

# QUALITEST SOFTWARE TESTING LTD

**Directors:** Chris Wilmot  
James Feller (appointed on July 31, 2020)

**Registered Office:** 1 Appold Street  
London  
England  
EC2A 2UT

**Registered No:** 03929849

## Financial Statements

For the Year ended 31 December 2019

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# **QUALITEST SOFTWARE TESTING LTD**

## **Strategic report for the year ended 31 December 2019**

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

### **Review of the business**

The group's principal activities during the year continued to be the provision of software testing services.

The key financial and other performance indicators during the year were as follows:

Turnover in the period has increased by 22% from £10,033k in 2018 to £12,246k.

Gross profit increased 16% from £3,000k to £3,496k.

### **Strategy for the business**

The group are continuing to invest in the UK testing market to grow organically and will consider further acquisitions.

### **Principal risk and uncertainties**

The principal risks and uncertainties facing the Company are broadly competitive and macro-economic.

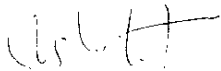
### **Competitive Risks**

The Company is reliant on certain major clients for contracts which are subject to periodic review.

### **Micro-economic Risks**

The UK economy is expected to experience further uncertainty as a result of negotiations to leave the European Union.

The Company works in the IT capital projects market and this can be susceptible to fluctuations with the economic uncertainty.



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**C. Wilmot**  
Director

Approved by the Board:  
19 November 2020

# QUALITEST SOFTWARE TESTING LTD

## Directors' Report

The directors present the financial statements of the company for the year ended 31 December 2019.

### **Principal activity**

The principal activity of the company during the year was that of providing consultancy service in software

### **Results and Dividend**

The results for the year are included in the income statement shown on page 8, and as there is a balance of retained loss as at 31.12.2019, the directors are not able to recommend a distribution of dividend.

### **Directors**

The directors during the year under review were: Ayal Zylberman (resigned 3 October 2019), Yaron Kottler (resigned 16 March 2020), Ruth Stafford (resigned 31 July 2020), Brian Shea (resigned 29 November 2019), Chris Wilmot, James Feller (appointed 31 July 2020).

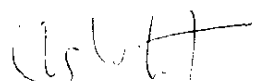
None of the above directors have any direct beneficial interest on the company's issued ordinary share capital.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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**C. Wilmot**  
Director

Approved by the Board:  
19 November 2020

## QUALITEST SOFTWARE TESTING LTD

### Income statement For the Year ended 31 December 2019

		2019 £	2018 £
	<i>Notes</i>		
Turnover	3	12,245,589	10,032,505
Cost of sales		<u>(8,749,951)</u>	<u>(7,032,348)</u>
<b>Gross profit</b>		3,495,638	3,000,156
Operating expenses		(2,732,056)	(2,576,191)
<b>Operating loss</b>	4	<u>763,582</u>	<u>423,965</u>
Net financial expenses	5	<u>(300,036)</u>	<u>(314,156)</u>
<b>Profit/(loss) before taxation</b>		463,546	109,809
Taxation	8	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the year</b>		<u><u>463,546</u></u>	<u><u>109,809</u></u>

# **QUALITEST SOFTWARE TESTING LTD**

## **Statement of Comprehensive Income**

### **For the year ended 31 December 2019**

	<i>2019</i>	<i>2018</i>
	<b>£</b>	<b>£</b>
Profit for the year	463,546	109,809
<b>Total comprehensive profit for the year</b>	<b><u>£ 463,546</u></b>	<b><u>£ 109,809</u></b>

# QUALITEST SOFTWARE TESTING LTD

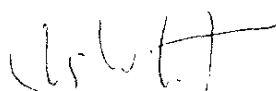
## Statement of financial position as at 31 December 2019

	Notes	31.12.2019 £	31.12.2018 £
<b>Fixed assets</b>			
Tangible fixed assets	9	119,633	69,344
<b>Current assets</b>			
Debtors	10	13,714,195	5,317,594
Cash at bank and in hand		495,656	673,897
		14,209,851	5,991,492
<b>Creditors: amounts falling due within one year</b>	11	(14,671,857)	(3,856,450)
<b>Net current liabilities</b>		(462,006)	2,135,041
<b>Creditors: amounts falling due after one year</b>	12	-	(3,011,613)
<b>Total assets less liabilities</b>		(342,373)	(807,227)
<b>Deferred tax asset</b>	13	-	1,308
<b>Net liabilities less assets</b>		£ (342,373)	£ (805,919)
<b>Capital and Reserve</b>			
Called up share capital	14	247	247
Profit and loss account		(342,620)	(806,166)
		£ (342,373)	£ (805,919)

The notes on pages 7 to 12 form an integral part of these financial statements.

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The shareholders have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 3 to 12 were approved by the Board of Directors on 19 November 2020 and were signed on its behalf by:



**C. Wilmot**

Director

# QUALITEST SOFTWARE TESTING LTD

## Statement of Changes in Equity For the Year ended 31 December 2019

	<i>Share capital</i> £	<i>Retained loss</i> £	<i>Total</i> £
As at 1 January 2018	247	(915,975)	(915,728)
Loss for the year	-	109,809	109,809
<b><i>As at 31 December 2018</i></b>	<b><u>£ 247</u></b>	<b><u>£ (806,166)</u></b>	<b><u>£ (805,919)</u></b>
As at 1 January 2019	247	(806,166)	(805,919)
Loss for the year	-	463,546	463,546
<b><i>As at 31 December 2019</i></b>	<b><u>£ 247</u></b>	<b><u>£ (342,620)</u></b>	<b><u>£ (342,373)</u></b>

# **QUALITEST SOFTWARE TESTING LTD**

## **Notes to the Financial Statements - 31 December 2019**

### **1. Accounting Policies**

#### ***Statement of Compliance***

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### ***Summary of Significant Accounting Policies***

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

#### ***Basis of accounting***

##### ***(a) Basis of preparation***

The company financial statements have been prepared 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"(FRS 102) and with the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in sterling (£).

##### ***(b) Going concern***

The company suffered a loss and has accumulated deficit. The company managed to fulfill its cash flow requirements through long term loans from its immediate parent company and the subsidiary company. The parent company and the subsidiary company guarantee not to demand the repayment of these loans if it would put at risk the going concern situation of the company.

On the basis of the above the directors consider it appropriate to prepare the accounts on a going concern basis.

##### ***(c) Group accounts***

The company is exempt from the requirement to prepare group accounts in accordance with the Companies Act 2006 Section 400/2 (EU parent) as the company itself is a subsidiary undertaking that is included in the consolidated financial statements of its intermediate parent company, Jupiter Topca Limited, (a company incorporated in the UK) and are drawn up in accordance with the EEC 7th Directive.

##### ***(d) Revenue recognition***

Revenue is measured at fair value of the consideration received or receivable and represents the amount receivable for sales, integration and implementation of telecommunication software and subsequent provision of maintenance services.

Turnover from the sale of software licences is recognised in full when persuasive evidence of an agreement exists, when delivery and acceptance of the software by the customer has occurred, when the fee is fixed and determinable and when collectability is considered probable.

Turnover from integration and implementation services is recognised on a percentage-to-completion basis. Under the percentage-to-completion method, provisions for estimated losses on uncompleted contracts are recognised in the period in which the likelihood of such losses is determined.

The percentage-to-completion is measured by monitoring progress using records of actual time incurred to date on the project compared with the total estimated project requirement.

Turnover from maintenance services is recognised on a straight-line-basis over the term of the maintenance agreement once the licence agreement once the licence acceptance conditions have been met. Turnover not recognised in the profit and loss account under this policy is classified as deferred income in the balance sheet.

##### ***(e) Tangible fixed assets***

###### ***Plant & equipment***

Depreciation and amortization is provided at the following annual rates in order to write off the asset over their estimated useful lives:-

Computer and software	50%
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##### ***(f) Fixed asset investment***

Investments in subsidiaries are disclosed at cost less accumulated impairment losses.



# **QUALITEST SOFTWARE TESTING LTD**

## **Notes to the Financial Statements - 31 December 2019**

- (g) **Debtors**  
Short term debtors that includes trade and other receivables are measured at transaction price, less any impairment.
- (h) **Creditors**  
Basic financial liabilities including trade and other payable, bank loans, loans from group companies are measured at transaction price.
- (i) **Deferred taxation**  
Deferred taxation is provided using the liabilities method to take into account timing differences arising from the inclusion of items of expenditure in taxation computations in periods that differ from those in which they are included to the extent that it is probable that the liability or asset will crystallise in the future.
- (j) **Foreign currencies**  
Monetary assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of the transaction.  
All differences are taken to the profit and loss account.
- (k) **Employee Benefits**  
The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.
- (i) **Short term benefits**  
Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.
- (ii) **Defined contribution pension plans**  
The company operated a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.
- (iii) **Annual bonus plan**  
The company operates an annual bonus plan for its employees and expenses is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan.
- (l) **Leasing Charges**  
Rentals payable under operating leases are charged against profit as incurred.
- (m) **Related party transactions**  
The company does not disclose transactions with related parties that are members of the same group that are

## **2. Critical accounting judgement & estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### *(i) Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 1(f) for the useful economic lives for each class of assets.

### *(ii) Impairment of debtors*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtors, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors.

# **QUALITEST SOFTWARE TESTING LTD**

## **Notes to the Financial Statements - 31 December 2019**

### **3. Turnover**

*Turnover is attributed to geographical markets as follows:-*

	<i>2019</i> £	<i>2018</i> £
UK	<u>12,245,589</u>	<u>10,032,505</u>
	<u>12,245,589</u>	<u>10,032,505</u>

### **4. Operating profit**

	<i>2019</i> £	<i>2018</i> £
Operating profit is stated after charging: Depreciation on tangible fixed assets	13,310	90,608

### **5. Net financial expense**

	<i>2019</i> £	<i>2018</i> £
Bank interest paid	<u>300,036</u>	<u>314,156</u>
	<u>300,036</u>	<u>314,156</u>

### **6. Directors' remuneration**

	<i>2019</i>	<i>2018</i>
Number of paid directors	<u>0</u>	<u>0</u>
And their remunerations were:	<i>2019</i> £	<i>2019</i> £
Director fees	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## **QUALITEST SOFTWARE TESTING LTD**

### **Notes to the Financial Statements - 31 December 2019**

#### **7. Employee information**

	2019 £	2018 £
<i>The average number of employees during the year</i>	<u>73</u>	<u>93</u>
Staff cost for the above persons were as follows:		
Salaries and related costs	5,930,631	4,690,362
Sales commission	18,250	45,457
Pension	<u>203,520</u>	<u>188,250</u>
	<u><u>6,152,401</u></u>	<u><u>4,924,069</u></u>

#### **8. Taxation**

	2019 £	2018 £
Transfer from deferred tax	-	-
Prior year tax	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

No UK tax charge has arisen as a result of group relief.  
Deferred tax asset that relates to tax losses and excess of written down value on net book value is not disclosed until it will be clear that profit will materialise in the future.

#### **9. Plant & equipment**

	Computer & software £	Development costs £	Total £
<b>Cost:</b>			
At 1 January 2019	270,599	32,772	303,371
Additions	<u>63,599</u>	<u>-</u>	<u>63,599</u>
At 31 December 2019	<u><u>334,198</u></u>	<u><u>32,772</u></u>	<u><u>366,970</u></u>
<b>Depreciation:</b>			
At 1 January 2019	234,027	-	234,027
Charge for the year	<u>13,310</u>	<u>-</u>	<u>13,310</u>
At 31 December 2019	<u><u>247,337</u></u>	<u><u>-</u></u>	<u><u>247,337</u></u>
<b>Net book value:</b>			
At 31 December 2019	<u>86,861</u>	<u>32,772</u>	<u>119,633</u>
At 31 December 2018	<u><u>36,572</u></u>	<u><u>32,772</u></u>	<u><u>69,344</u></u>

## **QUALITEST SOFTWARE TESTING LTD**

### **Notes to the Financial Statements - 31 December 2019**

**10. Debtors**

	2019	2018
	£	£
Trade debtors	1,098,768	620,361
Amount owed by parent company	5,548,767	3,511,379
Amount owed by group undertakings	6,927,266	546,996
Prepayment and accrued income	139,394	584,758
Sundry debtors	-	54,101
	13,714,195	5,317,594

**11. Creditors: amounts falling due within one year**

	2019	2018
	£	£
Trade creditors	220,962	993,412
Amount owed to group undertakings	13,730,215	1,920,504
Taxes and social security costs	193,550	140,798
VAT	46,352	247,278
Other creditors	59,190	35,368
Accruals and deferred income	421,588	519,091
	14,671,857	3,856,450

**12. Creditors: amounts falling due after one year**

	2019	2018
	£	£
Long term bank loan	-	3,011,613
	-	3,011,613

The long term bank loan was repaid in full on 3 October 2019 as part of a group refinancing exercise.

**13. Deferred tax asset**

The movement on the deferred income tax account is as follows:

	<i>Accelerated tax depreciation</i>	<i>Tax Loss</i>	<i>Total</i>
	£	£	£
At 1 January 2019	-	-	-
Transferred from/(to) profit and loss account	-	-	-
At 31 December 2019	-	-	-

Deferred tax asset that relates to tax losses is not recognised until its clear that profit will materialize in the future.

# **QUALITEST SOFTWARE TESTING LTD**

## **Notes to the Financial Statements - 31 December 2019**

### **14. Share capital**

		<i>31.12.2019</i>	<i>31.12.2018</i>
<b>Authorized:</b>			
1000 Ordinary shares of	£1 each	1,000	1,000
100 Ordinary 'B' shares of	£1 each	100	100
3901 Ordinary 'C' shares of	£0.01 each	39	39
		<u>1,139</u>	<u>1,139</u>
<b>Allotted, called up and fully paid:</b>			
200 Ordinary shares of £1 each		200	200
2 Ordinary 'B' shares of £1 each		8	8
3901 Ordinary 'C' shares of £0.01 each		39	39
		<u>247</u>	<u>247</u>

### **15. Controlling parties**

*Control:*

The company is wholly owned subsidiary of TCL Group Ltd, a company registered and incorporated in the UK.

The ultimate parent undertaking and controlling party is Atlantic Investments Holdings Limited, a company incorporated in the United Kingdom.

Quantum Holding Topco Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements as at 31 December 2019. The consolidated financial statements of Quantum Holding Topco Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

### **16. Related party transactions**

In accordance with FRS102 paragraph 33.1A, the company is exempt from disclosure of related party transactions as these transactions are with related parties that are wholly owned within the same group.

### **17. Post balance sheet events**

There have been no reportable events.