

Registered number: 04612415

PALANTIR UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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PALANTIR UK LIMITED

COMPANY INFORMATION

Directors	S C Marcet W Sim (resigned 15.2.2021) G C Myers (appointed 15.2.2021)
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 2020**

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

Review of business

The cost base of the Company reduced due to management's cost control measures and the COVID-19 related travel restrictions.

Financial risk management

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

Palantir UK Limited 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. The Company considers these changes to be temporary.

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 18/5/2021 and signed on its behalf.



GC Myers
Director

PALANTIR UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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 £702,064 (2019 : £1,805,751).

No dividends will be distributed for the year ended 31 December 2020. (2019 : nil)

Directors

The directors who served during the year were:

S C Marcet
W Sim (resigned 15.2.2021)

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

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

- Select suitable accounting policies 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 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 2020**

Going concern

The financial statements have been prepared on the going concern basis as the Company has received confirmation from 3ES Innovation Inc, the immediate parent company, 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.

COVID-19 continues to have an impact on the company's operations and markets. The Company currently has the Parent company's support and this is expected to continue. The Company considers these adverse economic conditions to be temporary and has adapted working practices and adjusted its cost base accordingly.

Disclosure of information to auditor

The directors confirm that:

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

Auditor

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

This report was approved by the board on 18/5/2021 and signed on its behalf.

George Claiborne Myers

GC Myers
Director



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 31 December 2020, which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 2020 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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



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

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and industry in which they operate through our general, commercial and sector experience, discussions with management and inspection of board minutes. We determined that the following laws and regulations were most significant: Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and Companies Act 2006.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - identifying and testing journal entries, in particular, journal entries with characteristics that meet certain criteria assessed as higher risk; and
 - assessing the extent of compliance with the relevant laws and regulations that are of significance as part of our audit procedures.



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

- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the company, including the provisions of the applicable legislation.
- The engagement team's communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through overstatement of costs used to determine management recharges;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The company's operations, including the nature of its revenue sources and of its objectives and strategies, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
 - The company's control environment including:
 - management's knowledge of the relevant laws and regulations and how the company is complying with those laws and regulations;
 - the adequacy of procedures for authorisation of transactions;
 - procedures to ensure that possible breaches of law and regulations are appropriately resolved.

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.

Grant Thornton UK LLP

William McMullan BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

18/5/2021

PALANTIR UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	6,437,067	9,612,458
Cost of sales		(599,995)	(1,002,418)
Gross profit		5,837,072	8,610,040
Administrative expenses		(5,399,746)	(6,607,755)
Other income		162,479	-
Operating profit	7	599,805	2,002,285
Interest receivable and similar income	8	-	22
Profit before tax		599,805	2,002,307
Tax on profit	9	102,259	(196,556)
Profit for the financial year		702,064	1,805,751
Other comprehensive income		-	-
Total comprehensive income for the year		702,064	1,805,751

The notes on pages 12 to 19 form part of these financial statements.

PALANTIR UK LIMITED
REGISTERED NUMBER:04612415

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	308,460	217,563
		<u>308,460</u>	<u>217,563</u>
Current assets			
Debtors: amounts falling due within one year	12	1,232,827	1,988,396
Cash at bank and in hand		189,265	288,334
		<u>1,422,092</u>	<u>2,276,730</u>
Creditors: amounts falling due within one year	13	(1,230,207)	(2,696,012)
Net current assets/liabilities		<u>191,885</u>	<u>(419,282)</u>
Total assets less current liabilities		<u>500,345</u>	<u>(201,719)</u>
Net assets/liabilities		<u>500,345</u>	<u>(201,719)</u>
Capital and reserves			
Called up share capital	15	150,000	150,000
Profit and loss account	16	350,345	(351,719)
		<u>500,345</u>	<u>(201,719)</u>

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

George Claiborne Myers

G C Myers

Director

Date: 18/5/2021

The notes on pages 12 to 19 form part of these financial statements.

PALANTIR UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
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 1 January 2020	150,000	(351,719)	(201,719)
Comprehensive income for the year			
Profit for the year	-	702,064	702,064
At 31 December 2020	150,000	350,345	500,345

The notes on pages 12 to 19 form part of these financial statements.

PALANTIR UK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the financial year		702,064	1,805,751
Adjustments for:			
Depreciation of tangible assets	11	106,354	52,537
Interest received	8	-	(22)
Taxation charge	9	(102,259)	150,943
Decrease in debtors		755,568	1,182,325
(Decrease)in creditors		(1,429,429)	(2,730,695)
Corporation tax received/(paid)		65,885	(309,017)
Net cash generated from operating activities		98,183	151,822
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(197,252)	(185,301)
Interest received	8	-	22
Net cash from investing activities		(197,252)	(185,279)
Net (decrease) in cash and cash equivalents		(99,069)	(33,457)
Cash and cash equivalents at beginning of year		288,334	321,791
Cash and cash equivalents at the end of year		189,265	288,334
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		189,265	288,334

The notes on pages 12 to 19 form part of these financial statements.

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 3ES Innovation Inc, the immediate 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.

COVID-19 continues to have an impact on the company's operations and markets. The Company considers these adverse economic conditions to be temporary and has adapted working practices and adjusted its cost base accordingly.

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 Grant Income

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough'). The Company has not directly benefited from any other forms of government assistance.

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2.5 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	- 30% reducing balance
Fixtures and fittings	- 20% reducing balance

2.6 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.

2.7 Debtors

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

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 recognised in profit and loss.

2.8 Cash and cash equivalents

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

2.9 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.

2.10 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.

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2.11 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.

2.12 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 100% for the year (2019: 93%).

5. Employees and directors

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	3,226,385	3,744,223
Social security costs	391,966	450,643
Cost of defined contribution pension scheme	150,644	146,961
	3,768,995	4,341,827

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

	2020 No.	2019 No.
Consultancy staff	10	9
Administration staff	47	46
	57	55

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 2020. He was remunerated by other group companies. S. C. Marcet received remuneration of £208,203 and employer's pension contribution of £8,300 from the Company during the financial year

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	106,354	52,537
Auditor's remuneration - audit of the financial statements	33,750	30,000
Auditor's remuneration – taxation services	11,575	750
Foreign exchange differences	51,861	(7,292)
Rental expense on operating leases	412,500	412,500
Defined contribution pension cost	150,644	146,961
Rental income	(106,679)	-
Grant Income	(55,800)	-

8. Interest receivable

	2020 £	2019 £
Other interest receivable	-	22

9. Taxation

	2020 £	2019 £
Current taxation		
Current tax on profits for the year	46,541	150,943
Unrecoverable withholding tax from overseas operations	72,003	45,613
Adjustments prior periods	(260,526)	-
Total current tax (credit)/ charge	(141,982)	196,556
Deferred taxation		
Origination and reversal of timing differences	39,723	-
Total deferred taxation	(102,259)	196,556
Total tax (credit)/ charge for the year	(102,259)	196,556

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Taxation (continued)

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	599,805	2,002,307
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 – 19%)	113,963	380,438
Effects of:		
Fixed asset differences	-	(29,675)
Expenses not deductible for tax purposes	915	6,386
Foreign tax credits	72,003	45,613
Adjustment to tax charge in respect of previous period	(260,526)	-
Remeasurement of deferred tax for changes in tax rates	(3,352)	-
Deferred tax not recognised	(25,262)	-
Adjustment of		
Unrealised losses	-	(187)
Utilisation of available losses brought forward from previous years	-	(206,019)
Total tax charge for the year	(102,259)	196,556

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 £150,644 (2019: £146,691). The employers pension liability at 31 December 2020 was £11,812 (2019 :£13,252)

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Tangible fixed assets

	Equipment	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 January 2020	779,507	203,100	982,607
Additions	196,670	582	197,252
At 31 December 2020	976,177	203,682	1,179,859
Depreciation			
At 1 January 2020	562,440	202,605	765,045
Charge for the year	106,158	196	106,354
At 31 December 2020	668,598	202,801	871,399
Net book value			
At 31 December 2020	307,579	881	308,460
At 31 December 2019	217,068	495	217,563

12. Debtors

	2020	2019
	£	£
Trade debtors	745,689	1,440,824
Other debtors	268,945	272,536
VAT	51,193	68,811
Prepayments and accrued income	167,000	206,225
	1,232,827	1,988,396

PALANTIR UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	113,561	247,491
Amounts owed to group undertakings	105,008	1,042,450
Corporation tax liability	48,287	150,925
Deferred tax	39,723	-
Other taxation and social security	118,470	153,439
Accruals	620,397	917,033
Deferred income	184,761	184,674
	<u>1,230,207</u>	<u>2,696,012</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 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Within 1 year	495,000	495,000
2 - 5 years	953,000	1,448,000
	<u>1,448,000</u>	<u>1,943,000</u>

15. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
150,000 (2019 - 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
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Related party transactions**Entities with control, joint control or significant influence over the entity**

As at 31 December 2020, 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 £5,737,257. The total amount owed by the Company to the Parent company at the year-end is £105,008 (2019: £1,042,450), while total amounts receivable from Parent company is £nil (2019: £nil).

18. Ultimate parent company

The immediate parent undertaking of this company is 3ES Innovation Inc, a company registered in Canada. The ultimate parent company is Q&A Ultimate Parent L.P. The group trades under the name Aucerna.

On February 15, 2021, Quorum Business Solutions Inc and the Parent company, combined to create the global energy software leader. The newly combined business, operating as Quorum Software, has entered into an agreement with TietoEVERY to acquire TietoEVERY's entire Oil and Gas software business.