

Registered number: 06085154

## BLUEFORT SECURITY LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



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**BLUEFORT SECURITY LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	I T Jennings D T B Henderson
<b>Registered number</b>	06085154
<b>Registered office</b>	Cody Technology Park Old Ively Road Farnborough Hampshire GU14 0LX
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Building 4 Foundation Park Roxborough Way Maidenhead SL6 3UD

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**BLUEFORT SECURITY LIMITED**

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## BLUEFORT SECURITY LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Introduction

The Directors present their strategic report for the company.

Bluefort Security Limited is a provider of cyber security solutions.

The strategy of the business is to:

- promote understanding of the breadth, depth and severity of cyber risk faced by businesses and the continually evolving nature of those threats;
- identify and explore technologies that enable companies to effectively combat those risks; and
- cater for the growing demand for value added security solutions.

In keeping with the company's overall strategy, the Directors have continued to expand their value added Evolve offering to cover all aspects of visibility, intelligence and control to secure customers IT environments.

#### Business review

Turnover in 2021 increased by £0.8m to £13.7m from the total of £12.9m in 2020. The mix of business continues to change rapidly with increased uptake of the subscription payment model, more customers benefiting from the valued added Evolve service and increasing numbers of clients taking out longer term contracts.

Gross Margin in the period decreased by 4.4% to 33.6% down from 38.0% in 2020, largely driven by a small number of lower margin contracts entered into at the end of 2020, the effect of which was seen in 2021.

Administrative overheads, mainly comprising staff costs, remained broadly constant at £3.2m and hence the fall in Profit before Tax of £0.3m to £1.4m in 2021 was as a result of the decrease in Gross Margin described above.

#### Principal risks and uncertainties

The directors have identified the following principal risks and uncertainties affecting the company:

**Employee attrition:** The company has averaged 29 employees over the last 2 years and is not dependent on any single employee the loss of whom would significantly impact the business. Employee turnover is low, however, there is a skills shortage across the industry and attracting and retaining high quality team members is a key focus for the Directors. The Directors regularly review staff morale and employee incentive schemes and continue to adapt to try and deliver a healthy and attractive work/ home balance in the post Covid environment.

**IT Systems:** The company has invested heavily in Salesforce over the last 10 years and as a result it has a first class CRM system used throughout the business. However the Directors recognise that it has outgrown the accounting solution used in the business since inception. As a result, they have undertaken a wide review of accounting packages suitable for the size and nature of the company and have committed to a significant upgrade in a new accounting software solution that will integrate with Salesforce and provide the company with a best in class IT solution across the business.

#### Financial key performance indicators

The Directors monitors the company's performance using a number of measures. These include:

- Number of new customers
- Customer retention and renewal
- Technical support response times
- Customer satisfaction

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BLUEFORT SECURITY LIMITED

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021

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This report was approved by the board and signed on its behalf.



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**I T Jennings**  
Director

Date: 31 AUG 2022 .

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## BLUEFORT SECURITY LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £1,166,386 (2020 - £1,506,240).

#### Directors

The directors who served during the year were:

I T Jennings  
D T B Henderson

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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**BLUEFORT SECURITY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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**I T Jennings**  
Director

Date: 31 AUG 2022.

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## BLUEFORT SECURITY LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUEFORT SECURITY LIMITED

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#### Opinion

We have audited the financial statements of Bluefort Security Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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.



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## BLUEFORT SECURITY LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUEFORT SECURITY LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### 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 or 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 returns adequate for our audit have not been received from branches not visited by us; 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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## BLUEFORT SECURITY LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUEFORT SECURITY LIMITED (CONTINUED)

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#### **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.

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:

- Enquiry of entity staff in finance and compliance functions to identify any instances of non-compliance with laws and regulations;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, and;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**BLUEFORT SECURITY LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUEFORT SECURITY LIMITED  
(CONTINUED)**

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**Use of our report**

This 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 Auditors' 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.

*Jason Mitchell*

Jason Mitchell MBA BSc FCA (Senior Statutory Auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Maidenhead, United Kingdom

Date:

*6 September 2021*

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**BLUEFORT SECURITY LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £	2020 £
Turnover	4	13,743,222	12,863,308
Cost of sales		(9,130,111)	(7,970,179)
<b>Gross profit</b>		<b>4,613,111</b>	<b>4,893,129</b>
Administrative expenses		(3,171,624)	(3,153,684)
<b>Operating profit</b>	5	<b>1,441,487</b>	<b>1,739,445</b>
Interest receivable and similar income		2,532	1,062
<b>Profit before tax</b>		<b>1,444,019</b>	<b>1,740,507</b>
Tax on profit	10	(277,633)	(234,267)
<b>Profit for the financial year</b>		<b>1,166,386</b>	<b>1,506,240</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>1,166,386</b>	<b>1,506,240</b>


The notes on pages 13 to 23 form part of these financial statements.

**BLUEFORT SECURITY LIMITED**  
**REGISTERED NUMBER: 06085154**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	66,099	83,719
		<u>66,099</u>	<u>83,719</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	11,816,931	14,316,013
Cash at bank and in hand	13	3,588,259	2,294,062
		<u>15,405,190</u>	<u>16,610,075</u>
Creditors: amounts falling due within one year	14	(13,353,488)	(14,494,663)
<b>Net current assets</b>		<u>2,051,702</u>	<u>2,115,412</u>
<b>Total assets less current liabilities</b>		<u>2,117,801</u>	<u>2,199,131</u>
<b>Provisions for liabilities</b>			
Deferred tax	15	(14,796)	(12,512)
		<u>(14,796)</u>	<u>(12,512)</u>
<b>Net assets</b>		<u><u>2,103,005</u></u>	<u><u>2,186,619</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	60,000	60,000
Profit and loss account	17	2,043,005	2,126,619
		<u><u>2,103,005</u></u>	<u><u>2,186,619</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
 .....  
**I T Jennings**  
 Director

Date: 31 Aug 2022.

The notes on pages 13 to 23 form part of these financial statements.

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**BLUEFORT SECURITY LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	60,000	2,126,619	2,186,619
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,166,386	1,166,386
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	1,166,386	1,166,386
Dividends: Equity capital	-	(1,250,000)	(1,250,000)
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	(1,250,000)	(1,250,000)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>	<b>60,000</b>	<b>2,043,005</b>	<b>2,103,005</b>
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The notes on pages 13 to 23 form part of these financial statements.

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**BLUEFORT SECURITY LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020 (as previously stated)	60,000	2,180,051	2,240,051
Prior year adjustment	-	(594,672)	(594,672)
At 1 January 2020 (as restated)	<u>60,000</u>	<u>1,585,379</u>	<u>1,645,379</u>
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,506,240	1,506,240
	<u>-</u>	<u>1,506,240</u>	<u>1,506,240</u>
<b>Other comprehensive income for the year</b>			
	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	-	1,506,240	1,506,240
Dividends: Equity capital	-	(965,000)	(965,000)
	<u>-</u>	<u>(965,000)</u>	<u>(965,000)</u>
<b>Total transactions with owners</b>	-	(965,000)	(965,000)
	<u>-</u>	<u>(965,000)</u>	<u>(965,000)</u>
<b>At 31 December 2020</b>	<u><u>60,000</u></u>	<u><u>2,126,619</u></u>	<u><u>2,186,619</u></u>

The notes on pages 13 to 23 form part of these financial statements.

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## BLUEFORT SECURITY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. General information

Bluefort Security Limited is a private company, limited by shares, which is incorporated in England and Wales. The Company number and registered address can be found on the Company Information page.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Bluefort Security Holdings Limited as at 31 December 2021 and these financial statements may be obtained from the registered office.



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## BLUEFORT SECURITY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.5 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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## BLUEFORT SECURITY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	30% reducing balance method
Office equipment	-	30% reducing balance method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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## BLUEFORT SECURITY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### 2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

##### 2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the year end date and the amounts reported for turnover and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The director does not consider there to be any critical judgements or key sources of estimation uncertainty involved in the preparation of the Company's financial statements.

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**BLUEFORT SECURITY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Product sales	2,590,773	3,786,343
Support Sales	824,923	2,500,313
Subscription Sales	4,964,943	2,475,263
Assist Support Sales	5,362,583	4,101,389
	<u>13,743,222</u>	<u>12,863,308</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	13,743,222	12,863,308
	<u>13,743,222</u>	<u>12,863,308</u>

**5. Operating profit**

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	5,444	1,133
Other operating lease rentals	90,221	88,989
Depreciation	27,392	24,839
	<u>123,057</u>	<u>114,961</u>

**6. Auditors' remuneration**

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,000	8,050

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

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**BLUEFORT SECURITY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	2,119,444	2,304,510
Social security costs	312,294	278,742
Cost of defined contribution scheme	82,126	75,157
	<u>2,513,864</u>	<u>2,658,409</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Employees	<u>29</u>	<u>29</u>

**8. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	240,000	240,000
Company contributions to defined contribution pension schemes	20,000	20,000
	<u>260,000</u>	<u>260,000</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £120,000 (2020 - £NIL).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2020 - £NIL).

**9. Interest receivable**

	2021 £	2020 £
Other interest receivable	2,532	1,062
	<u>2,532</u>	<u>1,062</u>

**BLUEFORT SECURITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	279,007	331,690
Adjustments in respect of previous periods	(3,658)	(109,935)
	<u>275,349</u>	<u>221,755</u>
<b>Total current tax</b>	<u>275,349</u>	<u>221,755</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(187)	1,275
Adjustment in respect of prior year	2,471	11,237
<b>Total deferred tax</b>	<u>2,284</u>	<u>12,512</u>
<b>Taxation on profit on ordinary activities</b>	<u>277,633</u>	<u>234,267</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>1,444,019</u>	<u>1,740,507</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	274,364	330,696
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,456	2,269
Adjustment in respect of prior year - corporation tax	(3,658)	(109,935)
Adjustment in respect of prior year - deferred tax	2,471	11,237
<b>Total tax charge for the year</b>	<u>277,633</u>	<u>234,267</u>

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BLUEFORT SECURITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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11. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	57,488	215,104	272,592
Additions	-	18,097	18,097
Disposals	-	(100,007)	(100,007)
At 31 December 2021	57,488	133,194	190,682
<b>Depreciation</b>			
At 1 January 2021	52,301	136,572	188,873
Charge for the year	1,556	25,836	27,392
Disposals	-	(91,682)	(91,682)
At 31 December 2021	53,857	70,726	124,583
<b>Net book value</b>			
At 31 December 2021	3,631	62,468	66,099
At 31 December 2020	5,187	78,532	83,719

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BLUEFORT SECURITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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12. Debtors

	2021 £	2020 £
Trade debtors	1,283,893	3,732,080
Amounts owed by group undertakings	2,152,740	2,152,740
Other debtors	100	112,592
Prepayments and accrued income	8,286,351	8,318,601
Tax recoverable	93,847	-
	<u>11,816,931</u>	<u>14,316,013</u>

13. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>3,588,259</u>	<u>2,294,062</u>

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	732,245	2,132,588
Corporation tax	-	24,935
Other taxation and social security	339,697	430,829
Other creditors	-	22,676
Accruals and deferred income	12,281,546	11,883,635
	<u>13,353,488</u>	<u>14,494,663</u>



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BLUEFORT SECURITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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15. Deferred taxation

	2021 £	2020 £
At beginning of year	(12,512)	-
Charged to profit or loss	(2,284)	(12,512)
At end of year	<u>(14,796)</u>	<u>(12,512)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(15,733)	(15,172)
General provisions	937	2,660
	<u>(14,796)</u>	<u>(12,512)</u>

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**BLUEFORT SECURITY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**16. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
60,000 (2020 - 60,000) Ordinary shares of £1.00 each	<u>60,000</u>	<u>60,000</u>

**17. Reserves**

**Profit and loss account**

This reserve represents cumulative profit and loss.

**18. Pension commitments**

The company operates defined pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £82,126 (2020 - £75,157).

Contributions totalling £NIL (2020 - £NIL) were payable to the fund at the balance sheet date.

**19. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	<u>11,601</u>	<u>101,959</u>
	<u>11,601</u>	<u>101,959</u>

**20. Controlling party**

The Company is controlled by its parent company Bluefort Security Holdings Limited by virtue of its majority shareholding. The Directors of the Company are considered the ultimate controlling party.