

Qualitest Group UK Limited
Unaudited Financial Statements

For the year ending 31 December 2019
Registered Number: 04394772

SATURDAY



A9J8FARS

A09

05/12/2020

#130

COMPANIES HOUSE

Contents	Page
Strategic report	3
Directors' report	4
Statement of Directors' responsibilities	5
Income Statement	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9-16

Strategic report

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

Principal activity

The principal activity of Qualitest Group UK Limited ("The Company") is the provision of software testing.

Review of Business

The loss before tax for the year ended 31 December 2019 is £6,296k (Year ended December 2018: profit £369k).

Business performance measures

The Group manages the business using the KPIs shown in the table below. Reporting is daily, weekly and monthly and has different levels of granularity according to each manager's responsibility. The provision of accurate and quick management information has always been integral to the company.

KPI	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Revenue	14,413	8,463
Operating (Loss)/profit	(6,296)	369

Principal risks and uncertainties

The Company faces operational risks and uncertainties which the directors take all reasonable steps possible to mitigate. However, the Directors recognise that they can never be eliminated completely.

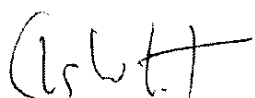
The principal internal operational risks and uncertainties the Company faces relate to the recruitment and retention of key employees to meet the Company's growth plans, and the general state of the UK economy which may impact customer's business expenditure. There have been no significant issues arising from these risks in the current financial year.

External risks relate to technological and product developments in website operations and related activities where a dramatic or rapid change could lead to obsolescence of the company's product and service offering or customers moving their business to alternative platforms.

Risk and uncertainties outside the Company's control include those relating to the implementation of changes in Government policy for the procurement of IT Services and alterations to the legislative and taxation framework in which the Company operates. There have been no changes to legislation or regulation that have had a significant impact on the company's operations. Also, the UK economy is expected to experience further uncertainty as a result of negotiations to leave the European Union.

The Company may have exposure to liquidity risk which is the risk that the Company will not be able to meet its financial obligations as they fall due. As a wholly owned subsidiary within the Quantum Holding Topco Limited Group, the company's cash balances are controlled at a group level and the cash position of the company is reviewed as part of the Group's overall cash position. Details of the Group's lending facilities are presented in the Quantum Holding Topco Limited Annual Report and Accounts which are publicly available.

This report was approved by the board 19 November 2020 and signed on its behalf



C. Wilmot
Director

Directors' report

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

Directors

The Directors who held office during the year and as at the date of this report were as follows:

Chris Wilmot
James Feller (appointed 31 July 2020)
Brian Shea (resigned 29 November 2019)
Yaron Kottler (appointed 3 October 2019, resigned 16 March 2020)
Ayal Zylberman (resigned 3 October 2019)
Ruth Stafford (resigned 31 July 2020)

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Dividends

During the year no dividend was paid or is proposed to be paid (year ended Dec -18 £nil).

Going concern

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual financial statements has been adopted.

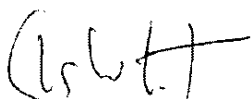
Political contributions

The Company made no political contributions during the period (Dec-18: £nil).

Audit exemption taken for the period ended 31 Dec 2019

The Company is exempt for the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act. The immediate parent undertaking is Jupiter Holdco Limited.

This report was approved by the board 19 November 2020 and signed on its behalf



C Wilmot
Director

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 '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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Income Statement for the Year Ended 31 December 2019

	Notes	Year ended Dec-19 £	Year ended Dec-18 £
Turnover		14,412,767	8,462,969
Cost of sales		(10,765,585)	(6,605,563)
Gross profit		3,647,182	1,857,406
Administrative expenses:		(9,942,697)	(1,488,314)
Operating (Loss)/Profit	2	(6,295,515)	369,092
(Loss)/Profit before tax		(6,295,515)	369,092
Taxation		-	-
(Loss)/profit for the year		(6,295,515)	369,092
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year, net of tax		(6,295,515)	369,092
Attributable to:			
Equity holders of the parent		(6,295,515)	369,092

Statement of Financial Position as at 31 December 2019

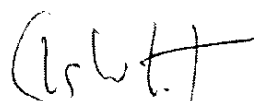
	Notes	31.12.2019 £	31.12.2018 £
Fixed assets			
Intangible fixed assets	4	361,705	361,705
Tangible fixed assets	5	<u>537,847</u>	<u>67,188</u>
		899,552	428,893
Current assets			
Debtors	6	18,649,034	4,753,830
Investments		-	16
Cash at bank and in hand		<u>431,067</u>	<u>184,415</u>
		19,080,101	4,938,261
Creditors: amounts falling due within one year	7	<u>(23,211,452)</u>	<u>(2,433,569)</u>
Net Current Assets		(4,131,351)	2,504,692
Provisions		(130,131)	-
Net Assets		<u>(3,361,930)</u>	<u>2,933,585</u>
Capital and Reserve			
Called up share capital	8	1,169	1,169
Share premium account		57,908	57,908
Profit and loss reserves		<u>(3,421,007)</u>	<u>2,874,508</u>
		<u>(3,361,930)</u>	<u>2,933,585</u>

The directors consider that the Company is entitled to exemption from the requirements to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with the section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the Board of Directors on 19 November 2020 and were signed on its behalf by:



C Wilmot
Director
Qualitest Group UK Limited
04394772

Statement of changes in equity

	Share Capital £	Share Premium Account £	Profit and loss reserves £	Total £
Balances as at 1 January 2018	1,169	57,908	2,505,416	2,564,493
Year Ended 31 December 2018				
Profit and total comprehensive income for the period	-	-	369,092	369,092
Balance as at 31 December 2018	<u>1,169</u>	<u>57,908</u>	<u>2,874,508</u>	<u>2,933,585</u>
Period ended 31 December 2019				
Profit and total comprehensive income for the period	-	-	(6,295,515)	(6,295,515)
Balance as at 31 December 2019	<u>1,169</u>	<u>57,908</u>	<u>(3,421,007)</u>	<u>(3,361,930)</u>

**Notes
(forming part of the financial statements)****1. Accounting policies****General Information**

Qualitest Group UK Limited (the "Company") is a company incorporated and domiciled in the UK. It provides the provision of software testing. The company is a private company, limited by shares. The registered address is 1 Appold street London, EC2M 2QT, England.

Basis of preparation

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

The financial statements are stated in pound sterling, which is the Company's functional and presentational currency.

The preparation of financial statement in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Going Concern

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual financial statements has been adopted.

Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

- The requirements of Section 4 Statement of Financial Position paragraph 4.12 (a)(iv)
- The requirements of Section 7 Statement of Cash Flows
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41€
11.41(f), 11.42, 11.44, to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c)
- The requirement of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, and
12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Quantum Holding Topco Limited as at the year ended 31 December 2019 and these financial statements are publicly available.

Notes (continued)**Accounting policies (continued)****Revenue recognition**

Revenue represents the value of services provided during the period, excluding VAT.

The results of partially completed contracts whether fixed price or on a time and materials basis are dealt with on a percentage completion basis according to the number of days worked by reference to the estimated profit earned on work completed to the balance sheet date. Where revenue recognised on this basis is lower than amounts invoiced, the excess is recorded in deferred Income. Provisions are made for any losses on uncompleted contracts expected to be incurred after the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are stated at their nominal amount less impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held on a current account.

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that

Notes (continued)**Accounting policies (continued)**

generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Tangible Fixed Assets

Plant and equipment assets are carried at cost less accumulated depreciation and any recognised impairment in value. To the extent that borrowing costs relate to the acquisition, construction or production of a qualifying asset, borrowing costs are capitalised as part of the cost of that asset.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful economic lives of between three and five years.

Plant and equipment is also tested for impairment whenever there is an indication of potential impairment.

Operating lease payments

Operating lease rentals are charged to the statement of comprehensive statement on a straight-line basis over the period of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense.

Net financing costs

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)**Accounting policies (continued)****Employee benefits –***Pensions - defined contribution plans*

The Company operates a defined contribution pension scheme. The assets of the scheme are kept separately from those of the Company in an independently administered fund. The amount charged as expense in the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Use of estimates and judgements

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

2. Operating Profit

	2019	2018
	£	£
Depreciation of tangible fixed assets	110,862	22,144
Other operating lease rentals	72,821	53,676
	<hr/>	<hr/>

3. Employees

The average monthly number of persons (including directors) employed by the company during the period was 110 (2018 - 91)

	2019	2018
	£	£
Wages and salaries	7,291,058	5,192,761
Social security costs	1,149,017	514,387
Cost of defined contribution scheme	<hr/> 364,087	<hr/> 146,448
	<hr/> 8,804,162	<hr/> 5,853,596
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)**4. Intangible fixed assets**

	Development Costs
	£
Cost:	
At 1 January 2019	361,705
Additions	<u>0</u>
At 31 December 2019	<u>361,705</u>
Depreciation:	
At 1 January 2019	0
Charge for the year	<u>0</u>
At 31 December 2019	<u>0</u>
Net book value:	
At 31 December 2019	<u>361,705</u>
At 31 December 2018	<u>361,705</u>

5. Tangible fixed assets

	Equipment	Leaschold Improvements	Computer Software	Total
	£	£	£	£
Cost:				
At 1 January 2019	172,482	0	0	172,482
Additions	153,908	402,930	24,683	581,521
At 31 December 2019	<u>326,390</u>	<u>402,930</u>	<u>24,683</u>	<u>754,003</u>
Depreciation:				
At 1 January 2019	105,294	0	0	105,294
Charge for the year	60,162	50,700	0	110,862
At 31 December 2019	<u>165,456</u>	<u>50,700</u>	<u>0</u>	<u>216,156</u>
Net book value:				
At 31 December 2019	<u>160,934</u>	<u>352,230</u>	<u>24,683</u>	<u>537,847</u>
At 31 December 2018	<u>67,188</u>	<u>0</u>	<u>0</u>	<u>67,188</u>

Notes (continued)**6. Debtors**

	2019	2018
	£	£
<i>Amounts falling due within one year</i>		
Trade Debtors	3,197,331	1,254,572
VAT recoverable	-	198,418
Amounts due from fellow group companies	14,769,078	2,713,318
Prepayments and accrued income	660,008	566,998
Sundry debtors	22,617	20,524
	<u>18,649,034</u>	<u>4,753,830</u>

7. Creditors

	2019	2018
	£	£
Trade Creditors	1,360,597	173,673
Amounts due to fellow group companies	19,273,312	994,063
Corporation tax	14,040	223,898
Other taxation and social security	1,229,010	563,512
Other creditors	368,845	86,672
Accruals and deferred income	965,648	391,751
	<u>23,211,452</u>	<u>2,433,569</u>

Notes (continued)**8. Called up Share Capital**

	2019 £	2018 £
Ordinary Share Capital		
Issued and fully paid		
23,400 Ordinary A shares of 1p each	234	234
23,300 Ordinary B Shares of 1p each	233	233
23,300 Ordinary C Shares of 1p each	233	233
10,000 Ordinary D Shares of 1p each	100	100
10,000 Ordinary E Shares of 1p each	100	100
11,100 Ordinary F Shares of 1p each	53	53
16,280 Ordinary G Shares of 1p each	116	116
10,000 Ordinary H Shares of 1p each	100	100
	<u>1,169</u>	<u>1,169</u>

9. Operating Leases**Leases**

At the reporting end-date the company had outstanding commitments for the future minimum lease payments under non-cancellable operating leases which falls due as follows:

	2019 £	2018 £
Within one year	53,676	53,676
Between two and five years	<u>116,295</u>	<u>169,971</u>
	<u>169,971</u>	<u>223,647</u>

10. Pension scheme

The Company operates a defined contribution pension scheme that is open to all eligible employees. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £364,087 (2018: £146,448). The outstanding contributions at 31 Dec 2019 were £104,732 (Dec-18: £33,754).

11. Related party transactions

The company is included within the consolidated financial statements of Quantum Holding Topco Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption under FRS 102 'Related Party Disclosures' from disclosing related party transactions with Quantum Holding Topco Limited or other wholly owned subsidiaries which are part of the Group.

Notes (continued)

12. Ultimate parent company

The immediate parent undertaking is Jupiter Holdco Limited, a company incorporated in England. The ultimate controlling party is Atlantic Investments Holdings Limited, a company incorporated in England.

The largest and smallest Group in which the results of the company are consolidated is that headed by Quantum Holding Topco Limited, incorporated in England. The consolidated financial statements of this company are available to the public and may be obtained from The Registrar of Companies, Companies House, Cardiff, CF4 3UZ.

13. Post balance sheet events

There have been no reportable events.