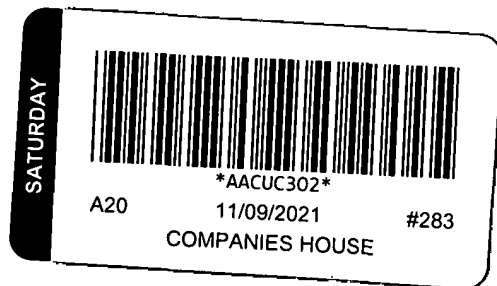


Company Registration No. 05670865

SYSTEM ANALYTIC LIMITED

Report and Financial Statements

For the year ended 31 December 2020



System Analytic Limited

Report and financial statements 2020

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System Analytic Limited

Report and financial statements 2020

Officers and professional advisers

Directors

S Singhvi

C Sabel

Registered Office

18 Upper Ground

London

SE1 9GL

United Kingdom

Bankers

National Westminster Bank plc

159 Rushey Green,

London

SE6 4BJ

HSBC

Level 30, 8 Canada Square

Canary Wharf

London

E14 5HQ

Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

System Analytic Limited Strategic Report

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The company is a majority-owned subsidiary of WPP plc. The company's principal activities are the provision of databases and online tools to enable pharmaceutical companies to identify, map and engage key opinion leaders across a broad range of medical fields.

Review of the business

As shown in the company's profit and loss account on page 13, the company's turnover of £7,299,135 for the year ended 31 December 2020 compares to £6,833,225 for the year ended 31 December 2019. This movement is due to increased trading activity across all clients. The resulting profit before tax was £1,022,651 in the year ended 31 December 2020 and £1,917,427 in the year ended 31 December 2019. The year on year decrease in profit is primarily driven by an increase in office and shared service fee charges, prior years these had been fixed at a reduced amount.

The company's key measurement of effectiveness of its operations is calculating operating profit as a percentage of revenue. The company achieved an operating profit margin of 14.01% in the year ended 31 December 2020, compared to year ended 31 December 2019 of 28.2% and reflects continued investment in the company's database.

The balance sheet on page 14 of the financial statements shows that the company's financial position at the period end remained strong with net assets of £3,525,829 and cash of £5,512,191. In addition, a dividend was paid in the current year £2,000,000 (2019: £Nil).

The WPP group manages its operations on a network basis. For this reason, the company's directors believe that further key performance indicators of the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the WPP Health network within WPP plc, which includes the company, is discussed in the group's Annual Report which does not form part of this Report.

Covid-19

The coronavirus pandemic has touched all our lives. At WPP, and in the Company, our first priority remains the wellbeing of our people and doing what we can to limit the impact of the virus on society. The second priority has been the continuity of service for our clients. We have thrown ourselves into achieving both objectives.

To date the pandemic has not had a material impact to the Company's trading, however the Directors, are, and will continue to monitor and review the situation and will take the appropriate steps required to manage the impact of the pandemic across the Company.

The extent of the continued impact of the Covid-19 pandemic on our business will depend on numerous factors that we are not able to accurately predict, including the duration and scope of the pandemic, government actions to mitigate the effects of the pandemic and the intermediate and long-term impact of the pandemic on our clients' spending plans.

Our offices re-opened on 19th April 2021 allowing up to 30% of staff back in to the office. This increased to 50% on 17th May 2021, and we hope to increase this further as the UK progresses out of lockdown.

System Analytic Limited Strategic Report

Principal risks and uncertainties

The company competes for clients in a highly competitive industry which may reduce market share and decrease profits and the company is dependent on its employees. The company manages this risk by providing added value services to its clients and by maintaining strong client relationships. The company recruits and seeks to retain the most talented people by supporting them to expand their skills and capabilities.

The company operates in a global environment with 9% of its revenue derived from clients based in the European Union and which could be impacted by Brexit. However, given the unique nature of the company's offerings, development of new client solutions and based on ongoing discussions with our EU based clients we continue to closely monitor and mitigate this risk.

The company's principal financial assets are cash, trade and other receivables the carrying values of which represent the company's maximum exposure to credit in relation to financial assets.

Credit risk

The company's credit risk is primarily attributable to its trade receivables. The majority of the company's trade receivables are due from large national or multinational companies where the risk of default is considered low. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

Liquidity risk

Given the strong cash generation of the business, the Directors believe there is sufficient liquidity to match its requirements for the foreseeable future

Foreign exchange risk

A majority of the company's sales in Europe and the rest of the world are made in foreign currency and the company is therefore exposed to the movement of these currencies against the Pound exchange rate.

WPP plc, the ultimate parent company, takes out contracts to manage this risk at group level

Covid-19:

The coronavirus pandemic has not impacted the Company's revenues through 2020 and 2021 to date, however it does continue to impact the business operations and way of working.

The extent of the continued impact of the Covid-19 pandemic on our business will depend on numerous factors that we are not able to accurately predict, including the duration and scope of the pandemic, government actions to mitigate the effects of the pandemic and the intermediate and long-term impact of the pandemic on our clients' spending plans.

We are continuing to manage the risk by constantly monitoring our working capital position, supported by actions to maintain liquidity including cost reduction and cash conservation.

Future developments

The directors expect the general level of activity to increase in the forthcoming year, as a result of a number of planned activities. The company anticipates further business opportunities by leveraging new relationships with Medical Communication agencies within the WPP group. The company has also

System Analytic Limited Strategic Report

completed the development of the next generation Superfly tool and several add-ons that will be sold as discrete modules. This should generate revenue through system upgrades as well as new sales. The company have employed new team members to support the sales and business development.

Duty to promote the success of the company

The Directors of all UK companies must act in accordance with a general set of duties. These duties are detailed out in section 172 of the UK Companies Act 2006. The Directors believe that they have acted in a way that has promoted the success of the company for the benefit of its members as a whole. In doing this, section 172 requires the directors to have regard, among other matters, to:

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

Consequences of any long-term decisions

The business philosophy of the company is to create long term value for both clients and shareholders alike. We build our business and all our relationships with integrity and treat our clients' money like its our own making sure all budgets maximise the best output to achieve the clients' goals. We endeavour to attract and retain high calibre individuals who will grow with us over the long term and ensure employees think and act like owners in all their decisions. We also strive to retain profitability as this will lead to growth in the long term.

Employees

The company is committed to diversity and inclusion and offering equal opportunities to all people in their recruitment, training and career development. The company will select people based on qualification and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual-orientation, gender identity or expression, age or disability.

Business relationship with suppliers, customers and others

The cultivation of strong relationships with major suppliers is a focus of the company to ensure continuity of supply at competitive prices. It is a policy of the company to agree terms of payment when orders for good and services are placed and to adhere to these arrangements when making payments, provided the relevant goods and services have been supplied in accordance with the contract.

The company has worked with both suppliers and customers to understand the impact of the Covid-19 pandemic in the supply chain and have ensured that all proper precautions have taken place to manage the safety of all.

We comply with the Modern Slavery Act (MSA) and we fully support the principles of the MSA.

Community and Environment

The company considers its impact on the wider community and environment of its business activities. The company adheres to the Sustainability Policy which can be found on the website of the ultimate parent company at wpp.com. The policy includes objectives focusing on key impacts under our control

System Analytic Limited Strategic Report

and influence such as minimising the impact from energy use, transport, consumption of paper, water use and managing any sustainability risks in our supply chain.

Business conduct

The company has a number of key policies, including modern slavery, anti bribery and corruption and data protection, all of which can be found on the website of the ultimate parent company at wpp.com. The company has a zero-tolerance approach to corruption and bribery and policies are in place for areas such as ethical business relationships with customers, suppliers and employees, gift giving and receiving, charitable donations and competition laws. As part of this effort, all employees are mandated to complete in depth anti bribery and corruption training.

Acting fairly as between members of the company

As a wholly owned subsidiary of WPP plc, the interests of the company are aligned with those of its ultimate parent company.

Approved by the Board of Directors
and signed on behalf of the Board on
09 September 2021

DocuSigned by:

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S Singhvi
Director

System Analytic Limited Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Going concern

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

In light of the recent Covid-19 pandemic, management have reviewed the going concern to assess the risk of future trading. On the basis that trading was not impacted through 2020 and forecasts for 2021 show marginal growth year on year we are confident that the business will continue to generate a profit and continue to hold a strong cash position.

Environment

The WPP group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Corporate Responsibility Report which does not form part of this Report. Initiatives designed to minimise the company's impact on the environment include improving our energy use efficiency, paper use and recycling.

Results and dividends

The profit for the year ended 31 December 2020 was £1,023,583 (2019: profit £1,548,556) and has been transferred to reserves. A dividend of £2,000,000 was paid during the year ended 31 December 2020 (2019: £Nil). The Directors do not suggest dividend distribution for the year ended 31 December 2020.

Directors

The directors during the financial year and up to signing date, are as follows:

S Singhvi

C Sabel

Directors Indemnities

Qualifying indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by Company law and the Company's Articles of Association, in respect of any liability arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company and any of its subsidiaries. The Company has purchased and maintains Directors' and Officers' insurance cover against certain legal liabilities and costs for claims in connection with any act or omission by its Directors and officers in the execution of their duties.

System Analytic Limited Directors' Report (continued)

Research & Development

The company claims R&D credits due to the innovative nature of its business. This is covered in the notes to the accounts. The company incurred a cost of £318,549 (2019: £348,280) in research and development costs relating to the development of digital tools and databases.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 4 and form part of this report by cross-reference.

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report on page 2-3 and form part of this report by cross-reference.

Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board by

DocuSigned by:

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S Singhvi
Director
09 September 2021

System Analytic Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Independent auditor's report to the members of System Analytic Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of System Analytic Limited ('the Company'):

- 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 including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 directors' 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.

Independent auditor's report to the members of System Analytic Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 either 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and the UK tax laws; and

Independent auditor's report to the members of System Analytic Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the UK Bribery Act and UK employment laws.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Revenue recognition relating to open projects at year end - Revenue recognition in relation to the company's open contracts are accounted for on a percentage completion basis and therefore there is judgement involved in estimating the costs to complete. We assessed the accuracy of managements estimates of costs to complete against the company's work plans and inquired with those relevant project managers.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

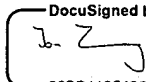
We have nothing to report in respect of these matters.

Independent auditor's report to the members of System Analytic Limited

Use of our 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.

DocuSigned by:



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Jon Young, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
09 September 2021

System Analytic Limited**Profit and loss account for the year ended 31 December 2020**

		Year ended December 2020 £	Year ended 31 December 2019 £
	Notes		
Turnover	2	7,299,135	6,833,225
Cost of sales		<u>(1,003,516)</u>	<u>(966,042)</u>
Gross profit		6,295,619	5,867,184
Administrative expenses		<u>(5,272,968)</u>	<u>(3,949,757)</u>
Profit before taxation	3	1,022,651	1,917,427
Tax on profit	6	<u>(196,370)</u>	<u>(368,871)</u>
Profit for the financial year		<u>826,281</u>	<u>1,548,556</u>

All results are from continuing operations.

The company had no recognised gains or losses other than those reflected in the profit and loss account in either years. Consequently, no separate statement of other comprehensive income is presented.

The accompanying notes form an integral part of this profit and loss account.

System Analytic Limited
Balance Sheet as at 31 December 2020

	Notes	31 December 2020 £	31 December 2019 £
Fixed assets			
Tangible assets	7	16,607	24,807
Current assets			
Debtors	8	3,324,513	2,747,574
Cash at bank and in hand		<u>5,512,191</u>	<u>5,288,992</u>
		8,836,704	8,036,566
Creditors: amounts falling due within one year	9	<u>(5,327,481)</u>	<u>(3,361,825)</u>
Net current assets		<u>3,509,222</u>	<u>4,674,741</u>
Total assets less current liabilities		<u>3,525,829</u>	<u>4,699,548</u>
Net assets		<u>3,525,829</u>	<u>4,699,548</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		<u>3,525,729</u>	<u>4,699,448</u>
Shareholders' funds		<u>3,525,829</u>	<u>4,699,548</u>

The financial statements of System Analytic Limited (registered number 05670865) were approved and authorised for issue by the Board of Directors on 09 September 2021.

The accompanying notes form an integral part of this Balance Sheet.

Signed on behalf of the Board of Directors

DocuSigned by:

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S Singhvi
 Director

System Analytic Limited
Statement of Changes in Equity for the period to 31 December 2020

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2019	100	3,150,892	3,150,992
Profit for the financial year and total comprehensive profit for the year	-	1,548,556	1,548,556
At 31 December 2019	100	4,699,448	4,699,548
Profit for the financial year and total comprehensive profit for the year	-	826,281	826,281
Dividend Paid	-	(2,000,000)	(2,000,000)
At 31 December 2020	100	3,525,729	3,525,829

The accompanying notes form an integral part of this Statement of Changes in Equity.

System Analytic Limited

Notes to the financial statements year ended 31 December 2020

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

Basis of accounting

System Analytic Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England & Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the business review on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company as a qualifying entity has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, revenue recognition and related party transactions. Where required, equivalent disclosures are given in the group accounts of WPP Group plc. The group accounts of WPP Group plc are available to the public and can be obtained as set out in note 15.

Impact of initial application of amendments to IFRS Standards and Interpretations

In the current year, the company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The standard which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

System Analytic Limited

Notes to the financial statements year ended 31 December 2020

1 Accounting policies (continued)

Amendments to IAS 1 and IAS 8 Definition of material

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in sterling (£), which is the Company's functional currency.

Going concern

The company has adequate financial resources with which to support itself. Consequently, the directors believe that the company is well placed to manage its business risks successfully despite the continuing uncertain economic outlook. The company's position is strong with revenue growing year on year, net assets of £3,525,829 (2019: £4,699,548) and cash of £5,512,191 (2019: £5,288,992).

Covid-19 has not had an immediate impact on the financial performance of the business, and the company has seen year on year sales growth. Although the directors are unable to predict the future impact of this pandemic, the directors believe the industry in which the company operates within remains strong and the directors do not see a significant adverse impact to financials through the next 12 months.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The directors have reviewed the company's current revenues and profit margin and have made a forecast for the following year and expect to see growth in both areas as a direct impact of the development of new tools for sale and new team to develop the business.

Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance of contractual obligations. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Taxation

Corporation tax payable is provided on taxable profits at the current rate except to the extent losses are transferred from another group company under the group relief provisions, without corresponding payment by the claimant company.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets are not discounted.

System Analytic Limited

Notes to the financial statements year ended 31 December 2020

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation of other tangible fixed assets is made on a straight-line basis at 25% per annum for furniture and 33.33% per annum for other equipment.

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Expected credit losses

Trade receivables are stated net of provisions for bad and doubtful debts.

The Company has applied the simplified approach to measuring expected credit losses, as permitted by IFRS 9. Therefore, the company does not track changes in credit risk, but recognises a loss allowance based on the financial asset's lifetime expected credit loss. The company measures expected credit losses based on the ageing of the receivable, based on historical experience and informed credit assessment.

Given the short-term nature of the Company's trade receivables, work in progress and accrued income, which are mainly due from large national or multinational companies, the Company's assessment of expected credit losses includes provisions for specific clients and receivables where the contractual cash flow is deemed at risk.

Work in progress

Disbursements made on behalf of and recoverable from clients are shown as work in progress. Costs exclude salary costs or any element of profit.

Debtors – amounts falling due within one year

Trade debtors, other debtors and prepayments have fixed or determinable payments that are not quoted in an active market are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade debtors are amounts due from clients for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

System Analytic Limited

Notes to the financial statements year ended 31 December 2020

1 Accounting policies (continued)

Creditors – amounts falling due within one year

The Company initially recognises its financial liabilities at fair value and subsequently they are measured at amortised cost using the effective interest method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Accrued and deferred income

Accrued income is a contract asset and is recognised when a performance obligation has been satisfied but has not yet been billed. Contract assets are transferred to receivables when the right to consideration is unconditional and billed per the terms of the contractual agreement.

In certain cases, payments are received from customers or amounts are billed with an unconditional right to receive consideration prior to satisfaction of performance obligations and recognised as deferred income. These balances are considered contract liabilities.

Translation of foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of transaction. Exchange differences arising are taken to the profit and loss account.

Operating leases

Rentals in respect of operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Pensions

The Company operates defined contribution schemes for the benefit of its employees. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Critical accounting judgments and key sources of estimation/uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

System Analytic Limited

Notes to the financial statements year ended 31 December 2020

1 Accounting policies (continued)

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately), that the Directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Judgement is required regarding the timing of recognition, particularly in relation to assessing progress on performance obligations where revenue is recognised over time. Further details are set out in the accounting policy.

Key sources of estimation uncertainty

There are no material sources of estimation uncertainty.

2 Turnover

An analysis of the Company's turnover is as follows:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Continuing operations		
Rendering of services	<u>7,299,135</u>	<u>6,833,225</u>
By geographical origin:		
UK	<u>7,299,135</u>	<u>6,833,225</u>
By geographical destination:		
UK	1,640,666	1,766,526
Europe	1,470,198	1,946,540
Rest of World	<u>4,188,271</u>	<u>3,120,159</u>
	<u>7,299,135</u>	<u>6,833,225</u>

All turnover relates to the provision of databases and online tools to enable pharmaceutical companies to identify, map and engage key opinion leaders across a broad range of medical.

System Analytic Limited
Notes to the financial statements year ended 31 December 2020

3 Profit for the year

Profit for the year is stated after charging:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Staff costs (Note 4)	2,523,394	2,348,523
Depreciation - owned assets	11,205	10,403
Fees payable to the company's auditor for the audit of the company's annual accounts	23,918	22,700
Loss on foreign exchange	<u>104,744</u>	<u>97,726</u>

4 Staff costs

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Wages and salaries	2,180,644	2,092,586
Social security costs	248,861	186,324
Pension contributions	<u>93,889</u>	<u>69,613</u>
	<u>2,523,394</u>	<u>2,348,523</u>

	Year ended 31 December 2020 No	Year ended 31 December 2019 No
The average monthly number of persons employed by the company during the year was as follows:		
Marketing, database administration and selling	56	47
Administration	<u>1</u>	<u>1</u>
	<u>57</u>	<u>48</u>

System Analytic Limited
Notes to the financial statements year ended 31 December 2020

5 Directors' remuneration and transactions

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Emoluments	175,000	205,587
Pension contributions	-	-
	<u>175,000</u>	<u>205,587</u>

Please note that of the two directors, one is paid for by System Analytic Limited and their remuneration is disclosed within this note. The directors' emoluments and other service costs for the other director are paid by a fellow group undertaking.

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Remuneration of the highest paid director:		
Emoluments	175,000	205,587
Pension contributions	-	-
	<u>175,000</u>	<u>205,587</u>

System Analytic Limited
Notes to the financial statements year ended 31 December 2020

6 Tax on profit

The tax charge comprises

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
<i>Current taxation</i>		
Corporation tax at 19% (2019: 19%)	198,775	373,574
Adjustments in respect of prior years	(1,473)	(3,229)
Deferred tax credit	(932)	(1,473)
	<u>196,370</u>	<u>368,872</u>

Corporation tax payable is provided on taxable profits at the current rate, except to the extent that the losses are transferred from another group company under the group relief provisions, without corresponding payment by the claimant company. A deferred tax asset of £932 (2019: £1,473) has been recognised in respect of capital allowances in excess of depreciation as it is probable that there will be sufficient taxable profits against which the asset will reverse in the future.

The UK tax rate for the year ended 31 December 2020 is 19%. The reversal of a planned reduction to 17% was enacted in 2020, and therefore the rate used for deferred tax balances for 2020 is 19% (2019: 17%).

In the UK Budget on 3 March 2021, the Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. This change was not substantively enacted at the balance sheet date and hence has not been reflected in the measurement of deferred tax balances at the period end. This change is not expected to have a material impact on the Company's deferred tax balances.

The actual tax charge for the current and the previous year does not equal the standard rate for the reasons set out in the following reconciliation.

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Profit before tax	<u>1,022,651</u>	<u>1,917,427</u>
Tax on profit at standard rate of 19% (2019: 19%)	194,304	364,311
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	3,886	7,286
Depreciation in excess of capital allowances	(347)	503
Adjustments to tax charge in respect of previous periods	(1,473)	(3,229)
	<u>196,370</u>	<u>368,872</u>
Total actual amount of current tax		

System Analytic Limited
Notes to the financial statements year ended 31 December 2020

7 Tangible fixed assets

	£
	Equipment fixtures and fittings
Cost	
At 1 January 2020	42,143
Additions	3,005
Disposals	-
	<u>45,148</u>
At 31 December 2020	<u>45,148</u>
Depreciation	
At 1 January 2020	17,336
Charge for the year	11,205
Disposals	-
	<u>28,541</u>
At 31 December 2020	<u>28,541</u>
Net book amount	
At 31 December 2019	<u>24,807</u>
At 31 December 2020	<u>16,607</u>

8 Debtors: amounts falling due within one year

	31 December 2020 £	31 December 2019 £
Trade debtors	2,776,663	2,316,967
Amounts owed by fellow group undertakings	191,135	8,008
Other debtors	1,280	27,485
Prepayments and accrued income	<u>355,435</u>	<u>395,113</u>
	<u>3,324,513</u>	<u>2,747,573</u>

Amounts owing from group undertakings do not bear interest and are all repayable within 1 year.

System Analytic Limited
Notes to the financial statements year ended 31 December 2020

9 Creditors: amounts falling due within one year

	31 December 2020 £	31 December 2019 £
Trade creditors	419,288	229,375
Amounts owed to parent and fellow group undertakings	1,491,130	301,757
Other taxation and social security	1,280,428	1,105,190
Accruals and deferred income	<u>2,136,636</u>	<u>1,725,504</u>
	<u>5,327,481</u>	<u>3,361,826</u>

All amounts owed to parent and fellow Group subsidiary undertakings are repayable on demand and are unsecured. Amounts owed to fellow Group subsidiary undertakings relate to the balance owing for costs incurred in the normal course of business and the balances owing are at 0% interest rate.

10 Share Capital

	31 December 2020 £	31 December 2019 £
100 authorised, issued, allotted and fully paid £1 Ordinary shares	<u>100</u>	<u>100</u>

The Company has one class of ordinary shares which carry no right to fixed income.

11 Financial guarantees and commitments

At 31 December 2020 the company had un-provided capital commitments of £nil (2019: £nil) and there were no guarantees and commitments events during the reporting period.

System Analytic Limited
Notes to the financial statements year ended 31 December 2020

12 Operating lease arrangements

Lease payments under operating leases recognised as an expense in the period

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Lease payments under operating leases recognised as an expense in the period	-	190,347

As at the balance sheet date the Company had outstanding commitment for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	31 December 2020 £	31 December 2019 £
Within one year	-	-

13 Related party transactions

Other than the directors' remuneration, analysed under the headings required by Company law and as set out in Note 5, there were no transactions between related parties during the year ended 31 December 2020 (2019: Nil).

14 Events after the balance sheet date

No post balance sheet events occurred after end of the reporting period.

15 Ultimate parent company and controlling party

The directors regard WPP Group (UK) Limited, a company incorporated in the United Kingdom, registered in England and Wales and whose registered office is 18 Upper Ground, London, United Kingdom, SE1 9GL, as the immediate parent company and WPP plc, whose registered office is Queensbury House, Hilgrove Street, St. Helier, Jersey, JE1 1ES, a company incorporated in Jersey, as the ultimate parent company and the ultimate controlling party.

At the year end the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is WPP plc, incorporated in Jersey. The parent undertaking of the smallest such group is WPP 2008 Limited, incorporated in Great Britain. WPP 2008 Limited registered address is Sea Containers, 18 Upper Ground, London, SE1 9GL United Kingdom.

Copies of the financial statements of WPP plc are available at www.wppinvestor.com. Copies of the financial statements of WPP 2008 Limited can be obtained from WPP Group (UK) Limited, Sea Containers, 18 Upper Ground, London, SE1 9GL United Kingdom.

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Sanjay Singhvi sanjay.singhvi@systemanalytic.com Director Security Level: Email, Account Authentication (None) DocuSigned by:  2FD3BDF2B2B2448... Signature Adoption: Uploaded Signature Image Using IP Address: 84.71.12.233	Sent: 9/9/2021 3:33:06 PM Viewed: 9/9/2021 3:57:21 PM Signed: 9/9/2021 5:23:57 PM

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Agent Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/9/2021 3:33:06 PM
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	9/9/2021 5:46:54 PM
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Payment Events	Status	Timestamps
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