

Company Registration No. 08732893 (England and Wales)

E2E-ASSURE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

E2E-ASSURE LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Balance sheet	3
Notes to the financial statements	4 - 9

E2E-ASSURE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report

This report has been prepared for the year ended 31 March 2021. Unless specified, the figures relate to the group of companies comprising e2e-assure Ltd, e2e-cyber Ltd, e2e-engage Ltd, e2e-group Ltd, and Australian company e2e-assure Pty Ltd.

Overview of financial performance for the year-ended 31 March 2021

Turnover recognised during the year for e2e-assure Ltd was £7.1m (2020: £7.4m) a decrease of 4.76%. The group as a whole reported £7.29m (FY20 £7.5m). The slight decrease is a result of a strategic decision made in FY20 to focus on our SOC, MDR and SaaS (Cumulo) services.

These services have seen an ARR growth of 20% (FY20 to FY21) and MRR growth between April 2020 and March 2021 of 32%, which was ahead of our expectations during this period of transition where our focus has been on transforming the company into a pure play SOC as a Service business. The two-year growth rate of these services is 38% (FY19-FY21)

The strategic focus on our SOC, MDR and SaaS services means that we have started to move away from delivering several services that accounted for approximately 10% of our revenue in FY21 (19% in FY20): secure cloud services, private cloud services and non SOC related consultancy services. This revenue which has now largely been replaced with high value strategic SOC and SaaS revenues. We will continue to decommission these services in FY22.

In the year, we took a minority investment from BGF (March 2021) and a new Chairman who both recognise the opportunity and back our growth strategy. FY21 was therefore focused on finding a suitable investment partner, completing that, and establishing and validating the strategy to deliver extensive growth over the longer term, specifically in SOC, MDR and SaaS service. We believe that our technology has market leading attributes and is mature and can be scaled with continued investment.

We have also re-purposed, retrained and re-focused our staff, our business processes, and internal teams so that we can scale the delivery of our SOC, MDR and SaaS services. This has taken considerable time and investment and follows on from our work in FY20 which was focused on taking the initial steps to scale the software aspects of our service (Cumulo) such as automation and SaaS based delivery model.

This model allows us to scale direct and partner sales, using a common software platform under our control and delivered as SaaS by default.

Our spending on R&D has been significant, at £1.2m. This is as a result of this shift in focus and diversion of resources to our SOC platform development.

Operating profit for the year for e2e-assure Ltd was £605,155 (2020: £2,263,718) representing a decrease of 73.44%.

The large decrease in operating profit can be attributed to a small decrease in turnover and a large increase in cost of sales and administrative expenses. These increased costs related to the expense of restructuring the group, costs associated with the investment process as well as increased staff costs, recruitment costs, legal costs and rent (as a result of our much larger Oxford based operations centre).

Staff costs for e2e-assure Ltd increased by 34% from FY20 to FY21 while cost of sales purchases increased by 20% raw materials.

Employee numbers for the group increased from 59 to 71 during the year.

Customer numbers increased 29% from FY20 which shows diversification of revenue streams, reducing concentration/reliance on small number of large customers.

E2E-ASSURE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The company is a leading supplier of SOC and MDR services to the Public Sector and has expanded from the UK into Australia where the business has won and maintained contracts during this difficult period for international business. In Australia we have had to adapt to the ongoing COVID situation which has made a huge impact to our plans. We have adapted by further strengthening our relationship with our key partner (AUCloud) who we have worked effectively with us to deliver on our commitments. This has meant we have seen a much smaller share of Australian revenues than expected but the partnership has been very successful in terms of customer retention and acquisition.

Review of the business

The company's principal activity is the provision of managed cyber security services, focusing on Security Operation Centre (SOC) and Managed Detect and Respond (MDR) services. The company continues to invest in the growth of this service that can be expressed as three key components; People, Process and Technology.

People - the company has been successful in acquiring and retaining key talent.

Process - the company's investments in automation, process and scaling have led to considerable advances in its ability to deliver its core services rapidly and at scale.

Technology - the company has managed to lead the managed SOC field with its innovative approach to the way it delivers its services, and the technology that provides this technical advantage over the competition has advanced in terms of capability and efficiency.

The company is focused on growth and the year has seen considerable investment in all of the three areas listed above and has secured a minority investment from BGF in March 2021.

The company has begun to utilise more cloud services for the delivery of its services and has been investing in orchestration and automation in order to scale the service quickly. These investments have allowed the company to acquire more customers with less overhead and allows us to deliver very quick turnaround thereby reducing time to value.

Research and development

The company has continued to invest in research and development in the year, this has become a key focus of the company as it continues to innovate. The focus of our R&D is identifying how to further automate and integrate our service so that it can be delivered quicker and can scale quicker. One key new development is the ability for teams of expert human analysts to 'train' our underlying SOC platform to analyse alerts in the same manner as the best team of analysts, allowing the service to perform advanced, automated analysis thereby saving analyst time, capturing expert knowledge and ensuring consistency of analysis.

Another key new development is the adaptation of our service for key cloud providers and mid-market customers. These developments allow customers to benefit from the inbuilt security features of the cloud platforms and mainstream EDR solutions without duplication of technology; effectively providing a stripped down, lightweight and cost-effective bolt-on service.

On behalf of the board

Mr R Demain
Director

31 March 2022

E2E-ASSURE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	5		791,109		1,278,489
Current assets					
Debtors	6	2,232,126		2,562,431	
Cash at bank and in hand		2,289,942		1,780,189	
		<u>4,522,068</u>		<u>4,342,620</u>	
Creditors: amounts falling due within one year	7	<u>(1,406,184)</u>		<u>(1,619,319)</u>	
Net current assets			<u>3,115,884</u>		<u>2,723,301</u>
Total assets less current liabilities			<u>3,906,993</u>		<u>4,001,790</u>
Creditors: amounts falling due after more than one year	8		-		(124,035)
Provisions for liabilities			<u>(144,015)</u>		<u>(80,516)</u>
Net assets			<u><u>3,762,978</u></u>		<u><u>3,797,239</u></u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>3,762,878</u>		<u>3,797,139</u>
Total equity			<u><u>3,762,978</u></u>		<u><u>3,797,239</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 31 March 2022

Mr R Demain
Director

Company Registration No. 08732893

E2E-ASSURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

E2E-Assure Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Old Chapel, Union Way, Witney, Oxfordshire, OX28 6HD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Nil
Plant and machinery	25% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% reducing balance

E2E-ASSURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end 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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

E2E-ASSURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

E2E-ASSURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies **(Continued)**

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Exceptional item

	2021	2020
	£	£
Expenditure		
Transaction fees	329,880	-
	<u> </u>	<u> </u>

E2E-ASSURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	50	49

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2020	195,407	2,169,481	2,364,888
Additions	11,071	217,842	228,913
Disposals	(194,018)	(25,488)	(219,506)
At 31 March 2021	12,460	2,361,835	2,374,295
Depreciation and impairment			
At 1 April 2020	-	1,086,399	1,086,399
Depreciation charged in the year	2,740	514,530	517,270
Eliminated in respect of disposals	-	(20,483)	(20,483)
At 31 March 2021	2,740	1,580,446	1,583,186
Carrying amount			
At 31 March 2021	9,720	781,389	791,109
At 31 March 2020	195,407	1,083,082	1,278,489

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	829,200	1,742,107
Other debtors	1,402,926	820,324
	2,232,126	2,562,431

E2E-ASSURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	120,708	20,589
Corporation tax	68,232	259,498
Other taxation and social security	441,905	315,739
Other creditors	775,339	1,023,493
	<u>1,406,184</u>	<u>1,619,319</u>

8 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Other creditors	-	124,035
	<u>-</u>	<u>124,035</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Mr Alec Charles Pridsam FCCA.
The auditor was DSA Prospect Audit Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.