

Quantum Holding Finco Limited

12077487

Quantum Holding Finco Limited

Annual report and financial statements
For the period ended 31 December 2019

Registered number 12077487

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Quantum Holding Finco Limited

12077487

Officers and registered office

Registered number of incorporation

12077487

Directors

Norman Merritt JR
Christopher Wilmot

Registered office

1 Appold Street
London
England
EC2A 2UT

Strategic report for the period ended 31 December 2019

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

Principal activities

The principal activity of the company during the period was to act as an intermediary holding company for the subsidiaries of Quantum Holding Topco Limited.

Business review

The company was incorporated on 1 July 2019. These financial statements cover the period from incorporation to 31 December 2019.

The company's profit for the period was \$nil. Both the level of business and the year-end financial position were as expected, and the company will continue to operate as an intermediary holding company for the foreseeable future.

The company had no employees in the financial period.

Business risk

The management of the business and the execution of the company's strategy are determined by Quantum Holding Topco Limited. Discussion of these risks and uncertainties, in the context of the Group as a whole, is provided in the group financial statements of Quantum Holding Topco Limited.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates, interest rate cash flow risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects to the financial performance of the company. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors in conjunction with the board of the ultimate parent are implemented by the group's finance department.

Foreign exchange risk

The company's ultimate parent undertaking manages the foreign exchange risk associated with the whole group, as disclosed in the financial statements of that company.

Interest rate cash flow risk

The company has interest bearing assets and liabilities in the form of loan notes. Loan notes where appropriate attract interest at fixed rates.

Credit risk

The company has no significant concentrations of exposure to credit risk as it has no external customers.

Strategic report for the period ended 31 December 2019 (continued)

Financial risk management (continued)

Liquidity risk

The company manages a liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with their required terms. The financing of operations is managed at a group level by the company's ultimate parent undertaking.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Discussion of the KPIs affecting the Group as a whole is provided in the Quantum Holding Topco Limited 2019 Annual Report and Financial Statements.

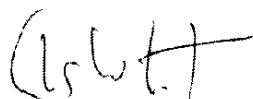
Section 172(1) statement of the group of which the company is apart

During the period the Directors have acted in a way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have had regard to:

- a. the likely consequences of any decision in the long term,
- b. the interests of the company's employees,
- c. the need to foster the company's business relationships with suppliers, customers and others,
- d. the impact of the company's operations on the community and the environment,
- e. the desirability of the company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly between members of the company.

In particular, with reference to approval of the group's 5-year business plan, we considered the long-term impact of investment and other spending decisions on the company's future results, the interests of employees and other stakeholders, as well as maintaining our reputation for quality provision of software testing services.

On behalf of the board



C Wilmot

Director

19 November 2020

Directors' report for the period ended 31 December 2019

The directors present their report and financial statements of the company for the financial period ended 31 December 2019.

Business review and future developments

Both the level of business and the period end financial position were as expected.

Results and dividends

The statement of comprehensive income for the year is set out on page 5. The company's profit for the financial period was \$nil.

No dividends were paid during the financial period.

Going concern

At the balance sheet date, the company had net current assets of \$828k. The parent company, Quantum Holding Topco Limited has indicated that it will continue to provide such financial support as necessary to enable the company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. For this reason, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Directors

The directors of the company as of 31 December 2019, who were directors for the whole of the period then ended and up to the date of signing the financial statements, unless otherwise stated below, were:

Xavier Robert (appointed 1 July 2019, resigned 3 October 2019)

Charles Welham (appointed 1 July 2019, resigned 3 October 2019)

Norman Merritt JR (appointed 3 October 2019)

Christopher Wilmot (appointed 3 October 2019)

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Directors' report for the period ended 31 December 2019 (continued)**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 group and parent company and of the income statement of the group and parent company for that period. In preparing the financial statements, the directors are required to:

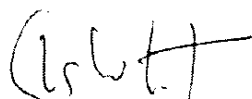
- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors acknowledge their responsibilities for:

- a. ensuring that the company keeps adequate accounting records which comply with section 386 of the Companies Act 2006; and
- b. preparing financial statements which give a true and fair view of the state of the affairs of the company at 31 December 2019 and of its income statement for the period then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the company.

Approved by the board and signed on its behalf by:



Chris Wilmot
Director, 19 November 2020

Statement of comprehensive income for the period ended 31 December 2019

	Note	Period ending Dec 19 \$'000
Finance income	5	2,450
Finance expense	5	(2,450)
Profit before income tax		-
Tax on profit	6	-
Profit for the financial period		-
Total Comprehensive Income for the financial period		-

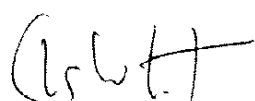
Statement of financial position as at 31 December 2019

	Note	2019 \$'000
Fixed assets		
Investment in subsidiary	7	138,713
Current assets		
Trade and other receivables	8	109,768
Creditors: amounts falling due within one year	9	(108,940)
Net current assets		828
Total assets less current liabilities		139,541
Net assets		139,541
Equity		
Called up share capital	10	139,541
Share premium account		-
Retained earnings		-
Total shareholders' fund		139,541

The notes on pages 8 to 15 are 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 5 to 15 were authorised for issue by the board of directors on 19 November 2020 and were signed on its behalf.



Chris Wilmot
Director

Quantum Holding Finco Limited

Company registration number: 12077487

Statement of changes in equity for the period ended 31 December 2019

	Called up share capital \$'000	Share premium account \$'000	Retained earnings \$'000	Total shareholders' funds \$'000
Balance as at 1 July 2019	-	-	-	-
Profit for the financial period	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Proceeds from shares issued	139,541	-	-	139,541
Balance as at 31 December 2019	139,541	-	-	139,541

Notes to the financial statements for the period ended 31 December 2019

1 General information

The principal activity of the company during the period was to act as an intermediary holding company for the subsidiaries of Quantum Holding Topco Limited.

The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 1 Appold Street, London, England, EC2A 2UT.

2 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.

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as appropriate to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:

- paragraph 79(a)(iv) of IAS 1;

The following paragraphs of IAS 1, 'presentation of financial statements':

- 10(d), (statement of cash flows),
- 16 (statement of compliance with all IFRS),
- 111 (cash flow statement information), and
- 134-136 (capital management disclosures)

IAS, Statement of cash flows'

IFRS 7, 'Financial Instruments: Disclosures'

Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Notes to the financial statements for the period ended 31 December 2019 (continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Going concern

At the balance sheet date, the company had net current assets of \$828k. The ultimate parent company, Quantum Holding Topco Limited has confirmed that it will continue to provide such financial support as necessary to enable the company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. For this reason, the directors consider it appropriate to prepare the financial statements on the going concern basis.

2.2 Consolidation

The company is exempt under section 400 of the Companies Act from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Quantum Holding Topco Limited a company incorporated in England.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('functional currency'). The financial statements are presented in 'United States Dollar \$', which is also the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 New and amended standard adopted by the Company

IFRS 9 and IFRS 15 are new accounting standards that are effective for the period ended 31 December 2019 and have not had a material impact on the company. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 31 December 2019 that have had a material impact on the company.

Notes to the financial statements for the period ended 31 December 2019 (continued)

2 Summary of significant accounting policies (continued)

2.4 New and amended standard adopted by the Company (continued)

Classification and measurement

Under IFRS 9, the classification of the financial assets is based on assessment of both the business model within which the asset is held, and the contractual cash flow characteristics of the asset. There are three principal classification categories for the financial assets that are investments in debt instruments:

- Amortised cost;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

In addition, financial assets can be designated as fair value through profit or loss to mitigate an accounting mismatch.

Under IFRS 9, financial liabilities are still classified as either subsequently measured at amortised cost or fair value through profit or loss.

Most of the Company's financial assets are loans and receivables at amortised cost under IAS 39, and will continue to be classified as financial assets at amortised cost under IFRS 9.

Impairment

The impairment model under IFRS 9 reflects expected credit losses, rather than only incurred credit losses under IAS 39 Financial Instruments: Recognition and Measurement. Under the new model, impairment losses for most financial assets (except for purchased or originated credit-impaired financial assets) are measured as an amount equal to:

- 12 month expected credit losses (ie the portion of lifetime cash shortfalls resulting from possible default events within 12 months after the reporting date); or
- Full lifetime expected credit losses (ie lifetime cash shortfalls resulting from all possible default events over the life of the financial asset), if the credit risk has increased significantly since initial recognition of the financial asset

The new impairment model applies to most of the Company's financial assets that are measured at amortised cost.

In relation to amounts owed by group undertakings, the Company has assessed that there has not been a significant increase in credit risk since initial recognition.

2.5 Investment in subsidiaries

Investment in subsidiaries are held at cost less accumulated impairment losses. Impairment reviews are undertaken if there is an impairment trigger in accordance with IAS 36. A provision is made for impairment should this arise from the impairment review.

Notes to the financial statements for the period ended 31 December 2019 (continued)

2 Summary of significant accounting policies (continued)

2.6 Impairment of financial assets

The Company recognises impairment losses for most financial assets (except for purchased or originated credit-impaired financial assets) on initial recognition at an amount equal to 12 month expected credit losses, which reflect the portion of lifetime cash shortfalls resulting from possible default events within 12 months after reporting date.

However, if there is a significant increase in credit risk since initial recognition, the impairment loss is measured at an amount equal to full lifetime expected credit losses, which reflect the lifetime cash shortfalls resulting from all possible default events over the life of the financial asset.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.

2.7 Share capital

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Critical accounting estimates and judgments

The company considers the following accounting policies, judgements, estimates and assumptions as critical:

Impairment of investments in subsidiaries

Impairment reviews of investment in subsidiaries are undertaken if there is an impairment trigger in accordance with IAS 36. A provision is made for impairment should this arise from the impairment review.

During the period the directors performed a review of the carrying value of the investments in subsidiary undertakings owned by the company, following which no impairment was recognised.

Notes to the financial statements for the period ended 31 December 2019
(continued)

4 Employees and directors

The company had no employees during the period.

The directors are remunerated for their services to other group companies within the group headed by Quantum Holding Topco Limited. No amounts were received by them as directors of Quantum Holding Finco Limited.

5 Finance income and expense

Finance income – the company accrued \$2,450k interest receivable in relation to interest bearing loan notes receivable. The loan notes carry interest at 10% per annum, compounding annually. See note 8.

Finance expense - the company accrued \$2,450k interest payable in relation to interest bearing loan notes payable. The loan notes carry interest at 10% per annum, compounding annually. See note 9.

6 Tax on profit

There are no chargeable profits in the financial period.

Factors that may affect future tax charges

The tax charge in future years may be affected by the availability of group relief from other UK group companies and unrecognised deferred tax assets.

7 Investments

	2019
	Shares in group undertakings
	\$'000
At 1 July 2019	-
Additions	138,713
At 31 December 2019	138,713

All of the investments balance relates to 100% of the share capital of Quantum Holding Midco 1 Limited.

Notes to the financial statements for the period ended 31 December 2019
(continued)

7 Investments (continued)

The company's interests in subsidiary undertakings at 31 December 2019 are as follows:

Subsidiary undertaking name	Place of incorporation	Principal activity	Registered office address	Holding
Quantum Holding Midco 1 Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%*
Quantum Holding Midco 2 Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%
Quantum Holdco US Bidco Corp	US	Holding	1 Post Rd. 3rd floor, Fairfield, Connecticut, 06824, USA	100%
Quantum Holding UK Bidco Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%
Jupiter Topco Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%
Jupiter Midco 1 Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%
Jupiter Midco 2 Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%
Jupiter Holdco Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%
Exerior Group Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%
Exerior Limited	UK	Trading	1 Appold Street, London, England, EC2A 2UT	100%
Qualitest Group UK Limited	UK	Trading	1 Appold Street, London, England, EC2A 2UT	100%
Jupiter Bidco Ltd	Israel	Holding	Deniv Park, 21d Yagia, Kapayim St, Petach-Tikva, 49130, Israel	100%
Ibase Operations Corp	US	Trading	Greentree Drive, Suite 101, Dover, Delaware 19904 USA	100%
QualiTest Ltd	Israel	Trading	Deniv Park, 21d Yagia, Kapayim St, Petach-Tikva, 49130, Israel	100%
QualiTest Partnership Ltd	Israel	Trading	Deniv Park, 21d Yagia, Kapayim St, Petach-Tikva, 49130, Israel	100%
Electronic Nation LLC	US	Dormant	1 Post Rd. 3rd floor, Fairfield, Connecticut, 06824, USA	100%
Ibase of Fairfield LLC	US	Trading	1 Post Rd. 3rd floor, Fairfield, Connecticut, 06824, USA	100%
TCL Group Limited	UK	Holding	1 Appold Street, London, England, EC2A 2UT	100%
Qualitest Software Testing Limited	UK	Trading	1 Appold Street, London, England, EC2A 2UT	100%
Qualitest Software Testing India Private Ltd	India	Trading	Level 15, Concorde Tower, UB City, 1 Vittal Mallya Road, Bengaluru, 560001, India.	100%
TCL US Corporation	US	Dormant	1 Post Rd. 3rd floor, Fairfield, Connecticut, 06824, USA	100%
Qualitest UK 4 Limited	UK	Trading	1 Appold Street, London, England, EC2A 2UT	100%
Qualitest DC Ro S.R.L	Romania	Trading	Bucuresti Sectorul 1, Strada Diaconu Coresi, Nr. 53, Romania	100%
Q-TEST PORTUGAL SOFTWARE, UNIPessoal LDA	Portugal	Trading	Lagoas Park, Building One, 2740-265, Porto Salvo	100%
QT SOFTWARE TESTING MEXICO	Mexico	Trading	Gara Herastrau 4B, 11th Floor, Bucharest, Romania	100%
Algotrace Ltd	Israel	Trading	Deniv Park, 21d Yagia, Kapayim St, Petach-Tikva, 49130, Israel	100%

*Held directly by the Company.

The directors consider the net carrying value of the investments to be supported by their underlying net asset value.

Notes to the financial statements for the period ended 31 December 2019
(continued)**8 Trade and other receivables**

	2019
	\$'000
Amounts owed by group undertakings	107,318
Accrued interest on loan notes	2,450
Total	109,768

\$10,000k of the balance is interest free, the remaining \$97,318k attracts interest at 10% per annum, compounding annually. The balance is unsecured and received on demand.

Accrued interest relates to the loan note receivable balance.

9 Creditors: amounts falling due within one year

	2019
	\$'000
Loan notes payable	106,490
Accrued interest on loan notes	2,450
Total	108,940

Loan notes payable - \$9,173k of the balance is interest free, the remaining \$97,318k attracts interest at 10% per annum, compounding annually. The balance is unsecured and received on demand.

Accrued interest relates to the loan note payable balance.

10 Called up share capital

Allotted and fully paid	2019	
	No.	\$
At 31 December	139,540,564	139,540,564

At the year end, the company has 139,540,564 ordinary shares of \$1 each in issue. All shares are owned by Quantum Holding Topco Limited.

11 Related party transactions

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

Notes to the financial statements for the period ended 31 December 2019
(continued)

12 Controlling parties

The immediate parent undertaking is Quantum Holding Topco Limited, a company incorporated in the United Kingdom.

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.