

Registered number: 04612415

**PALANTIR UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**PALANTIR UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S C Marcet (appointed 13 July 2018) W Sim (appointed 13 July 2018)
<b>Registered number</b>	04612415
<b>Registered office</b>	5th Floor Watling House 33 Cannon Street London EC4M 5SB
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG

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**PALANTIR UK LIMITED**

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PALANTIR UK LIMITED

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STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their strategic report for the year ended 31 December 2018.

**Principal activities and review of business**

The principal activity of the company during the year was the supply of software, consultancy, sales and marketing support, and research and development support.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,942,676. 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.

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.

This report was approved by the board on 20/09/19 and signed on its behalf.

  
S C Marcet  
Director

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**PALANTIR UK LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the year ended 31 December 2018.

**Principal activity**

The principal activity of the company during the year was the supply of software, consultancy, sales and marketing support, and research and development support.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,942,676 (2017 - loss £635,767).

No dividends will be distributed for the year ended 31 December 2018.

**Directors**

The directors who served during the year were:

S C Marcet (appointed 13 July 2018)  
W Sim (appointed 13 July 2018)  
H Hawkins (resigned 16 July 2018)  
D MacPherson (resigned 3 July 2018)  
B G Dyck (resigned 13 July 2018)

**Directors' responsibilities statement**

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

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

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

- Select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

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**PALANTIR UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Going concern**

The financial statements have been prepared on the going concern basis as the company has received confirmation from the ultimate parent company (see note 20) of its intention to continue to provide financial and other support to enable the company to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these statements.

**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

**Post balance sheet events**

In February 2019, Thoma Bravo LLC, a private equity investment firm, agreed to acquire the ultimate parent company of 3ES Innovation Inc. The transaction closed on May 13, 2019.

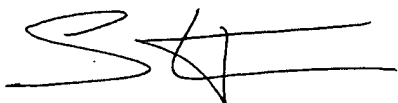
**Auditor**

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

This report was approved by the board on

20/09/2019

and signed on its behalf.



S C Marcet  
Director



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALANTIR UK LIMITED

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### Opinion

We have audited the financial statements of Palantir UK Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 UK, including the FRC'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.

### 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.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual 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.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALANTIR UK LIMITED (CONTINUED)**

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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.





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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALANTIR UK LIMITED (CONTINUED)

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### Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 2, 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.

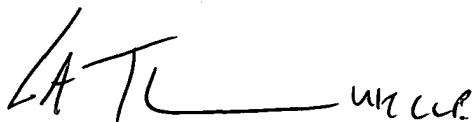
### Auditor's responsibilities for the audit of the financial statements

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### Use of our report

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.



Sergio Cardoso (Senior statutory auditor)

for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Senior Statutory Auditor  
London

Date: 20/9/19

PALANTIR UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	11,135,064	9,426,841
Cost of sales		(2,182,227)	(4,520,386)
<b>Gross profit</b>		<b>8,952,837</b>	<b>4,906,455</b>
Administrative expenses		(6,701,173)	(5,394,411)
<b>Operating profit/(loss)</b>	7	<b>2,251,664</b>	<b>(487,956)</b>
Interest receivable and similar income	8	29	24
<b>Profit/(loss) before tax</b>		<b>2,251,693</b>	<b>(487,932)</b>
Tax on profit/(loss)	9	(309,017)	(147,835)
<b>Profit/(loss) for the financial year</b>		<b>1,942,676</b>	<b>(635,767)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,942,676</b>	<b>(635,767)</b>

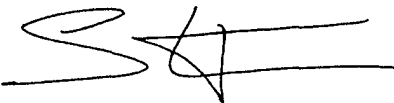
The notes on pages 11 to 18 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	84,799	163,177
		<u>84,799</u>	<u>163,177</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	3,170,721	4,513,899
Cash at bank and in hand		321,791	767,439
		<u>3,492,512</u>	<u>5,281,338</u>
Creditors: amounts falling due within one year	13	(5,584,781)	(9,394,661)
<b>Net current liabilities</b>		<u>(2,092,269)</u>	<u>(4,113,323)</u>
<b>Total assets less current liabilities</b>		<u>(2,007,470)</u>	<u>(3,950,146)</u>
<b>Net liabilities</b>		<u>(2,007,470)</u>	<u>(3,950,146)</u>
<b>Capital and reserves</b>			
Called up share capital	15	150,000	150,000
Profit and loss account	16	(2,157,470)	(4,100,146)
		<u>(2,007,470)</u>	<u>(3,950,146)</u>

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



**S C Marcet**

Director

Date: 20/09/2019.

The notes on pages 11 to 18 form part of these financial statements.

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PALANTIR UK LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	150,000	(3,464,379)	(3,314,379)
Comprehensive income for the year			
Loss for the year	-	(635,767)	(635,767)
At 1 January 2018	150,000	(4,100,146)	(3,950,146)
Comprehensive income for the year			
Profit for the year	-	1,942,676	1,942,676
At 31 December 2018	150,000	(2,157,470)	(2,007,470)

The notes on pages 11 to 18 form part of these financial statements.

PALANTIR UK LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	1,942,676	(635,767)
<b>Adjustments for:</b>		
Depreciation of tangible assets	114,336	132,154
Interest received	(29)	(24)
Taxation charge	309,017	147,835
Decrease/(increase) in debtors	1,343,179	(1,473,323)
(Decrease)/increase in creditors	(4,118,897)	1,679,775
Corporation tax received/(paid)	-	(149,349)
<b>Net cash generated from operating activities</b>	<b>(409,718)</b>	<b>(298,699)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(35,959)	(112,088)
Interest received	29	24
<b>Net cash from investing activities</b>	<b>(35,930)</b>	<b>(112,064)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(445,648)</b>	<b>(410,763)</b>
Cash and cash equivalents at beginning of year	767,439	1,178,202
<b>Cash and cash equivalents at the end of year</b>	<b>321,791</b>	<b>767,439</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	321,791	767,439

The notes on pages 11 to 18 form part of these financial statements.

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## PALANTIR UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General 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

##### 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 financial statements have been prepared on the going concern basis as the company has received confirmation from 3ES Innovation Inc, the company's parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on the going concern basis, notwithstanding the deficit in net current liabilities at 31 December 2018.

##### 2.3 Turnover

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

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.

Billing for consulting work has been handled centrally post acquisition and so other revenue relates primarily to intercompany management fee income linked to a transfer pricing arrangement at cost + 6%.

##### 2.4 Tangible fixed assets and depreciation

Tangible fixed assets are measured at cost less accumulated depreciation, and any accumulated impairment losses.

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

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PALANTIR UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**2. Accounting policies (continued)**

**2.5 Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the profit or loss, 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.

**2.6 Debtors**

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

**2.7 Cash and cash equivalents**

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

**2.8 Creditors**

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

**2.9 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.

**2.10 Pensions**

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.

**2.11 Financial assets and liabilities**

Financial assets and liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Non-derivative financial instruments comprise trade debtors, cash, loans and borrowings and trade creditors.

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

There are no material judgments or estimates in preparation of these financial statements.

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PALANTIR UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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4. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 84% for the year (2017: 92%).

5. Employees and directors

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,336,878	3,518,535
Social security costs	474,596	417,901
Cost of defined contribution scheme	187,987	160,140
	<u>4,999,461</u>	<u>4,096,576</u>

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

	2018 No.	2017 No.
Consultancy staff	17	18
Administration staff	46	43
	<u>63</u>	<u>61</u>

6. Directors' remuneration

Two of the former director's salaries were remunerated for their services to the Company by other Group companies in 2017. In 2018 however they are remunerated as employees and no longer directors of the Company.

The current directors are deemed to be the only key management personnel of the company and were remunerated for their services to the Company by other Group companies in 2018.



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PALANTIR UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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7. Operating profit/(loss)

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

	2018 £	2017 £
Depreciation - owned assets	114,336	130,663
Auditor's remuneration - audit of the financial statements	31,750	29,250
Auditor's remuneration - accounts preparation	2,000	1,750
Foreign exchange differences	(300,742)	113,276
Rental expense on operating leases	293,796	355,515
Defined contribution pension cost	187,987	160,140
	<u>187,987</u>	<u>160,140</u>

8. Interest receivable

	2018 £	2017 £
Other interest receivable	29	24
	<u>29</u>	<u>24</u>

9. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	309,017	-
<b>Foreign tax</b>		
Unrecoverable withholding tax from overseas operations	-	147,835
<b>Total current tax</b>	<u>309,017</u>	<u>147,835</u>

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**PALANTIR UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**9. Taxation (continued)**

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	2,251,693	(487,932)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	427,822	(93,927)
<b>Effects of:</b>		
Disallowable costs	2,586	3,959
Timing differences	9,730	-
Unrealised losses	4,021	-
Utilisation of previously unrecognized tax losses	(135,142)	-
Deferred tax not recognised	-	89,968
Unrecoverable withholding tax from overseas operations	-	147,835
<b>Total tax charge for the year</b>	<b>309,017</b>	<b>147,835</b>

**10. 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 £187,987 (2017: £160,140).

PALANTIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Tangible fixed assets

	Leasehold £	Equipment £	Fixtures and fittings £	Website £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	328,777	558,318	203,030	31,878	1,122,003
Additions	-	35,888	70	-	35,958
At 31 December 2018	328,777	594,206	203,100	31,878	1,157,961
<b>Depreciation</b>					
At 1 January 2018	273,134	451,813	202,001	31,878	958,826
Charge for the year	55,643	58,213	480	-	114,336
At 31 December 2018	328,777	510,026	202,481	31,878	1,073,162
<b>Net book value</b>					
At 31 December 2018	-	84,180	619	-	84,799
At 31 December 2017	55,643	106,505	1,029	-	163,177

12. Debtors

	2018 £	2017 £
Trade debtors	100,400	1,697,128
Amounts owed by group undertakings	2,470,071	676,884
Other debtors	273,930	225,069
VAT	62,024	75,842
Prepayments and accrued income	264,296	255,456
Prepayments (deferred costs)	-	1,583,520
	3,170,721	4,513,899

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PALANTIR UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	145,545	199,415
Amounts owed to group undertakings	3,813,788	6,667,111
Corporation tax liability	309,017	-
Other taxation and social security	126,223	124,853
Other creditors	-	24,040
Accruals	514,918	118,803
Deferred income	675,290	2,260,439
	<u>5,584,781</u>	<u>9,394,661</u>

14. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Within 1 year	478,238	309,088
2 - 5 years	1,704,883	-
	<u>2,183,121</u>	<u>309,088</u>

15. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
150,000 (2017 - 150,000) Ordinary shares of £1.00 each	<u>150,000</u>	<u>150,000</u>

16. Reserves

Retained earnings

Includes all current and prior period retained profit and losses.

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PALANTIR UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**17. Contingent liabilities**

The company is currently undergoing an investigation by HM Revenue & Customs. The Directors do not believe that there has been any breach of regulations. However, there is a contingent risk that the company's accumulated tax losses could be reduced and/or a tax liability could arise should HM Revenue & Customs be successful. At this point, it is not possible to quantify any potential reduction of accumulated tax losses or potential tax liability.

**18. Related party transactions**

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

As at 31 December 2018, the company was wholly owned by 3ES Innovation Inc. (doing business as 'Aucerna'), a company incorporated in Canada. During the year the company supplied services to Palantir Economic Solutions Limited in the amount of £1,244,793 (2017: £2,648,356), the company also acquired software licences, consultancy and other services from the parent company that amounted to £2,211,463 (2017: £3,953,621).

Following the acquisition of Palantir UK Limited by 3ES Innovation Inc., the company entered into a new transfer pricing agreement. As part of a new transfer pricing arrangement with 3ES Innovation Inc., the company recognised net management fee income of £3,143,103. The total amount owed by the company to 3ES entities at the year end is £3,813,788 (2017: £nil), while total amounts receivable from 3ES entities is £2,470,071 (2017: £nil).

**19. Subsequent events**

In February 2019, Thoma Bravo, LLC, a private equity investment firm, has agreed to acquire 3ES Innovation Inc. (doing business as 'Aucerna'). 3ES Innovation is the parent company of Palantir UK Limited. The transaction closed on the May 13, 2019.

**20. Ultimate parent company**

On 13 July 2018, the ultimate parent company changed from Palantir Solutions Incorporated (a company incorporated in Delaware, United States of America) to Wrangler Holding Inc. (a company incorporated in British Columbia, Canada).

