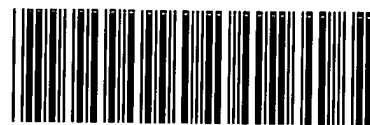


Registered number: 04612415

PALANTIR UK LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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PALANTIR UK LIMITED

COMPANY INFORMATION

Directors	S C Marcet W Sim
Registered number	04612415
Registered office	5th Floor Watling House 33 Cannon Street London EC4M 5SB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG

PALANTIR UK LIMITED

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PALANTIR UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report for the year ended 31 December 2019.

Principal activities and review of business

The principal activity of Palantir UK Limited ("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 £1,805,751 (2018 : £1,942,676).

The directors have not recommended a dividend (2018 : nil)

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 funded by 3ES Innovation Inc (the "Parent company") via a transfer price arrangement.

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

Principal risks and uncertainties

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Palantir UK Ltd is supported by its Parent company which funds its costs. The ability of the Company to continue is dependent on this funding. At the date of this report, the Company's directors have modified operations to curtail the spread of the COVID-19 outbreak as advised by the NHS, WHO, the UK government and equivalent local authorities across our offices including work-from-home policies to protect its employees and customers from the spread of this virus. The Company's electronic product delivery, managed hosted solutions and remote support teams remain active to serve our customers. While the Company considers these changes to be temporary, if they continue, this may adversely affect the ability of the Parent company to continue to support the Company.

The directors believe that appropriate strategies have been developed to ensure the Company's working practices and costs base adapt to reduce the risk from the adverse economic environment to enable the Company to continue trading.

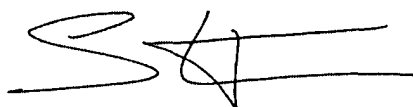
Key performance indicators

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

and signed on its behalf.

S C Marcet
Director



June 17th, 2020

PALANTIR UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

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 £1,805,751, (2018 : £1,942,676).

No dividends will be distributed for the year ended 31 December 2019. (2018 : nil)

Directors

The directors who served during the year were:

S C Marcet
W Sim

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.

PALANTIR UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Going concern

The financial statements have been prepared on the going concern basis as the Company has received confirmation from the Parent company (see note 19) 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.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Parent company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Although the Company currently has the Parent company's support, as in the past, there is no assurance that it will be able to continue this support in the future should the COVID-19 outbreak continue indefinitely. The Company considers these adverse economic conditions to be temporary and has adapted working practices and adjusted its cost base accordingly, however if they continue, they will adversely impact the Company's future results and financial position in the year 2020.

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

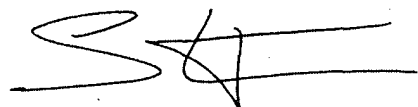
The outbreak of the global Covid-19 pandemic is considered to be a non-adjusting post balance sheet event. The Directors have considered, and continue to do so, the impact of the virus on the business and have included details in the Strategic Report and Directors Report. It is too early for the Directors to quantify the potential financial impact on the Company. Refer to Note 18 for further details.

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

and signed on its behalf.



S C Marcet
Director

June 17th, 2020



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

Opinion

We have audited the financial statements of Palantir UK Limited (the 'Company') for the year ended 31st December 2019, which comprise the Company Statement of Comprehensive Income, the Company Balance Sheet, the Company Statement of Changes in Equity, the Company cash flow statement and the 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, seen as at the date the original financial statements were approved, of the state of the Company's affairs as at 31 December 2019 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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 original financial statements are authorised for issue.



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

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

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.

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.



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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2 to 3, 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 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.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors. The audit of financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

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.

A handwritten signature in dark ink, appearing to read "S. Cardoso", followed by a horizontal line and the text "UK LLP".

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
30 Finsbury Square, London, EC2A 1AG

PALANTIR UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	9,612,458	11,135,064
Cost of sales		(1,002,418)	(2,182,227)
Gross profit		8,610,040	8,952,837
Administrative expenses		(6,607,755)	(6,701,173)
Operating profit/(loss)	7	2,002,285	2,251,664
Interest receivable and similar income	8	22	29
Profit/(loss) before tax		2,002,307	2,251,693
Tax on profit/(loss)	9	(196,556)	(309,017)
Profit/(loss) for the financial year		1,805,751	1,942,676
Other comprehensive income		-	-
Total comprehensive income for the year		1,805,751	1,942,676

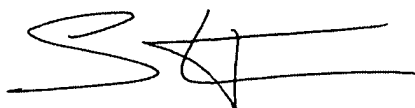
The notes on pages 11 to 18 form part of these financial statements.

PALANTIR UK LIMITED
REGISTERED NUMBER:04612415

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	217,563	84,799
		<u>217,563</u>	<u>84,799</u>
Current assets			
Debtors: amounts falling due within one year	12	1,988,396	3,170,721
Cash at bank and in hand		288,334	321,791
		<u>2,276,730</u>	<u>3,492,512</u>
Creditors: amounts falling due within one year	13	(2,696,012)	(5,584,781)
Net current liabilities		<u>(419,282)</u>	<u>(2,092,269)</u>
Total assets less current liabilities		<u>(201,719)</u>	<u>(2,007,470)</u>
Net liabilities		<u>(201,719)</u>	<u>(2,007,470)</u>
Capital and reserves			
Called up share capital	15	150,000	150,000
Profit and loss account	16	(351,719)	(2,157,470)
		<u>(201,719)</u>	<u>(2,007,470)</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: June 17th, 2020

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

PALANTIR UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
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 1 January 2019	150,000	(2,157,470)	(2,007,470)
Comprehensive income for the year			
Profit for the year		1,805,751	1,805,751
At 31 December 2019	150,000	(351,719)	(201,719)

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 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit/(loss) for the financial year		1,805,751	1,942,676
Adjustments for:			
Depreciation of tangible assets	11	52,537	114,336
Interest received		(22)	(29)
Taxation charge	9	150,943	309,017
Decrease/(increase) in debtors		1,182,325	1,343,179
(Decrease)/increase in creditors		(2,730,695)	(4,118,897)
Corporation tax received/(paid)		(309,017)	-
Net cash generated from operating activities		151,822	(409,718)
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(185,301)	(35,959)
Interest received		22	29
Net cash from investing activities		(185,279)	(35,930)
Net (decrease) in cash and cash equivalents		(33,457)	(445,648)
Cash and cash equivalents at beginning of year		321,791	767,439
Cash and cash equivalents at the end of year		288,334	321,791
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		288,334	321,791

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

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 the Parent company 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.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Parent company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Although the Company currently has the support of the Parent company, as in the past, there is no assurance that it will be able to continue this support in the future should the COVID-19 outbreak continue indefinitely. The Company considers these adverse economic conditions to be temporary and has adapted working practices and adjusted its cost base accordingly, however if they continue, they will adversely impact future results and financial position in the year 2020.

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 license 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.

Other revenue relates primarily to inter-company income linked to a transfer pricing arrangement with the Parent company.

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.

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Leasehold	- Straight line over the life of the lease
Equipment	- 30% reducing balance
Fixtures and fittings	- 20% reducing balance

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.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit and loss.

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.

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

4. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 93% for the year (2018: 84%).

5. Employees and directors

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	3,744,223	4,336,878
Social security costs	450,643	474,596
Cost of defined contribution scheme	146,961	187,987
	<u>4,341,827</u>	<u>4,999,461</u>

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

	2019 No.	2018 No.
Consultancy staff	9	17
Administration staff	52	46
	<u>61</u>	<u>63</u>

6. Directors' remuneration

The current directors are deemed to be the only key management personnel of the Company. W. Sim was not remunerated by the Company in 2019. He was remunerated by other group companies. S. C. Marcet received remuneration of £804,855 from the Company during the financial year. This included a payment of £561,535 relating to a stock option payment and £9,577 for employer's pension contribution.

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Operating profit/(loss)

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

	2019 £	2018 £
Depreciation - owned assets	52,537	114,336
Auditor's remuneration - audit of the financial statements	30,750	31,750
Auditor's remuneration - accounts preparation	-	2,000
Foreign exchange differences	(7,292)	(300,742)
Rental expense on operating leases	412,500	293,796
Defined contribution pension cost	146,961	187,987

8. Interest receivable

	2019 £	2018 £
Other interest receivable	22	29

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	150,943	309,017
Foreign tax		
Unrecoverable withholding tax from overseas operations	45,613	-
Total current tax	196,556	309,017

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Taxation (continued)

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	2,002,307	2,251,693
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	380,438	427,822
Effects of:		
Disallowable costs	6,386	2,586
Timing differences depreciation	(29,675)	9,730
Unrealised losses	(187)	4,021
Utilisation of available losses brought forward from previous years	(206,019)	(135,142)
Total tax charge for the year	150,943	309,017

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 £146,961 (2018: £187,987).

PALANTIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Tangible fixed assets

	Leasehold	Equipment	Fixtures and fittings	Website	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2019	328,777	594,206	203,100	31,878	1,157,961
Additions	-	185,301	-	-	
At 31 December 2019	328,777	779,507	203,100	31,878	1,343,262
Depreciation					
At 1 January 2019	328,777	510,026	202,481	31,878	1,073,162
Charge for the year		52,413	124	-	52,537
At 31 December 2019	328,777	562,439	202,605	31,878	1,125,699
Net book value					
At 31 December 2019	-	217,068	495	-	217,563
At 31 December 2018	-	84,180	619	-	84,799

12. Debtors

	2019 £	2018 £
Trade debtors	1,440,824	100,400
Amounts owed by group undertakings	-	2,470,071
Other debtors	272,536	273,930
VAT	68,811	62,024
Prepayments and accrued income	206,225	264,296
	<u>1,988,396</u>	<u>3,170,721</u>

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	247,491	145,545
Amounts owed to group undertakings	1,042,450	3,813,788
Corporation tax liability	150,925	309,017
Other taxation and social security	153,439	126,223
Accruals	917,033	514,918
Deferred income	184,674	675,290
	<u>2,696,012</u>	<u>5,584,781</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Within 1 year	495,000	478,238
2 - 5 years	1,448,000	1,704,883
	<u>1,943,000</u>	<u>2,183,121</u>

15. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
150,000 (2018 - 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.

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Related party transactions**Entities with control, joint control or significant influence over the entity**

As at 31 December 2019, the Company was wholly owned by 3ES Innovation Inc (3ESI). (doing business as 'Aucerna'), a company incorporated in Canada.

The Company and the Parent company have a transfer pricing agreement, which resulted in the Company recognising net management fee income of £7,666,607. The total amount owed by the Company to Parent company entities at the year-end is £1,042,450 (2018: £3,813,788), while total amounts receivable from Parent company entities is £nil (2018: £2,470,071).

18. Subsequent events

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of sustained local and/or global economic slowdowns, which may lead to the long-term capital budget reductions of many customers. Additionally, developments such as social distancing and shelter-in-place directives have limited our customers' workforces availability to engage with the Company to complete the delivery of products and services.

The Parent company has significant interest/debt payments due quarterly, which if sales decline due to the impact of the COVID-19 outbreak on consumers, will require the Parent company seeking to access additional available sources of debt financing.

The Company's operations have been modified to curtail the spread of the COVID-19 outbreak. At this time, the Company has initiated work-from-home policies to protect its employees and customers from the spread of this virus, consistent with governmental restrictions and guidance. The Company's electronic product delivery, managed hosted solutions and remote support teams remain active to serve our customers. While the Company considers these changes to be temporary, if they continue, this may adversely affect sales expectations for the year 2020 and the Company's overall financial performance.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Company's results of future operations and financial position during the year 2020.

19. Ultimate parent company

The immediate parent undertaking of this company is 3ES Innovation Inc, a company registered in Canada. The ultimate parent company is 3ES Innovation Inc. The group trades under the name Aucerna.