

Company Registration No. 08732893 (England and Wales)

E2E-ASSURE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
PAGES FOR FILING WITH REGISTRAR

E2E-ASSURE LIMITED

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E2E-ASSURE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Strategic Report

This report has been prepared for the year ended 31 March 2019.

Overview of financial performance for the year-ended 31 March 2019

Turnover recognised during the year was £4,810,261 (2018: £4,064,479) representing growth of 18%.

Operating profit for the year was £863,998 (2018: £988,397) representing a decrease of 13%.

The decrease in operating profit is predominantly due to the following:

- Wages costs have increased to £1,881,697 (2018: £1,231,006)
- Depreciation on fixed assets has increased to £355,274 (2018: £196,368)
- Travelling costs have increased to £267,367 (2018: £134,805)

The above cost increases were due to continued investment in growing the business both domestically and internationally along with increased research and development activities as well as recruitment of new staff.

Average employee numbers have increased from 27 to 34 during the year.

The business won several large contracts at the end of the financial year that have now (at time of writing) been successfully brought into service and are producing considerable growth in revenues. The business has also successfully managed to diversify into new markets including overseas (Australia) as well as gaining contracts in the financial sector and has more than doubled its business development team and this, along with a new partner program is now providing results as we continue to win new contracts and succeed against our competitors.

Review of the business

The company's principal activity is the provision of managed cyber security services, focusing on Security Operation Centre (SOC) services. The growth in revenues is primarily driven by the success of this service offering. 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. 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.

Principal risks and uncertainties

The company holds a mixture of UK Public and Private Sector as well as International commercial clients. Contracts and purchase order arrangements are a mixture of month by month G-Cloud contracts as well as longer term contracts up to five years. The company feels that the diversity of market sectors and contract types significantly mitigates the risk of any over dependency relating to some of the larger contract involvement.

Recruitment and retention of staff is a challenge for all technology companies and the company has matured its talent acquisition and retention policies and has managed to recruit heavily during the period.

E2E-ASSURE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Liquidity risk

The company manages financial risk by maintaining a strong cash balance and has no requirement to rely on funding, loans or investments. The company has been profitable every year.

Credit risk

The company's principal credit risk relates to trade receivables. The company seeks to deal with trading entities where the risk of default is considered low and reviews and negotiates payment terms and contracts assisted by its strong commercial offering and management team.

Currency risk

Revenues are currently only generated in UK£.

Future outlook

The company expects to continue to grow into a world leader in their field and will continue to invest to ensure the core services are best in class expand into other markets.

On behalf of the board

Mr R Demain

Director

22 December 2019

E2E-ASSURE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	3		1,165,738		1,149,877
Current assets					
Debtors	4	1,606,981		1,299,832	
Cash at bank and in hand		814,645		734,632	
		<u>2,421,626</u>		<u>2,034,464</u>	
Creditors: amounts falling due within one year	5	<u>(1,334,604)</u>		<u>(1,181,073)</u>	
Net current assets			<u>1,087,022</u>		<u>853,391</u>
Total assets less current liabilities			<u>2,252,760</u>		<u>2,003,268</u>
Creditors: amounts falling due after more than one year	6		(219,225)		(475,146)
Provisions for liabilities			<u>(60,340)</u>		<u>(68,544)</u>
Net assets			<u>1,973,195</u>		<u>1,459,578</u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss reserves			<u>1,973,095</u>		<u>1,459,478</u>
Total equity			<u>1,973,195</u>		<u>1,459,578</u>

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

For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

E2E-ASSURE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

The financial statements were approved and signed by the director and authorised for issue on 22 December 2019

Mr R Demain
Director

Company Registration No. 08732893

E2E-ASSURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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% reducing balance
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 2019

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 2019

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 2019

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 34 (2018 - 27).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2018	194,018	1,226,442	1,420,460
Additions	-	371,135	371,135
At 31 March 2019	194,018	1,597,577	1,791,595
Depreciation and impairment			
At 1 April 2018	-	270,583	270,583
Depreciation charged in the year	-	355,274	355,274
At 31 March 2019	-	625,857	625,857
Carrying amount			
At 31 March 2019	194,018	971,720	1,165,738
At 31 March 2018	194,018	955,859	1,149,877

E2E-ASSURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	549,752	999,618
Other debtors	1,057,229	300,214
	<u>1,606,981</u>	<u>1,299,832</u>
5 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	143,284	45,478
Corporation tax	107,767	123,050
Other taxation and social security	128,008	116,437
Other creditors	955,545	896,108
	<u>1,334,604</u>	<u>1,181,073</u>
6 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Other creditors	219,225	475,146
	<u>219,225</u>	<u>475,146</u>
7 Called up share capital	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
100 Ordinary of £1 each	100	100
	<u>100</u>	<u>100</u>

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.