

**Unaudited Financial Statements
for the Year Ended 31 December 2020
for
Redscan Cyber Security Limited**

**Contents of the Financial Statements
for the Year Ended 31 December 2020**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Redscan Cyber Security Limited
Company Information
for the Year Ended 31 December 2020

DIRECTORS:

M D Fenton
G Singh
M P Nicholls

REGISTERED OFFICE:

4th Floor 2 Throgmorton Avenue
London
EC2N 2DL

REGISTERED NUMBER:

09786838 (England and Wales)

ACCOUNTANTS:

Tuerner & Co Ltd
Chartered Accountants
Bridge House
Old Grantham Road
Whatton
Nottingham
NG13 9FG

Balance Sheet
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Intangible assets	4		472,110		198,178
Tangible assets	5		280,326		234,205
Investments	6		13,756		13,756
			<u>766,192</u>		<u>446,139</u>
CURRENT ASSETS					
Debtors	7	3,955,357		2,924,482	
Cash at bank and in hand		<u>427,141</u>		<u>360,377</u>	
		4,382,498		3,284,859	
CREDITORS					
Amounts falling due within one year	8	<u>7,256,693</u>		<u>5,383,058</u>	
NET CURRENT LIABILITIES			<u>(2,874,195)</u>		<u>(2,098,199)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,108,003)</u>		<u>(1,652,060)</u>
CAPITAL AND RESERVES					
Called up share capital	10		103,725		100,670
Share premium			1,204,586		1,204,586
Retained earnings			<u>(3,416,314)</u>		<u>(2,957,316)</u>
SHAREHOLDERS' FUNDS			<u>(2,108,003)</u>		<u>(1,652,060)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 16 March 2021 and were signed on its behalf by:

M D Fenton - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. **STATUTORY INFORMATION**

Redscan Cyber Security Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis. Other creditors include deferred income of £5,526,847 (2019: £3,098,362) which is not expected to result in any payment having to be made by the company. In the opinion of the directors, the company will be able to discharge its liabilities as and when they fall due in the foreseeable future, and therefore the going concern basis is reasonable.

Preparation of consolidated financial statements

The financial statements contain information about Redscan Cyber Security Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised on the basis of the stage of the contract completion achieved, with a deferral made for the fair value of the undelivered element of the sale and a provision for income accrued but not yet invoiced. Revenue not recognised in the profit and loss account under this policy is classified as a creditor for deferred income or a debtor for accrued income on the balance sheet.

Intangible fixed assets

Intangible assets are initially measured at cost. Amortisation is provided at the following rate in order to write off each asset over its estimated useful life less estimated residual value:

Website development and computer software - 3 years straight line

Development costs

Development expenditure is measured at cost and capitalised if it is probable that future economic benefits will flow to the company as a result of this expenditure. Otherwise it is written off to the profit and loss account in the year it is incurred.

Capitalised development expenditure is amortised over three years on a straight line basis to write it off over its estimated useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery etc - 33% on cost

Government grants

Government grants received are recognised in the profit and loss account to match them with expenditure to which they are intended to contribute.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 74 (2019 - 54).

4. **INTANGIBLE FIXED ASSETS**

	Development costs £	Computer software £	Totals £
COST			
At 1 January 2020	209,098	133,698	342,796
Additions	<u>354,851</u>	<u>75,481</u>	<u>430,332</u>
At 31 December 2020	<u>563,949</u>	<u>209,179</u>	<u>773,128</u>
AMORTISATION			
At 1 January 2020	33,378	111,240	144,618
Amortisation for year	<u>126,111</u>	<u>30,289</u>	<u>156,400</u>
At 31 December 2020	<u>159,489</u>	<u>141,529</u>	<u>301,018</u>
NET BOOK VALUE			
At 31 December 2020	<u>404,460</u>	<u>67,650</u>	<u>472,110</u>
At 31 December 2019	<u>175,720</u>	<u>22,458</u>	<u>198,178</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. TANGIBLE FIXED ASSETS		Plant and machinery etc £
COST		
At 1 January 2020		378,123
Additions		197,894
Disposals		<u>(43,838)</u>
At 31 December 2020		532,179
DEPRECIATION		
At 1 January 2020		143,918
Charge for year		151,773
Eliminated on disposal		<u>(43,838)</u>
At 31 December 2020		251,853
NET BOOK VALUE		
At 31 December 2020		<u>280,326</u>
At 31 December 2019		<u>234,205</u>
6. FIXED ASSET INVESTMENTS		Shares in group undertaking £
COST		
At 1 January 2020 and 31 December 2020		<u>13,756</u>
NET BOOK VALUE		
At 31 December 2020		<u>13,756</u>
At 31 December 2019		<u>13,756</u>
7. DEBTORS	31.12.20 £	31.12.19 £
Amounts falling due within one year:		
Trade debtors	2,025,981	2,112,783
Amounts owed by group undertakings	167,432	160,263
Other debtors	<u>1,702,153</u>	<u>591,645</u>
	<u>3,895,566</u>	<u>2,864,691</u>
Amounts falling due after more than one year:		
Other debtors	<u>59,791</u>	<u>59,791</u>
Aggregate amounts	<u>3,955,357</u>	<u>2,924,482</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	222,669	515,819
Taxation and social security	793,569	461,131
Other creditors	6,240,455	4,406,108
	<u>7,256,693</u>	<u>5,383,058</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.20	31.12.19
	£	£
Within one year	167,622	159,702
Between one and five years	107,142	140,116
	<u>274,764</u>	<u>299,818</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
100,670	Ordinary	1	<u>103,725</u>	<u>100,670</u>

3,055 Ordinary shares of 1 each were allotted and fully paid for cash at par during the year.

11. SHARE-BASED PAYMENT TRANSACTIONS

The company has reserved shares for issuance as stock options under its 2016 Enterprise Management Incentive Plan ("the plan") dated 26 September 2016. Equity options granted under the plan generally become exercisable under conditions set by the board of directors at the grant date of options. Options have been granted to certain employees of Redscan Cyber Security Limited.

The share option charge for the year in these financial statements is £Nil (2019: Nil). The fair value of the options was estimated at the date of grant as nil because the fair value of the shares was the same as the exercise price.

At 31 December 2020, 22,312 (2019: 14,779) options were outstanding and 22,312 (2019: 14,779) options were exercisable. 7,533 options were granted in the year.

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.