Limited in the amount of £2,313,016 (2015: £2,132,266), the company also acquired software licences, consultancy and other services from the parent company that amounted to £3,883,134 (2015: £3,834,934). The total amount owed by the company to Palantir Economic Solutions Limited at the year end was £5,741,835 (2015: £5,420,627). Palantir Solutions Incorporated, the Parent company from 12th June 2017 has confirmed the continued subordination of the debt after the 12th June 2017.

**Entities over which the entity has control, joint control or significant influence**

Palantir Software Limited, a wholly owned subsidiary of the company, was incorporated on 7th July 2016. Palantir Software Limited has not traded since incorporation.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**17. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2016	2015
	£	£
Loss before taxation	(1,185,340)	(1,847,266)
Depreciation charges	189,383	319,003
Increase/(decrease) in group undertaking	321,208	958,553
Finance income	(62)	(34)
	<u>(674,811)</u>	<u>(569,744)</u>
(Increase)/decrease in trade and other debtors	(386,363)	1,194,053
(Decrease)/increase in trade and other creditors	<u>(1,060)</u>	<u>263,747</u>
<b>Cash generated from operations</b>	<b><u>(1,062,234)</u></b>	<b><u>888,056</u></b>

**18. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31st December 2016**

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>1,178,202</u>	<u>2,348,887</u>

**Year ended 31st December 2015**

	31/12/15	1/1/15
	£	£
Cash and cash equivalents	<u>2,348,887</u>	<u>1,523,802</u>

**19. GOING CONCERN**

Palantir Economic Solutions Limited, the parent company as at 31st December 2016 subordinated its debt to the claims of the third party creditors of Palantir UK Limited. These undertakings result in the directors' confidence that the company will meet its liabilities and will continue in operational existence for the foreseeable future and have therefore used the going concern basis in preparing the financial statements.

The ultimate parent company changed to Palantir Solutions Incorporated on 12th June 2017. Palantir Solutions Incorporated has confirmed the continued subordination of the debt from the 12th June 2017.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.