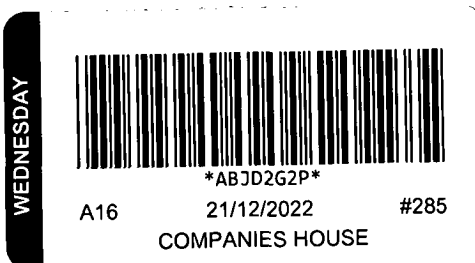


SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 01566321

SURFCONTROL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021



SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 01566321

TABLE OF CONTENTS	PAGE
COMPANY INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	4
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS	6
INDEPENDENT AUDITORS' REPORT	7
STATEMENT OF COMPREHENSIVE INCOME	11
STATEMENT OF CHANGES IN EQUITY	12
BALANCE SHEET	13
NOTES TO THE FINANCIAL STATEMENTS	14

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 01566321

COMPANY INFORMATION

DIRECTORS

Matthew Santangelo
Ian Wilson
Carol O'Keeffe (appointed 03 February 2022)
Laurie O'Brien (resigned 03 February 2022)

COMPANY NUMBER

01566321

REGISTERED OFFICE

420 Thames Valley Park Drive,
Reading,
Berkshire,
United Kingdom,
RG6 1PT.

BANKERS

Bank of America,
No. 26, Elmfield,
Bromley,
Kent,
BR1 1WA,
United Kingdom.

JP Morgan Chase Bank,
N.A. London,
25 Bank Street,
Canary Wharf,
London,
E14 5JP
United Kingdom

INDEPENDENT AUDITORS

RSM Ireland,
Trinity House,
Charleston Road,
Ranelagh,
Dublin 6
Ireland

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 01566321

STRATEGIC REPORT

The Directors present herewith their strategic report for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company acts primarily as a holding company.

The Company's key financial and other performance indicators during the year were as follows:

	2021 \$'000	2020 \$'000	Change %
Operating (loss) / gain	(28)	14	(300%)
(Loss) / profit before taxation	(28)	14	(300%)
Shareholders' funds	53,812	53,840	0%
Creditors: amounts falling due within one year	38	10,777	(100%)

The loss in 2021 is due to unrealised loss on foreign currency transactions, audit remuneration and bank charges. The profit in 2020 is due to unrealised gains on foreign currency transactions which were offset against tax and accounting fees and bank charges for the year. Creditors due within one year decreased due to reclassification from current to non-current as there is no immediate plan to settle these balances.

RESULT FOR THE FINANCIAL YEAR AND DIVIDEND

During the year the Company made a loss before taxation of \$28,000 (2020: profit \$14,000). The Directors do not recommend a dividend in the current year (2020: \$Nil).

FUTURE DEVELOPMENTS

The Directors are reviewing the Company's operations and its interest in other related Group undertakings.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company does not face significant risk or uncertainty as it is effectively an intermediate holding company within the Forcepoint Group with limited external creditors. Technical and financial support would be provided by other members of the Group in the event of any major claim by a third party for defective software or infringement of patent rights.

FINANCIAL RISK MANAGEMENT

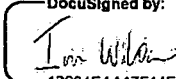
Due to the nature of its intercompany contracts the Company is not exposed to material financial risk. Intermediate Parent Company, Panther Guarantor II, LP., is party to a credit agreement with Credit Suisse. Substantially all Forcepoint Group's tangible and intangible assets are considered collateral security under the Credit Agreement.

Having reviewed the key financial and other indicators the Directors are satisfied with the Company's financial performance for the year.

Approved by the Directors on 9 December 2022.

Signed

DocuSigned by:


 13684EAA17F14E3...
 Ian Wilson
 Director

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 01566321

DIRECTORS' REPORT

The Directors present herewith their report and the audited financial statements for the financial year ended 31 December 2021.

DIRECTORS

The names of the persons who served as Directors during the financial year are set out below. Unless indicated otherwise, they served for the entire year.

Matthew Santangelo
Ian Wilson
Laurie O'Brien (resigned 03 February 2022)
Carol O'Keeffe (appointed 03 February 2022)

DIRECTORS' INTERESTS IN SHARES AND SHARE BASED BENEFITS

None of the Directors who held office at the end of the financial year have had any interest in shares of the Company or options over the Company's shares.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Forcepoint LLC, an intermediate parent entity, paid insurance premiums on behalf of the Company in respect of Directors' and officers' liability. Such insurance contracts insure against certain liabilities (subject to specific exclusions) on behalf of those persons who are or have been Directors or officers of the Company.

IMPORTANT EVENTS SINCE YEAR END

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine, with the countries remaining in active armed conflict as of December 2022. Additionally in February 2022, the U.S., the E.U., and several other nations announced a broad array of new or expanded sanctions and other measures against Russia and certain banks, companies, and individuals in Russia, Belarus and the Ukraine. The ongoing conflict as well as the rapidly evolving actions taken by other countries is being actively monitored by management. The Company cannot predict the severity and duration of the conflict and its impact on global economic and market conditions and management are actively monitoring the situation to assess any impact on the business. To date the Company has not noted any material impact on operations.

SurfControl (China) Ltd applied for the dissolution and accepted by the Companies House in the United Kingdom on 14 December 2021. SurfControl (China) Ltd was dissolved effective 08 March 2022.

SHARE CAPITAL

The issued share capital of the Company at 31 December 2021 was 100 ordinary shares of UK£0.10 each (31 December 2020: 100 ordinary shares of UK£0.10). Further details are given in note 10 to the financial statements.

GOING CONCERN

In considering the going concern of the Company the Directors have considered the fact that the Company shows net current assets on the balance sheet as at 31 December 2021. Panther Guarantor II, L.P., an intermediate parent undertaking, has provided a commitment to the Company that it will continue to provide financial support for a period of at least 12 months from the date of Directors' approval of these financial statements. The Directors have considered the ability of other group companies to provide expense reimbursement. Accordingly, the Directors of the Company are satisfied that adequate financing will be available to enable the Company to meet its liabilities as they fall due for the foreseeable future and consequently that it is appropriate to prepare the financial statements on a going concern basis.

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 01566321

DIRECTORS' REPORT - continued

DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

APPOINTMENT OF AUDITORS

RSM Ireland Business Advisory Limited t/a RSM Ireland were appointed as auditors by the directors and they have expressed their willingness to continue in office in accordance with the provisions of Section 487 of the Companies Act 2006.

POLITICAL DONATIONS

The Company made no political donations in the year (2020: US\$ Nil).

DIVIDEND

Discussed in the Strategic Report, see page 3.

FUTURE DEVELOPMENTS

Discussed in the Strategic Report, see page 3.

FINANCIAL RISK MANAGEMENT

Discussed in the Strategic Report, see page 3.

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 01566321

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and regulation.

UK Company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with the Companies Act 2006 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), issued by the Financial Reporting Council. 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 as at the financial year end date and of the profit or loss of the Company for the financial year. In preparing the financial statements, the Directors are required to:

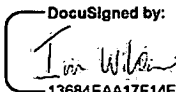
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates 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 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.

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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Directors 9 December 2022.

DocuSigned by:

13684EAA17F14E3...
Ian Wilson
Director



**Independent Auditor's Report to the members of
SurfControl Limited
For the year ended 31 December 2021**

Opinion

We have audited the financial statements of SurfControl Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of changes in equity, balance sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is UK law and Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, which is issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021, and of its loss for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the date 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.



**Independent Auditor's Report to the members of
SurfControl Limited (Continued)
For the year ended 31 December 2021**

Other Information (continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, 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
- in our opinion, the strategic report and the directors' report have been prepared in accordance with Companies Act 2006.

Matters on which we are required to report by exception

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 material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- 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.

Responsibilities of directors of the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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 management either intends to liquidate the company or to cease operations, or has 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 Company's 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.

**Independent Auditor's Report to the members of
SurfControl Limited (Continued)
For the year ended 31 December 2021**

Extent to which an audit is considered capable of detecting irregularities, including fraud)

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the operations of the company, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included agreeing the financial statement disclosures to underlying supporting documentation, and enquiries with management.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the company is in compliance with these laws and regulations and inspected legal costs, board minutes, and other relevant sources for evidence of undisclosed issues. The audit engagement team identified the risk of management override of controls and management bias in accounting estimates as the areas where the financial statements were most susceptible to material misstatement due to fraud. We evaluated whether there was evidence of bias by management in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates.

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

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 01566321



RSM

**Independent Auditor's Report to the members of
SurfControl Limited (Continued)
For the year ended 31 December 2021**

Use of this report

Our 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.

Niall May (Senior Statutory Auditor)

For and on behalf of

RSM Ireland

Statutory Audit Firm

Trinity House

Charleston Road

Ranelagh

Dublin 6

Date: 9 December 2022

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December

	<i>Note</i>	<i>2021</i> <i>\$'000</i>	<i>2020</i> <i>\$'000</i>
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
General and administrative (expense) / gain		(28)	14
Operating (loss) / profit		(28)	14
(Loss) / profit before taxation	4	(28)	14
Tax on (loss) / profit	6	-	-
(Loss) / profit for the financial year	11	(28)	14
Other comprehensive income		-	-
Total comprehensive (loss) / income for the financial year		(28)	14

The Company has no gains or losses or movement in reserves for the year other than the results above.

All the activities of the company are from continuing operations.

The notes on pages 14 to 21 form an integral part of these financial statements.

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December

	<i>Called up Share capital \$'000</i>	<i>Capital redemption reserve \$'000</i>	<i>Retained earnings \$'000</i>	<i>Total shareholders' funds \$'000</i>
At 1 January 2020	-	882	52,944	53,826
Profit for the financial year 2020	-	-	14	14
At 31 December 2020	-	882	52,958	53,840
Loss for the financial year 2021	-	-	(28)	(28)
At 31 December 2021	-	882	52,930	53,812

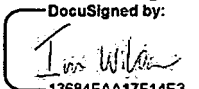
SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

BALANCE SHEET
As at 31 December

	Note	2021 \$'000	2020 \$'000
NON CURRENT ASSETS			
Investments	7	64,433	64,433
TOTAL NON CURRENT ASSETS		64,433	64,433
CURRENT ASSETS			
DEBTORS: amounts falling due within one year	8	120	125
Cash at bank and in hand		3	59
TOTAL CURRENT ASSETS		123	184
CREDITORS: amounts falling due within one year	9	(38)	(10,777)
NET CURRENT ASSETS/ LIABILITIES		85	(10,593)
CREDITORS: amount falling due after more than one year	9	(10,706)	-
TOTAL ASSETS LESS LIABILITIES		53,812	53,840
CAPITAL AND RESERVES			
Called up share capital	10,11	-	-
Capital redemption reserve	11	882	882
Retained earnings	11	52,930	52,958
TOTAL SHAREHOLDERS' FUNDS		53,812	53,840

The notes on pages 14 to 21 form an integral part of these financial statements.

The financial statements on pages 11 to 21 were approved by the Board of Directors on 9 December 2022 and signed on its behalf by:

DocuSigned by:

 13684EAA17F14E3...
 Ian Wilson
 Director

Company registration number: 1566321

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL INFORMATION

SurfControl Limited is a company limited by shares, incorporated in the United Kingdom. It has its registered office at 420 Thames Valley Park Drive, Reading, Berkshire, United Kingdom, RG6 1PT. The Company acts primarily as a holding company.

2. ACCOUNTING POLICIES

(a) *Statement of compliance*

The financial statements of SurfControl Limited have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and Companies Act, 2006.

(b) *Basis of accounting*

The financial statements are prepared in accordance with the Companies Act 2006 and Generally Accepted Accounting Practice in the United Kingdom. The financial statements are prepared on a going concern basis under the historical cost convention. The Company has availed of the exemption in FRS 102 Section 33.1A, which exempts subsidiary undertakings from the requirement to give details of transactions with group entities where 100% of the voting rights are controlled by a group that prepares publicly available consolidated financial statements in which the subsidiary undertaking's results are included. The accounting policies have been applied consistently unless otherwise stated.

(c) *Exemptions*

The Company has availed of the exemption in FRS 102, Section 1.12 (b), (c) and (e), as its parent Company as at 31 December 2021 Forcepoint International Limited ("FIL") prepares publicly available consolidated financial statements. Note 16 to the financial statements contains further information on the Company's parent. The shareholders have been notified in writing of the use of this exemption.

FRS102 Section 1.12 (b) relates to requirement to prepare cash flow statement. FRS 102 Section 1.12 (c) relates to financial instruments. FRS 102 Section 1.12 (e) relates to key management personnel compensation.

(d) *Going concern*

In considering the going concern of the Company the Directors have considered the fact that the Company shows net current assets on the balance sheet as at 31 December 2021. Panther Guarantor II, L.P., an intermediate parent undertaking, has provided a commitment to the Company that it will continue to provide financial support for a period of at least 12 months from the date of Directors' approval of these financial statements.

The Directors have considered the ability of other group companies to provide expense reimbursement. Accordingly, the Directors of the Company are satisfied that adequate financing will be available to enable the Company to meet its liabilities as they fall due for the foreseeable future and consequently that it is appropriate to prepare the financial statements on a going concern basis.

(e) *Consolidated group financial statements*

The Company is exempt by virtue of S401 of the Companies Act 2006 from the requirement to prepare group financial statements. As such these financial statements present information about the Company as an individual undertaking rather than information about its group. Note 16 to the financial statements contains further information on the Company's parent.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021 (Continued)

2. ACCOUNTING POLICIES (Continued)

(f) Foreign currencies

The functional currency of the Company is US dollars, which is the currency of the Company's assets and liabilities. Accordingly amounts in the financial statements are reflected in US dollars. Assets and liabilities denominated in foreign currency are re-measured into US dollars at the current exchange rates for monetary assets and liabilities and historical exchange rates for nonmonetary assets and liabilities. Foreign exchange differences from re-measurement and settlement of monetary assets and liabilities are included in the profit and loss account.

(g) Taxation and deferred taxation

Current tax is recognised based on tax rates and laws in effect during the year. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the balance sheet date that result in an obligation to pay more or a right to pay less tax in the future.

Timing differences are differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(h) Investments

Investments principally relate to the Company's investment in subsidiary undertakings and long term balances with subsidiary and other group companies, are stated at cost less any provisions for impairment in value.

Fixed asset investments are subject to an annual review for indications of impairment. If the carrying value of an asset is in excess of the higher of net realisable value and fair value in use an impairment is recognised, unless support from other group companies has been received in relation to recoverability of the balance.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

(j) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021 (Continued)

2. ACCOUNTING POLICIES (Continued)

(j) *Financial instruments (Continued)*

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit and loss account, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and 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.

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021 (Continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

No significant judgments or estimates have had to be made by management in preparing these financial statements.

The Company's investments in subsidiaries are carried at historical cost less accumulated impairment losses. No impairment charges have been recognised in respect of the Company's financial assets.

4. LOSS BEFORE TAXATION

	2021	2020
	\$'000	\$'000
Loss before tax is after charging/(crediting):		
Foreign exchange losses / (gains)	18	(21)
Auditors' remuneration (a)	6	7
	<u>6</u>	<u>7</u>

(a) Auditors' remuneration is solely for the audit of the entity's financial statements in the current and prior year.

5. EMPLOYEE INFORMATION

There were no employees of the Company (2020: Nil). The directors did not receive any emoluments during the year for their services to the Company (2020: Nil).

6. TAX ON PROFIT / (LOSS)

a) Analysis of charge in the year

	2021	2020
	\$'000	\$'000
<i>Current tax</i>		
UK corporate tax	-	-
Adjustments in respect of prior period	-	-
<i>Current tax charge</i>	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Change in tax rate	-	-
<i>Total deferred tax charge</i>	<u>-</u>	<u>-</u>
<i>Total tax charge</i>	<u>-</u>	<u>-</u>

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021 (Continued)

6. TAX ON PROFIT / (LOSS) (Continued)

b) Factors affecting the current tax charge

The current tax charge for the year differs from the amount computed by applying the standard rate of corporation tax in the United Kingdom 19% (2020: 19.00%) to the loss before taxation.

The sources and tax effects of the differences are explained below:

	2021 \$'000	2020 \$'000
<i>(Loss) / Profit before taxation</i>	<u>(28)</u>	<u>14</u>
Loss multiplied by the standard tax rate of 19% (2020: 19.00%)	(5)	3
<i>Factors affecting the tax charge:</i>		
Expenses not deductible for tax purposes	2	1
Effects of group relief / other reliefs	<u>3</u>	<u>(4)</u>
<i>Total tax charge</i>	<u>-</u>	<u>-</u>

In the Spring Budget 2021, the UK Government announced that the headline UK corporation tax rate would increase from 19% to 25% from 1 April 2023 on profits in excess of £250,000. A small profits rate of 19% will apply to profits of £50,000 or less and for companies with profits in between these amounts there will be a gradual increase in the effective corporation tax rate. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date would be €Nil.

7. INVESTMENTS

	2021 \$'000	2020 \$'000
<i>Investments in subsidiary undertakings (a):</i>		
Cost at 1 January	<u>45,358</u>	<u>45,358</u>
At 31 December	<u>45,358</u>	<u>45,358</u>
<i>Amounts owed by related undertakings (b):</i>		
At 1 January	19,075	19,075
Movement	-	-
At 31 December	<u>19,075</u>	<u>19,075</u>
<i>Total investments in subsidiaries</i>	<u>64,433</u>	<u>64,433</u>

- (a) The subsidiary undertakings of the Company at 31 December 2021 are shown in note 13.
- (b) Amounts owed by related undertakings where they are deemed to form part of an investment in a subsidiary or group undertaking.

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021 (Continued)

8. DEBTORS

Amounts falling due within one year

	2021 \$'000	2020 \$'000
Amounts owed by related group undertakings (a)	120	125
	<u>120</u>	<u>125</u>

(a) Amounts due from group and parent undertakings are interest free and are repayable on demand.

9. CREDITORS

Amounts falling due within one year

	2021 \$'000	2020 \$'000
Accruals	6	9
Amounts owed to group undertakings (a)	32	62
Intercompany provision (b)	-	10,706
	<u>38</u>	<u>10,777</u>

Amounts falling due after more than one year:

	2021 \$'000	2020 \$'000
Intercompany provision (b)	10,706	-
	<u>10,706</u>	<u>-</u>

(a) Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

(b) Provision has been made for uninvoiced intercompany obligations, owed to other group companies. As there is no immediate plan to settle these balances, they were reclassified during 2021 to creditor amounts falling due after more than one year.

10. CALLED UP SHARE CAPITAL

At 31 December 2021 and 31 December 2020, the authorised share capital is denominated in UK sterling and consists of 1,000 ordinary shares of UK£0.10 each. The issued share capital of the Company at 31 December 2021 and 31 December 2020 in UK sterling was 100 ordinary shares with a paid up value of £10 (\$16). The Company's share capital has been translated into US \$ on a cumulative basis at exchange rates prevailing as and when the capital flows occurred.

There are no restrictions on the transfer of securities in the Company. All ordinary shares carry equal voting rights.

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021 (Continued)

11. RESERVES

	<i>Called up Share capital</i>	<i>Capital redemption reserve</i>	<i>Retained Earnings</i>	<i>Total</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
As at 1 January 2021	-	882	52,958	53,840
Loss for the year	-	-	(28)	(28)
As at 31 December 2021	-	882	52,930	53,812

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<i>2021 \$'000</i>	<i>2020 \$'000</i>
(Loss) / profit after taxation	(28)	14
(Decrease) / increase in shareholders' funds	(28)	14
Opening shareholders' funds	53,840	53,826
Closing shareholders' funds	53,812	53,840

13. SUBSIDIARY COMPANIES

The Company's subsidiary undertakings are directly and wholly owned.

The Company's subsidiaries are listed below:

Subsidiary name	Country of Incorporation	Percentage of Ownership
SurfControl Inc.	United States	100%
SurfControl (China) Ltd	England and Wales	100%

SurfControl (China) Ltd applied for the dissolution and accepted by the Companies House in the United Kingdom on 14 December 2021. SurfControl (China) Ltd was dissolved effective 08 March 2022.

14. FINANCIAL COMMITMENTS

The Company had no financial commitments in respect of non-cancellable operating leases or capital commitments in the financial year.

15. RELATED PARTY TRANSACTIONS

The Company has availed of the exemption in FRS 2 Section 33.1A, which exempts subsidiary undertakings from the requirements to give details of transactions with group entities, where 100% of the voting rights are controlled by a group that prepares publicly available consolidated financial statements in which the subsidiary undertaking's results are included.

SURFCONTROL LIMITED
COMPANY REGISTRATION NUMBER 1566321

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021 (Continued)

16. ULTIMATE PARENT COMPANY

The ultimate parent company and ultimate controlling party as at 31 December 2021 was Francisco Partners GP VI Management LLC., a company incorporated in the Cayman Islands.

17. EVENTS SINCE THE BALANCE SHEET DATE

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine, with the countries remaining in active armed conflict as of December 2022. Additionally in February 2022, the U.S., the E.U., and several other nations announced a broad array of new or expanded sanctions and other measures against Russia and certain banks, companies, and individuals in Russia, Belarus and the Ukraine. The ongoing conflict as well as the rapidly evolving actions taken by other countries is being actively monitored by management. The Company cannot predict the severity and duration of the conflict and its impact on global economic and market conditions and management are actively monitoring the situation to assess any impact on the business. To date the Company has not noted any material impact on operations.

SurfControl (China) Ltd applied for the dissolution and accepted by the Companies House in the United Kingdom on 14 December 2021. SurfControl (China) Ltd was dissolved effective 08 March 2022.

18. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved and authorised for issue the financial statements in respect of the financial year ended 31 December 2021 on 9 December 2022.