

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

SURFCONTROL (CHINA) LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 DECEMBER 2020

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SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2020

TABLE OF CONTENTS	PAGE
COMPANY INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	4
INDEPENDENT AUDITORS' REPORT	7
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10
BALANCE SHEET	11
NOTES TO THE FINANCIAL STATEMENTS	12

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

COMPANY INFORMATION

DIRECTORS

Laurie O'Brien
Ian Wilson
Matthew Santangelo

COMPANY NUMBER

03165006

REGISTERED OFFICE

420 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT
England

INDEPENDENT AUDITORS

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Republic of Ireland

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

STRATEGIC REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Company is dormant with effect from 29 December 2017 and has not traded in the current or the preceding financial year.

PROFIT AND DIVIDEND

The company did not trade in the current or preceding financial year.

The Directors do not recommend the payment of a dividend (2019: Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

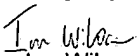
The Company does not face significant risk or uncertainty as it is dormant with effect from 29 December 2017. Technical and financial support would be provided by other members of the Group in the event of any major claim by a third party for defective software or infringement of patent rights.

FINANCIAL RISK MANAGEMENT

The company did not trade during the year and is not exposed to material financial risk.

Approved by the Directors on 08 October 2021

Signed on behalf of the Board by:

DocuSigned by:

11 Ian Wilson...
Director

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

DIRECTORS' REPORT

The Directors present herewith their report and audited financial statements, prepared in accordance with Generally Accepted Accounting Practice in the United Kingdom for the financial year ended 31 December 2020.

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 (appointed 23 September 2020)
Becky Haislip (resigned 23 September 2020)

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 October 19, 2020, Raytheon Technologies Corporation entered into a definitive agreement with Francisco Partners, a leading global investment firm that specializes in partnering with technology and technology-enabled businesses, to acquire Forcepoint. The transaction was completed on January 8, 2021.

SHARE CAPITAL

The issued share capital of the Company at 31 December 2020 was 2 ordinary shares of UK£ 1 each (31 December 2019: 2 ordinary shares of UK£ 1). Further details are given in note 6 to the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

Having made the requisite enquiries, so far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and the Directors 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

The Directors intend to recommend the appointment of a new statutory auditor at the Company's annual general meeting. PwC have indicated that they will resign as the Company's auditor once their opinion on the Company's financial statements in respect of the year ended 31 December 2020 has been issued..

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 (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

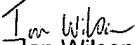
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates 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 08 October 2021.

DocuSigned by:

Ian Wilson
Director



Independent auditors' report to the members of SurfControl (China) Limited

Report on the audit of the financial statements

Opinion

In our opinion, SurfControl (China) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and Financial Statements, which comprise:

- the balance sheet as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Reporting on other information

The other information comprises all of the information in the Directors' report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Directors' report and the Financial Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the company are limited as it is dormant, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to unexpected transactions or manual journals, given the dormant status of the company. Audit procedures performed included:

- discussions with management, in respect of risk of fraud and any known or suspected instances of non-compliance with laws and regulation and fraud and reviewing Board Minutes;
- confirmation with those charged with governance in respect of risk of fraud and any known or suspected instances of non-compliance with laws and regulations;
- testing of journal entries posted throughout the period and at period end; and
- evaluating management's judgements for appropriateness and indicators of bias based on our knowledge and understanding of the business and the requirements of the reporting framework, the evidence obtained from our detailed audit procedures and assessing events occurring up to the date of the auditor's report.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Gareth Hynes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
8 October 2021

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	<i>Note</i>	<i>Year ended 31 December 2020 US\$'000</i>	<i>Year ended December 2019 US\$'000</i>
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
General and administrative gain		-	-
Total gain		-	-
Operating profit	5	-	-
Profit before taxation		-	-
Tax on profit		-	-
Profit for the financial year		-	-
Other comprehensive income		-	-
Total comprehensive income for the financial year		-	-

The Company has no gains or losses or movements in reserves for the year other than the results above.
The notes on pages 12 to 14 form part of these financial statements.

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	<i>Called up Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	US\$'000	US\$'000	US\$'000
At 1 January 2019	-	-	-
Total comprehensive for the financial year	-	-	-
At 31 December 2019	-	-	-
Total comprehensive for the financial year	-	-	-
At 31 December 2020	-	-	-

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

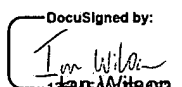
BALANCE SHEET
as at 31 December 2020

ASSETS EMPLOYED	<i>Note</i>	<i>At 31 December 2020 US\$'000</i>	<i>At 31 December 2019 US\$'000</i>
FIXED ASSET			
Investments		-	-
CURRENT ASSETS			
Debtors		-	-
Cash at bank and in hand		-	-
CREDITORS: amounts falling due within one year		-	-
NET CURRENT ASSETS		-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		-	-
CREDITORS: amounts falling due after more than one year		-	-
NET ASSETS		-	-
CAPITAL AND RESERVES			
Called up share capital	6	-	-
Profit and loss account	7	-	-
Total Shareholders' funds		-	-

The notes on pages 12 to 14 form part of these financial statements.

Approved by the Directors on 08 October 2021

Signed on behalf of the board by:

DocuSigned by:

 Ian Wilson
 Director

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. GENERAL INFORMATION

SurfControl (China) 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, RG6 1PT, England.

The Company is dormant with effect from 29 December 2017.

2. ACCOUNTING POLICIES

(a) Statement of compliance

The individual financial statements of SurfControl (China) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

(b) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006. 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) 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.

(d) Investments

Fixed asset investments, which wholly relate to the Company's investment in its subsidiary undertaking, are stated at cost less provision for impairment in value.

(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 10 to the financial statements contains further information on the Company's parent.

(f) Going concern

As noted in the strategic report, the Company is dormant with effect from 29 December 2017.

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (Continued)

2. ACCOUNTING POLICIES (Continued)

(g) *Foreign currencies*

The functional and presentation currency of the Company is US Dollars (USD), which is the currency of the Company's assets and liabilities. Accordingly amounts in the financial statements are denominated in US Dollars (USD).

(h) *Exemptions*

The Company has availed of the exemption in FRS 102, Section 1.12 (b) from the requirement to prepare cash flow statement, as its ultimate parent Company Raytheon Company prepares publicly available consolidated financial statement. Note 10 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.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4. EMPLOYEE INFORMATION

There were no employees of the Company (2019: nil). The Directors, who are employed by Forcepoint Group companies, did not receive any emoluments during the year for their services to the Company (2019: nil).

5. OPERATING PROFIT

Auditors remuneration has been paid by the Company's parent.

6. CALLED UP SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted issued and fully paid</i>	
	<i>31 December 2020</i>	<i>31 December 2019</i>	<i>31 December 2020</i>	<i>31 December 2019</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Ordinary shares of £1 each	-	-	-	-

The authorised share capital is denominated in UK sterling and consists of 100 £1 ordinary shares (2019: £100). The issued share capital of the Company at 31 December 2020 in UK sterling was £2 (31 December 2019: £2). The Company's share capital has been translated into US\$ on a cumulative basis at exchange rates prevailing as and when capital flows occur.

SURFCONTROL (CHINA) LIMITED
COMPANY REGISTRATION NUMBER 03165006

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (Continued)

7. PROFIT AND LOSS ACCOUNT

	2020 <i>Profit and loss account US\$'000</i>	2019 <i>Profit and loss account US\$'000</i>
As at 1 January 2020	-	-
Retained profit for the year	-	-
As at 31 December 2020	-	-

8. FINANCIAL COMMITMENTS

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

9. RELATED PARTY TRANSACTIONS

The Company has availed of the exemption in FRS 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.

10. ULTIMATE PARENT COMPANY

The ultimate parent company and ultimate controlling party is Raytheon Technologies Corporation, a company incorporated in the state of Delaware, United States of America. Copies of its consolidated financial statements are available to the public from Raytheon Company, 870 Winter Street, Waltham, Massachusetts 02451. As at the signing date of the accounts the ultimate parent company and ultimate controlling party is Francisco Partners GP VI Management LLC.

11. EVENTS SINCE THE BALANCE SHEET DATE

On October 19, 2020, Raytheon Technologies entered into a definitive agreement with Francisco Partners, a leading global investment firm that specializes in partnering with technology and technology-enabled businesses, to acquire the Forcepoint Group. The transaction was completed on January 8, 2021.

12. 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 2020 on 08 October 2021.