

Registered number: 05253532

DEALLUS CONSULTING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



DEALLUS CONSULTING LIMITED

COMPANY INFORMATION

Directors	Christoph Böhmer Robin Filmer-Wilson Jonas Pedersen Benoit Varichon Rebecca Karver Stephen Cherry (appointed 21 February 2019) Peter Hempshall (appointed 1 August 2019)
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 2019

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

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;
- 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 competitive intelligence consultancy to the pharmaceutical industry.

Impact of Brexit

The United Kingdom left the European Union on 31 January 2020. The future EU-UK relationship is still being negotiated, beyond a transition period that ends on 31 December 2020. The British government has rejected calls to extend the transition, due to the ongoing coronavirus pandemic.

The Group has a number of customers in the European Union, however at present no restriction has been confirmed regarding the sale of consultancy services to Europe in the withdrawal agreement. Should such a restriction become reality, the Group are well placed, with our global footprint, to ensure we are able to continue to meet our customer demands in the most efficient ways possible.

The free movement of foreign citizens into the UK after Brexit, due to increased migration barriers, will pose a risk to future recruitment of talent. The Group will actively manage this risk via a number of strategies, thus maintaining the highest level of service is provided to our customers.

The Group has foreign currency exposures arising from trading with foreign companies and operating through subsidiaries in foreign countries, which may be increased due to Brexit. The Group manages these exposures.

The Group has taken a proactive approach to the risks identified, thus ensuring we are ready to partner and

DEALLUS CONSULTING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

advise our customers in the post Brexit marketplace.

COVID-19

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. The outbreak was first identified in Wuhan, China, in December 2019. The World Health Organization declared the outbreak a public health emergency of international concern on 30 January, and a pandemic on 11 March 2020.

The pandemic has caused global social and economic disruption, including a sharp recession in the UK. The lockdown period, prescribed by the government, has resulted in all employees working from home, with no business-related travel occurring.

Although operating in an uncertain environment, the Group 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 are sufficient. Employees have adapted to remote working conditions and are able to perform all functions efficiently.

The Board continues to monitor developments and have identified actions to mitigate risks if they arise.

Results and dividends

The profit for the year, after taxation, amounted to £47,952 (2018 - £557,295).

During the period, the Company paid dividends of £NIL (2018 - £NIL).

Directors

The Directors who served during the year were:

Christoph Böhmer
Robin Filmer-Wilson
Jonas Pedersen
Benoit Varichon
Rebecca Karver
Stephen Cherry (appointed 21 February 2019)
Peter Hempshall (appointed 1 August 2019)

Future developments

Looking ahead, the Group 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.

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.

DEALLUS CONSULTING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Since the year ended 31 December 2019, COVID-19 has been declared a pandemic by the World Health Organization. See the COVID-19 disclosure for more information regarding the nature of the event. At the balance sheet date, only a few cases of the virus had been reported to the World Health Organisation. Accordingly, the subsequent spread, and identification, of COVID-19 after 31 December 2019 does not provide additional information about the conditions that existed as at 31 December 2019 and is therefore a non-adjusting event. The risks associated with COVID-19 have been included in the going concern assessment (see going concern note for conclusion on this). As the long term social and economic effects of COVID-19 are not known yet, given the information available, no material adjustment has been identified which requires a provision or adjustment for the year ended 31 December 2019.

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 20th November 2020 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 2019 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 Section 1A "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 2019 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 10 and non- adjusting post balance sheet events on page 23.

Since the balance sheet date, there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

DEALLUS CONSULTING LIMITED

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 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 these financial statements.

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

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 (Nov 25, 2020 16:37 GMT)

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: Nov 25, 2020

DEALLUS CONSULTING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	4,359,317	5,730,212
Cost of sales		(187,334)	(179,165)
Gross profit		<u>4,171,983</u>	<u>5,551,047</u>
Administrative expenses		(5,150,842)	(5,817,958)
Other operating income	5	1,042,311	1,012,852
Operating profit	6	<u>63,452</u>	<u>745,941</u>
Interest payable and expenses		(1,396)	(60)
Profit before tax		<u>62,056</u>	<u>745,881</u>
Tax on profit	10	(14,104)	(188,586)
Profit for the financial year		<u><u>47,952</u></u>	<u><u>557,295</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018 - £NIL).

The notes on pages 10 to 23 form part of these financial statements.


DEALLUS CONSULTING LIMITED
REGISTERED NUMBER: 05253532

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note		2019 £	2018 £
Fixed assets				
Intangible assets	11		5,692	23,104
Tangible assets	12		50,946	74,854
			56,638	97,958
Current assets				
Debtors: amounts falling due within one year	13	4,091,322	4,031,392	
Cash at bank and in hand	14	147,209	470,813	
		4,238,531	4,502,205	
Creditors: amounts falling due within one year	15	(1,437,116)	(1,789,975)	
Net current assets			2,801,415	2,712,230
Total assets less current liabilities			2,858,053	2,810,188
Provisions for liabilities				
Deferred tax	16	(6,208)	(6,295)	
		(6,208)	(6,295)	
Net assets			2,851,845	2,803,893
Capital and reserves				
Called up share capital	17		1,000,200	1,000,200
Profit and loss account	18		1,851,645	1,803,693
			2,851,845	2,803,893

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

 20 November 2020

Stephen Cherry
 Director

The notes on pages 10 to 23 are an integral part of these financial statements.

DEALLUS CONSULTING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	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 31 December 2019	<u>1,000,200</u>	<u>1,851,645</u>	<u>2,851,845</u>

The notes on pages 10 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1,000,200	1,246,398	2,246,598
Comprehensive income for the year			
Profit for the year	-	557,295	557,295
Total comprehensive income for the year	-	557,295	557,295
At 31 December 2018	<u>1,000,200</u>	<u>1,803,693</u>	<u>2,803,893</u>

The notes on pages 10 to 23 form part of these financial statements.

DEALLUS CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 is strategic intelligence services.

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, with particular reference to COVID-19 uncertainty, 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 2019

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.

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, and amortised as an expense to administrative expenses over this period within the Statement of Comprehensive Income.

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.

DEALLUS CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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	-	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 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.

DEALLUS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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.

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'.

DEALLUS CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

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 the Statement of Comprehensive Income 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.

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 2019**

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.

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.

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.

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 2019**

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:

	2019	2018
	£	£
United Kingdom	277,743	279,890
Rest of the world	4,081,574	5,450,322
	<u>4,359,317</u>	<u>5,730,212</u>

5. Other operating income

	2019	2018
	£	£
Management fee income	<u>1,042,311</u>	<u>1,012,852</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):

	2019	2018
	£	£
Depreciation of tangible fixed assets	39,556	25,728
Amortisation of intangible assets, including goodwill	17,412	36,291
Exchange differences	(14,483)	130,815
Defined contribution pension cost	<u>113,867</u>	<u>118,960</u>

DEALLUS CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	42,000	35,200
Fees payable to the Company's auditor in respect of non-audit services	<u>62,805</u>	<u>29,101</u>

8. Employees

The average monthly number of employees, including directors, during the year was 34 (2018 - 32).

9. Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	378,810	291,421
Company contributions to defined contribution pension schemes	13,782	10,000
	<u>392,592</u>	<u>301,421</u>

During the year retirement benefits were accruing to 2 Directors (2018 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £175,064 (2018 - £183,770).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £5,915 (2018 - £10,000).

The Directors consider there to be one other member of key management personnel. Their remuneration received during the year amounted to £30,719 (2018 - £46,864).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profits for the year	22,620	105,116
Adjustments in respect of previous periods	(8,429)	1,593
Total current tax	14,191	106,709
Deferred tax		
Origination and reversal of timing differences	(87)	81,877
Total deferred tax	(87)	81,877
Taxation on profit on ordinary activities	14,104	188,586

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	62,056	745,881
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	11,791	141,717
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,879	(2,706)
Fixed asset differences	1,330	-
Adjustments to brought forward values	5,998	65,625
Group relief surrendered / (claimed)	-	(8,011)
Adjustment to tax charge in respect of previous periods	(8,429)	1,593
Adjust closing and opening deferred tax rate to average rate of 19.25%	171	(9,633)
Deferred tax not recognised	1,364	1
Total tax charge for the year	14,104	188,586

DEALLUS CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Taxation (continued)

Factors that may affect future tax charges

There are no factors that will affect future tax charges.

The Finance Act 2020 enacted legislation to maintain the current rate of corporation tax at 19% up until at least the tax year ended April 2022.

Deferred tax is calculated at 17% for the year ended 31 December 2019 as this is the rate which was enacted at the reporting date.

11. Intangible assets

	Computer Software £	Goodwill £	Total £
Cost			
At 1 January 2019	127,460	250,000	377,460
At 31 December 2019	<u>127,460</u>	<u>250,000</u>	<u>377,460</u>
Amortisation			
At 1 January 2019	110,606	243,750	354,356
Charge for the year	11,162	6,250	17,412
At 31 December 2019	<u>121,768</u>	<u>250,000</u>	<u>371,768</u>
Net book value			
At 31 December 2019	<u>5,692</u>	<u>-</u>	<u>5,692</u>
At 31 December 2018	<u>16,854</u>	<u>6,250</u>	<u>23,104</u>

DEALLUS CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

	Fixtures, fittings & computer equipment £
Cost or valuation	
At 1 January 2019	122,418
Additions	15,648
At 31 December 2019	<u>138,066</u>
Depreciation	
At 1 January 2019	47,564
Charge for the year on owned assets	39,556
At 31 December 2019	<u>87,120</u>
Net book value	
At 31 December 2019	<u>50,946</u>
At 31 December 2018	<u>74,854</u>

13. Debtors

	2019 £	2018 £
Trade debtors	876,525	1,074,288
Amounts owed by group undertakings	2,927,136	2,505,438
Other debtors	117,592	175,814
Prepayments and accrued income	170,069	275,852
	<u>4,091,322</u>	<u>4,031,392</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 2019**

14. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	147,209	470,813
	<u> </u>	<u> </u>

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	96,073	124,791
Amounts owed to group undertakings	524,182	586,492
Corporation tax	12,809	243,013
Other taxation and social security	104,291	92,948
Other creditors	38,459	53,640
Accruals and deferred income	661,302	689,091
	<u>1,437,116</u>	<u>1,789,975</u>

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

16. Deferred taxation

	2019	2018
	£	£
At beginning of year	(6,295)	75,582
Charged to profit or loss	87	(81,877)
At end of year	<u>(6,208)</u>	<u>(6,295)</u>

The provision for deferred taxation is made up as follows:

	2019	2018
	£	£
Accelerated capital allowances	(8,808)	(13,226)
Short term timing differences	2,600	6,931
	<u>(6,208)</u>	<u>(6,295)</u>

DEALLUS CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Share capital

	2019 £	2018 £
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 £113,867 (2018 - £118,960). Contributions totalling £15,297 (2018 - £16,352) were payable to the fund at the Balance Sheet date and are included in creditors.

20. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	372,498	403,865
Later than 1 year and not later than 5 years	1,609	371,980
	<u>374,107</u>	<u>775,845</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.

DEALLUS CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Post balance sheet events

Since the year ended 31 December 2019, COVID-19 has been declared a pandemic by the World Health Organization. See the COVID-19 disclosure for more information regarding the nature of the event. At the balance sheet date, only a few cases of the virus had been reported to the World Health Organisation. Accordingly, the subsequent spread, and identification, of COVID-19 after 31 December 2019 does not provide additional information about the conditions that existed as at 31 December 2019 and is therefore a non-adjusting event. The risks associated with COVID-19 have been included in the going concern assessment (see going concern note for conclusion on this). As the long term social and economic effects of COVID-19 are not known yet, given the information available, no material adjustment has been identified which requires a provision or adjustment for the year ended 31 December 2019.

23. Controlling party

As at the 31 December 2019 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.