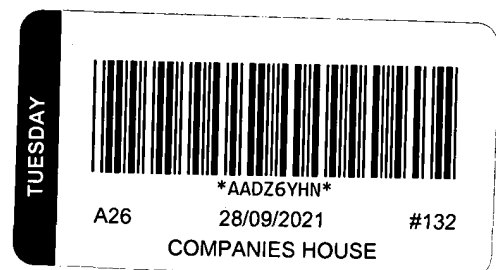


Registered number: 05253532

DEALLUS CONSULTING LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



DEALLUS CONSULTING LIMITED

COMPANY INFORMATION

Directors	Christoph Böhmer Robin Filmer-Wilson Jonas Pedersen Benoit Varichon (resigned 19 April 2021) Rebecca Karver Stephen Cherry Peter Hempshall Tiago Silva (appointed 16 June 2021) Anna Igosheva (appointed 1 May 2021, resigned 1 May 2021)
Registered number	05253532
Registered office	1 Poultry London EC2R 8EJ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

DEALLUS CONSULTING LIMITED

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DEALLUS CONSULTING 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.

Directors' responsibilities statement

The Directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland') 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 Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting 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 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.

Principal activity

The principal activity of the Company continues to be the provision of strategic intelligence consultancy services to the pharmaceutical industry.

Impact of Brexit

There is not expected to be any material impact on the Deallus Group due to Brexit.

The Company has a number of customers in the European Union, however no restrictions on the sale of consultancy services to Europe have occurred.

The end of free movement of EU citizens into the UK poses a risk to future recruitment of talent. The Company is actively managing this risk via a number of strategies, thus ensuring the highest level of service is provided to our customers.

DEALLUS CONSULTING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

COVID-19

The Board of Directors and senior management team have been constantly monitoring the COVID-19 situation. The Company has a COVID-19 contingency plan in place for various types of business interruption.

Although operating in a less certain environment, the Company has not had to adapt its business model or strategy and does not envisage having to. Since the beginning of the pandemic, Deallus has seen a sustained level of activity with our clients across all markets and cash reserves remain sufficient with clients continuing to pay within contracted payment terms. Employees have adapted to remote working conditions and are able to perform all functions efficiently.

Results and dividends

The profit for the year, after taxation, amounted to £110,403 (2019 - £47,952).

During the period, the Company paid dividends of £NIL (2019 - £NIL).

Directors

The Directors who served during the year, and up to the date of signing the report, were:

Christoph Böhmer
Robin Filmer-Wilson
Jonas Pedersen
Benoit Varichon (resigned 19 April 2021)
Rebecca Karver
Stephen Cherry
Peter Hempshall
Anna Igosheva (appointed 1 May 2021, resigned 1 May 2021)
Tiago Silva (appointed 16 June 2021)

Future developments

Looking ahead, the Company has positioned itself on a client-centric strategy, providing a wider set of value added services for its existing client base and thereby increasing the partnership opportunities for its pharmaceutical clients. This will continue to drive growth across all three regions where Deallus is present; the US, Europe and Asia-Pacific. In 2021, the Company have opened an entity in China in order to both further drive growth within the Asia-Pacific region, and be better positioned to serve the needs of our clients on a global basis.

Small company provisions

The Company's financial statements have been prepared in accordance with the provisions applicable to the companies subject to the small companies regime.

Qualifying third party indemnity provisions

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force at the date of approving the Directors' Report.

DEALLUS CONSULTING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

In 2021, the Company has opened an entity in China in order to both further drive growth within the Asia-Pacific region, and be better positioned to serve the needs of our clients on a global basis.

Auditor

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

This report was approved by the board on Sep 24, 2021 and signed on its behalf.



Stephen Cherry
Director

DEALLUS CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEALLUS CONSULTING LIMITED

Opinion

We have audited the financial statements of Deallus Consulting Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 FRS 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

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

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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

DEALLUS CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEALLUS CONSULTING LIMITED

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 course of 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Directors' Report.

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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

DEALLUS CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEALLUS CONSULTING LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 either the directors 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 the financial statements.

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. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and FRS 102.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, significant one-off or unusual transactions and revenue recognition on the cut-off assertion.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

DEALLUS CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEALLUS CONSULTING LIMITED

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud;
- addressing the risks of fraud through management override of controls by performing journal entry testing; and
- testing timing of revenue recognition and respective controls.

Our audit procedures in relation to fraud through revenue recognition specific to cut-off included, but were not limited to:

- performing controls testing on the process implemented for the preparation of the revenue calculation including accrued and deferred revenue; and
- producing an expectation of revenue, including accrued and deferred revenue and comparing to actual figures.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit 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.



Stephen Brown (Sep 28, 2021 10:59 GMT+1)

Stephen Brown (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: Sep 28, 2021

DEALLUS CONSULTING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	4,540,203	4,359,317
Cost of sales		(146,071)	(187,334)
Gross profit		<u>4,394,132</u>	<u>4,171,983</u>
Administrative expenses		(5,697,178)	(5,150,842)
Other operating income	5	1,436,346	1,042,311
Operating profit	6	133,300	63,452
Interest payable and expenses		(3,255)	(1,396)
Profit before tax		<u>130,045</u>	<u>62,056</u>
Tax on profit	10	(19,642)	(14,104)
Profit for the financial year		<u><u>110,403</u></u>	<u><u>47,952</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019 - £NIL).

The notes on pages 11 to 25 form part of these financial statements.

DEALLUS CONSULTING LIMITED
REGISTERED NUMBER: 05253532

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	3,583	5,692
Tangible assets	12	78,591	50,946
		<u>82,174</u>	<u>56,638</u>
Current assets			
Debtors: amounts falling due within one year	13	3,915,660	4,091,322
Cash at bank and in hand	14	549,712	147,209
		<u>4,465,372</u>	<u>4,238,531</u>
Creditors: amounts falling due within one year	15	(1,574,056)	(1,437,116)
Net current assets		<u>2,891,316</u>	<u>2,801,415</u>
Total assets less current liabilities		<u>2,973,490</u>	<u>2,858,053</u>
Provisions for liabilities			
Deferred tax	16	(11,242)	(6,208)
		<u>(11,242)</u>	<u>(6,208)</u>
Net assets		<u><u>2,962,248</u></u>	<u><u>2,851,845</u></u>
Capital and reserves			
Called up share capital	17	1,000,200	1,000,200
Profit and loss account	18	1,962,048	1,851,645
		<u>2,962,248</u>	<u>2,851,845</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Sep 24, 2021



Stephen Cherry
 Director

The notes on pages 11 to 25 are an integral part of these financial statements.

DEALLUS CONSULTING 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	1,000,200	1,803,693	2,803,893
Comprehensive income for the year			
Profit for the year	-	47,952	47,952
Total comprehensive income for the year	-	47,952	47,952
At 1 January 2020	1,000,200	1,851,645	2,851,845
Comprehensive income for the year			
Profit for the year	-	110,403	110,403
Total comprehensive income for the year	-	110,403	110,403
At 31 December 2020	<u>1,000,200</u>	<u>1,962,048</u>	<u>2,962,248</u>

The notes on pages 11 to 25 form part of these financial statements.

DEALLUS CONSULTING LIMITED

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

1. General information

Deallus Consulting Limited ("the Company") is a private company limited by shares, registered and incorporated in England and Wales. The address of its registered office and principal place of business are disclosed in the company information.

The principal activity of the Company continues to be the provision of strategic intelligence consultancy services to the pharmaceutical industry.

These financial statements have been presented in Pounds Sterling (£). This is also the Company's functional currency due to this being the primary economic environment in which the Company operates.

Monetary amounts included within these financial statements have been rounded to the nearest £.

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 Section 1A of 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 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the Company's and wider Group's budgets and forecasts for the next 12 months from the date of signing the financial statements, its liquid resources and its medium term plans, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

DEALLUS CONSULTING LIMITED

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

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Goodwill is amortised over 10 years, with the expense charged to administrative expenses within the Statement of Comprehensive Income. As at the year end, goodwill has been fully amortised and there have been no additions during the year.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Computer software has a useful life for internal use of 3 years on a straight line basis, and amortised as an expense to administrative expenses over this period within the Statement of Comprehensive Income.

DEALLUS CONSULTING LIMITED

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

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings & computer equipment	-	20% - 33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

The depreciation expense is charged to administrative expenses within the Statement of Comprehensive Income.

2.6 Debtors

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

2.7 Cash and cash equivalents

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

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt

DEALLUS CONSULTING LIMITED

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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

DEALLUS CONSULTING LIMITED

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

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The Company operates 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 in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

DEALLUS CONSULTING LIMITED

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

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEALLUS CONSULTING LIMITED

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of judgements, estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Estimating value in use

Where an indication of impairment exists the Directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

ii) Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of customers. (see note 13)

iii) Determining residual values and useful economic lives of property, plant and equipment and intangible assets

The Company depreciates tangible and intangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use, and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. (see note 11 and 12)

iv) Bonus provision

In assessing the bonus provision, management consider staff performance over the previous year. This is also reviewed against historical accuracy in previous accounting periods to create an estimation of the amount to be provided in the financial statements. (see note 15)

v) Transfer pricing

The Group adopts a cost plus transfer pricing strategy which identifies the related party transactions and includes benchmarking analysis to determine the basis of the pricing for the intercompany transactions. The Group makes use of expert advice when preparing their transfer pricing adjustments.

Judgement is applied by management when determining the residual values for tangible and intangible assets. When determining the residual value management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

DEALLUS CONSULTING LIMITED

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

3. Judgements in applying accounting policies (continued)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the accounting policies, including intangible fixed assets, tangible fixed assets and debtors.

4. Turnover

The whole of the turnover is attributable to consultancy services.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	57,402	277,743
Rest of the world	4,482,801	4,081,574
	<u>4,540,203</u>	<u>4,359,317</u>

5. Other operating income

	2020 £	2019 £
Management fee income	1,436,346	1,042,311
	<u>1,436,346</u>	<u>1,042,311</u>

Other operating income relates to management income from other group companies for the provision of administrative and management services, as well as providing strategic direction to the group.

6. Operating profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	44,448	39,556
Amortisation of intangible assets, including goodwill	3,376	17,412
Exchange differences	(4,268)	(14,483)
Defined contribution pension cost	113,661	113,867
	<u>157,217</u>	<u>56,352</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	44,100	42,000
Fees payable to the Company's auditor in respect of non-audit services	59,435	62,805
	<u>59,435</u>	<u>62,805</u>

8. Employees

The average monthly number of employees, including directors, during the year was 36 (2019 - 34).

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	607,224	335,404
Company contributions to defined contribution pension schemes	17,936	13,782
	<u>625,160</u>	<u>349,186</u>

During the year retirement benefits were accruing to 2 Directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £367,248 (2019 - £154,271).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £7,136 (2019 - £5,915).

The Directors consider there to be one other member of key management personnel. Their remuneration received during the year amounted to £107,241 (2019 - £29,833).

DEALLUS CONSULTING LIMITED

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

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	14,608	22,620
Adjustments in respect of previous periods	-	(8,429)
Total current tax	14,608	14,191
Deferred tax		
Origination and reversal of timing differences	4,304	(87)
Effect of tax rate change on opening balance	730	-
Total deferred tax	5,034	(87)
Taxation on profit on ordinary activities	19,642	14,104

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) 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	130,045	62,056
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	24,709	11,791
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,326	1,879
Fixed asset differences	-	1,330
Adjustments to brought forward values	-	5,998
Adjustment to tax charge in respect of previous periods	-	(8,429)
Remeasurement of deferred tax for changes in tax rates	730	-
Adjust closing and opening deferred tax rate to average rate of 19.25%	-	171
Deferred tax not recognised	-	1,364
Group relief	(7,123)	-
Total tax charge for the year	19,642	14,104

DEALLUS CONSULTING LIMITED

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

10. Taxation (continued)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

11. Intangible assets

	Computer Software £	Goodwill £	Total £
Cost			
At 1 January 2020	127,460	250,000	377,460
Additions	1,267	-	1,267
At 31 December 2020	<u>128,727</u>	<u>250,000</u>	<u>378,727</u>
Amortisation			
At 1 January 2020	121,768	250,000	371,768
Charge for the year on owned assets	3,376	-	3,376
At 31 December 2020	<u>125,144</u>	<u>250,000</u>	<u>375,144</u>
Net book value			
At 31 December 2020	<u>3,583</u>	-	<u>3,583</u>
At 31 December 2019	<u>5,692</u>	-	<u>5,692</u>

DEALLUS CONSULTING LIMITED

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

12. Tangible fixed assets

	Fixtures, fittings & computer equipment £
Cost or valuation	
At 1 January 2020	138,066
Additions	72,093
Disposals	(55,522)
At 31 December 2020	<u>154,637</u>
Depreciation	
At 1 January 2020	87,120
Charge for the year on owned assets	44,448
Disposals	(55,522)
At 31 December 2020	<u>76,046</u>
Net book value	
At 31 December 2020	<u>78,591</u>
At 31 December 2019	<u>50,946</u>

13. Debtors

	2020 £	2019 £
Trade debtors	789,141	876,525
Amounts owed by group undertakings	2,691,480	2,927,136
Other debtors	180,848	117,592
Prepayments and accrued income	254,191	170,069
	<u>3,915,660</u>	<u>4,091,322</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

DEALLUS CONSULTING LIMITED

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

14. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	549,712	147,209

15. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	64,258	96,073
Amounts owed to group undertakings	511,035	524,182
Corporation tax	14,392	12,809
Other taxation and social security	102,819	104,291
Other creditors	5,470	38,459
Accruals and deferred income	876,082	661,302
	<u>1,574,056</u>	<u>1,437,116</u>

Amounts owed to group undertakings and unsecured, interest free and repayable on demand.

16. Deferred taxation

	2020	2019
	£	£
At beginning of year	(6,208)	(6,295)
Charged to profit or loss	(5,034)	87
At end of year	<u>(11,242)</u>	<u>(6,208)</u>

The provision for deferred taxation is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	(14,674)	(8,808)
Short term timing differences	3,432	2,600
	<u>(11,242)</u>	<u>(6,208)</u>

DEALLUS CONSULTING LIMITED

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17. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,000,200 ordinary shares of £1.00 each	1,000,200	1,000,200

The ordinary share capital carries voting rights but no rights to fixed income.

18. Reserves

Profit & loss account

The Profit and loss account reserve represents the cumulative profits and losses of the Company, less the payment of any dividends.

19. Pension commitments

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 cost charge represents contributions payable by the Company to the fund and amounted to £113,661 (2019 - £113,867). Contributions totalling £18,065 (2019 - £15,297) were payable to the fund at the Balance Sheet date and are included in creditors.

20. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	84,083	372,498
Later than 1 year and not later than 5 years	-	1,609
	<u>84,083</u>	<u>374,107</u>

21. Related party transactions

The Company is a wholly owned subsidiary of Galahad Topco Limited, and is included in the consolidated financial statements of that Company. Consequently, the Company has taken advantage of the exemption, under the terms of FRS 102 Section 33 Related Party Disclosures, from disclosing related party transactions with wholly owned entities that are part of the Galahad Topco Limited group.

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22. Post balance sheet events

In 2021, the Company has opened an entity in China in order to both further drive growth within the Asia-Pacific region, and be better positioned to serve the needs of our clients on a global basis.

23. Controlling party

As at the 31 December 2020 the ultimate controlling party and parent is Archimed SAS, a European Private Equity firm specialised in healthcare, incorporated in France. Financial statements are not publicly available for this entity.

The immediate parent company is Deallus Holdings Limited.

The smallest group for which the results of the Company are consolidated is that headed by Deallus Holdings Limited. The consolidated financial statements of Deallus Holdings Limited can be obtained from 1 Poultry, London, United Kingdom, EC2R 8EJ.

The largest group for which the results of the Company are consolidated is that headed by Galahad Topco Limited. The consolidated financial statements of Galahad Topco Limited can be obtained from 1 Poultry, London, United Kingdom, EC2R 8EJ.