

# **BullGuard Limited**

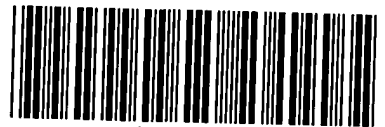
Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 04392368

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# BullGuard Limited

## Company Information

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<b>Directors</b>	N Adams P Lipman G Sidjimkov
<b>Registered number</b>	04392368
<b>Registered office</b>	9 Devonshire Square London EC2M 4YF
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# BullGuard Limited

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# BullGuard Limited

## Group Strategic Report For the Year Ended 31 December 2018

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The directors present their strategic report together with the audited financial statements for the year ended 31 December 2018.

### Principal activities

BullGuard is a multi-award winning, smart home cybersecurity company. We make it simple to protect everything in your digital life – from your data, to your identity and privacy, and to your Smart Home. The BullGuard product portfolio extends to PCs, tablets and smartphone protection, and includes internet security, comprehensive mobile security, 24/7 identity protection and VPN which provides the highest levels of privacy and protection. BullGuard released the world's first IOT vulnerability scanner and leads the consumer cybersecurity industry in providing continuous innovation.

### Business review and future prospects

This review aims to provide a balanced summary of the activities and performance of BullGuard Limited throughout the year ended 31 December 2018, the risks and uncertainties facing the company and the business position at the year end.

#### *Business environment*

The internet security and mobile security markets continue to be highly competitive, with many companies offering perceived similar solutions.

#### *Performance review*

Revenues for 2018 totalled £15,912,000 compared to £15,214,000 (restated) for 2017.

Operating loss for 2018 was £4,984,000 compared to an operating loss of £4,048,000 (restated) in 2017. BullGuard significantly increased investment in online marketing to drive new online revenue, but also to benefit from subsequent year renewals.

### Post balance sheet events

On 2 October 2019, the subsidiary company BullGuard Israel Limited sold the intellectual property for the Dojo product for an undisclosed amount.

### Key Performance Indicators

	2018	2017
	£000	£000
Revenue (restated for 2017)	15,912	15,214
Operating loss (restated for 2017)	(4,984)	(4,048)
Cash	3,776	7,257

# BullGuard Limited

## Group Strategic Report (continued) For the Year Ended 31 December 2018

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### Key Performance Indicators (continued)

#### *Strategy*

BullGuard's strategy is to deliver first class, easy-to-use security software applications for the consumer segment, whilst focusing on partner revenue share and support, continues to be a successful strategy. BullGuard also continues the drive to be first to market with unique products and services to complement the core applications. We provide award winning products that address the most current customer needs with 24/7 in-house customer support.

We have a Global presence, with channel sales showing strength in each of our markets.

Our customer base continues to increase, with over 725,000 paying customers and industry leading renewal rates and we provide a unique revenue share programmed for our extensive network of partners.

### Principal risks, uncertainties and financial management objectives

The key performance indicators for the business are revenue, cash flow and profitability and hence the most significant risks to the business are those that directly impact on these, which are correlated with general economic activity.

#### *Price risk*

The business continues to offset the risk of competitive pressure through continual investment and development in all of our product offerings, providing excellent customer support and service.

#### *Brexit risk*

A large proportion of our revenues are in EUR€ and USD\$ and following the impact on the currency markets as a result of the Brexit vote, we are seeing an increase in our GBP£ revenues as a result of the currency impact alone since our presentational currency is GBP£. With the exception of the currency fluctuations, post Brexit vote we have not witnessed any changes to our business and continue to grow our revenues in all our key geographies. However we will continue to monitor the situation closely and take appropriate action if and when required.

#### *Liquidity risk*

The company had cash balances at the end of the year totalling £3,776,000. There are no debt facilities in place and the directors are confident that the current funding structure is appropriate to allow the company to trade profitably, invest in the business to secure greater growth and to achieve its financial targets in the future.

This report was approved by the board on November 4th, 2019 and signed on its behalf.

**P Lipman**  
Director



# BullGuard Limited

## Directors' Report For the Year Ended 31 December 2018

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The directors present their report together with the audited financial statements for the year ended 31 December 2018.

### Results and dividends

The consolidated statement of comprehensive income is set out on page 9 and shows the loss for the year.

The directors do not recommend the payment of a dividend (2017 - £Nil).

### Business review and future prospects

A business review and likely future developments in the business of the company are discussed in the strategic report.

### Directors

The directors who served during the year were:

N Adams  
P Lipman  
G Sidjimkov

### Disclosure of information to auditor

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 and the group's auditor is 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 and the group's auditor is aware of that information.

### Post balance sheet events

On 2 October 2019, the subsidiary company BullGuard Israel Limited sold the intellectual property for the Dojo product for an undisclosed amount.

### Prior year adjustments

In the prior year company and consolidated financial statements the revenue was overstated by £336,000 as it should have been recognised in the 2016 financial statements. This has therefore decreased revenue in 2017 by £336,000 and increased the 2018 opening retained earnings by £336,000. See note 23 for more information.

In the prior year company and consolidated financial statements the foreign exchange loss in relation to deferred revenue was presented as part of other comprehensive income, however it did not meet the criteria to be presented as such and therefore has been re-classified to administrative expenses. This has increased the 2017 administrative expenses by £698,000 and increased the 2017 other comprehensive income by £698,000. See note 23 for more information.

# BullGuard Limited

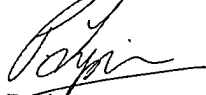
## Directors' Report (continued) For the Year Ended 31 December 2018

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### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on November 4th, 2019 and signed on its behalf.



**P Lipman**  
Director

# BullGuard Limited

## Directors' Responsibilities Statement For the Year Ended 31 December 2018

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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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

# BullGuard Limited

## Independent Auditor's Report to the Members of BullGuard Limited

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### Opinion

We have audited the financial statements of BullGuard Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheet, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, 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 group's and of the parent company's affairs as at 31 December 2018 and of the group's loss 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# BullGuard Limited

## Independent Auditor's Report to the Members of BullGuard Limited (continued)

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### 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. 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

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's 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 by the parent company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

# BullGuard Limited

## Independent Auditor's Report to the Members of BullGuard Limited (continued)

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### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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 group's and the parent 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 group or the parent company or to cease operations, or have 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 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.

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

### 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 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.



**Tom Laird** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 4 November 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# BullGuard Limited

## Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 £000	As restated 2017 £000
Turnover	4	15,912	15,214
Cost of sales		(5,071)	(4,111)
<b>Gross profit</b>		<b>10,841</b>	<b>11,103</b>
Administrative expenses		(15,825)	(15,151)
<b>Operating loss</b>	5	<b>(4,984)</b>	<b>(4,048)</b>
Interest payable and similar expenses	8	(40)	(38)
<b>Loss before taxation</b>		<b>(5,024)</b>	<b>(4,086)</b>
Tax charge on loss from ordinary activities	9	(218)	(152)
<b>Loss for the financial year</b>		<b>(5,242)</b>	<b>(4,238)</b>
Other comprehensive (loss)/income		(157)	199
<b>Total comprehensive loss for the year</b>		<b>(5,399)</b>	<b>(4,039)</b>

All items dealt with in arriving at the loss on ordinary activities before taxation relate to continuing activities.

The notes on pages 15 to 37 form part of these financial statements.

**BullGuard Limited**  
Registered number: 04392368

**Consolidated Balance Sheet**  
As at 31 December 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
<b>Fixed assets</b>					
Intangible assets	10		465		745
Tangible assets	11		586		911
			<u>1,051</u>		<u>1,656</u>
<b>Current assets</b>					
Inventory	13	214		487	
Debtors: amounts falling due within one year	14	2,200		2,553	
Cash at bank and in hand		3,776		7,257	
		<u>6,190</u>		<u>10,297</u>	
Creditors: amounts falling due within one year	15	<u>(14,775)</u>		<u>(14,404)</u>	
<b>Net current liabilities</b>			<b>(8,585)</b>		<b>(4,107)</b>
<b>Total assets less current liabilities</b>			<b>(7,534)</b>		<b>(2,451)</b>
Creditors: amounts falling due after more than one year	16		<u>(3,265)</u>		<u>(2,951)</u>
<b>Net liabilities</b>			<b>(10,799)</b>		<b>(5,402)</b>
<b>Capital and reserves</b>					
Called up share capital	17		1		1
Share premium account	18		15,503		15,501
Retained earnings	18		<u>(26,303)</u>		<u>(20,904)</u>
<b>Total equity</b>			<b>(10,799)</b>		<b>(5,402)</b>

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



**P Lipman**  
Director November 4th, 2019

The notes on pages 15 to 37 form part of these financial statements.

**BullGuard Limited**  
Registered number: 04392368

**Company Balance Sheet**  
As at 31 December 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
<b>Fixed assets</b>					
Intangible assets	10		-		371
Tangible assets	11		204		485
Investments	12		1,613		2,543
			<u>1,817</u>		<u>3,399</u>
<b>Current assets</b>					
Inventory	13	128		129	
Debtors: amounts falling due within one year	14	4,008		6,343	
Cash at bank and in hand		2,369		5,312	
		<u>6,505</u>		<u>11,784</u>	
Creditors: amounts falling due within one year	15	<u>(16,551)</u>		<u>(14,734)</u>	
<b>Net current liabilities</b>			<b>(10,046)</b>		<b>(2,950)</b>
<b>Total assets less current liabilities</b>			<b>(8,229)</b>		<b>449</b>
Creditors: amounts falling due after more than one year	16		<u>(3,265)</u>		<u>(2,951)</u>
<b>Net liabilities</b>			<b>(11,494)</b>		<b>(2,502)</b>
<b>Capital and reserves</b>					
Called up share capital	17		1		1
Share premium account	18		15,503		15,501
Retained earnings	18		<u>(26,998)</u>		<u>(18,004)</u>
<b>Total equity</b>			<b>(11,494)</b>		<b>(2,502)</b>

The company has taken advantage of section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in the financial statements. The loss after tax of the parent company for the year was £8,994,000 (2017 restated - £2,713,000).

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



**P Lipman**  
Director November 4th, 2019

The notes on pages 15 to 37 form part of these financial statements.

# BullGuard Limited

## Consolidated Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital	Share premium account	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2018	1	15,501	(20,904)	(5,402)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(5,242)	(5,242)
Currency translation differences	-	-	(157)	(157)
<b>Total comprehensive loss for the year</b>	-	-	(5,399)	(5,399)
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	-	2	-	2
<b>Total transactions with owners</b>	-	2	-	2
<b>At 31 December 2018</b>	<b>1</b>	<b>15,503</b>	<b>(26,303)</b>	<b>(10,799)</b>

## Consolidated Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital	Share premium account	Restated Retained earnings	Restated Total equity
	£000	£000	£000	£000
At 1 January 2017	1	15,475	(16,865)	(1,389)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(4,238)	(4,238)
Currency translation differences	-	-	199	199
<b>Total comprehensive loss for the year</b>	-	-	(4,039)	(4,039)
<b>Contributions by and distributions to owners</b>				
Issuance of new shares	-	26	-	26
<b>Total transactions with owners</b>	-	26	-	26
<b>At 31 December 2017</b>	<b>1</b>	<b>15,501</b>	<b>(20,904)</b>	<b>(5,402)</b>

The notes on pages 15 to 37 form part of these financial statements.

# BullGuard Limited

## Company Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital £000	Share premium account £000	Retained earnings £000	Total equity £000
At 1 January 2018 (as restated)	1	15,501	(18,004)	(2,502)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(8,994)	(8,994)
<b>Total comprehensive loss for the year</b>	-	-	(8,994)	(8,994)
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	-	2	-	2
<b>Total transactions with owners</b>	-	2	-	2
<b>At 31 December 2018</b>	<b>1</b>	<b>15,503</b>	<b>(26,998)</b>	<b>(11,494)</b>

## Company Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital £000	Share premium account £000	Restated Retained earnings £000	Restated Total equity £000
At 1 January 2017	1	15,475	(15,291)	185
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(2,713)	(2,713)
<b>Total comprehensive loss for the year</b>	-	-	(2,713)	(2,713)
<b>Contributions by and distributions to owners</b>				
Issuance of new shares	-	26	-	26
<b>Total transactions with owners</b>	-	26	-	26
<b>At 31 December 2017</b>	<b>1</b>	<b>15,501</b>	<b>(18,004)</b>	<b>(2,502)</b>

The notes on pages 15 to 37 form part of these financial statements.

# BullGuard Limited

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2018

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Loss for the financial year		(5,399)	(4,039)
<b>Adjustments for:</b>			
Depreciation and amortisation of fixed and intangible assets	10,11	846	626
Net interest payable	8	40	38
Taxation charge	9	218	152
Decrease/(increase) in stocks		273	(319)
Decrease/(increase) in debtors		234	(334)
Increase in creditors		486	724
<b>Cash used in operations</b>		<b>(3,302)</b>	<b>(3,152)</b>
Taxation received/(paid)		66	(126)
Net interest payable	8	(40)	(38)
<b>Net cash used in operating activities</b>		<b>(3,276)</b>	<b>(3,316)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	11	(241)	(318)
<b>Net cash from investing activities</b>		<b>(241)</b>	<b>(318)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	17	2	-
<b>Net cash used in financing activities</b>		<b>2</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(3,515)</b>	<b>(3,634)</b>
Cash and cash equivalents at beginning of year		7,257	10,891
Foreign exchange gain from cash translation		34	-
<b>Cash and cash equivalents at the end of year</b>		<b>3,776</b>	<b>7,257</b>
<b>Cash and cash equivalents at the end of year comprise:</b>			
Cash at bank and in hand		3,776	7,257

The notes on pages 15 to 37 form part of these financial statements.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 1. General information

BullGuard Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

### 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 group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

The consolidated financial statements incorporate the results of BullGuard Limited and all of its subsidiary undertaking as at 31 December 2018 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

#### 2.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.
- No disclosure has been given of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole; and
- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.4 Going concern

The directors consider it appropriate to prepare the financial statements on a going concern basis on the basis that the group holds a significant cash surplus of £3,776k (2017 - £7,257k) at the year end.

In considering the appropriateness of the going concern assumption, the directors have also take into consideration future profit forecasts which based on management's assumptions show a profit generated for a period of twelve months from the issue of the financial statements.

At the time of signing these financial statements, the group now has cash resources in excess of £7,000k.

#### 2.5 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and any expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures, fittings, tools and equipment	- 3 years
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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 the consolidated statement of comprehensive income.

#### 2.6 Investment in subsidiaries

Investments in subsidiaries are recognised in the balance sheet at cost less any provisions for impairment.

#### 2.7 Intangible assets aside from goodwill

Intangible assets acquired in a business combination are recognised separately from goodwill and initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subject to the initial recognition, intangible assets acquired in a business combination are reported at cost less amortisation and accumulated impairment losses.

Amortisation is recognised on a straight line basis over their estimated useful lives at the following rates:

Technology	- 15%
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# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.8 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the fair value of the identifiable assets acquired and liabilities assumed.

Costs directly related to the acquisition are capitalised as incurred.

#### 2.9 Goodwill

Goodwill arising on an acquisition of a subsidiary is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Goodwill on businesses acquired is also capitalised. All goodwill is amortised through the income statement over the directors' estimate of its useful economic life of 10 years.

#### 2.10 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.11 Trade receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

#### 2.12 Inventories

Inventory is recognised in the balance sheet at the purchase price. Provisions are made for obsolete and slow moving products.

#### 2.13 Translation policies

Transactions in foreign currencies are translated at the exchange rate at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

#### 2.14 Revenue

Revenue from the sale of software licenses is recognised in the income statement over the license period which is normally between 12 and 36 months. Revenues are recognised on a straight-line basis over the license period following activation by the end user. Revenue in connection with the sale of licenses to distributors or customers prior to activation is deferred until the start of the fixed license period.

If licence keys are not activated, then the company will recognise revenue from the purchase date, which is in line with the group's Terms of Business.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

#### 2.15 Cost of sales

Cost of sales comprises revenue share, placement fees, production costs relating to retail products, credit card collection fees, third party software license fees and sales agents fees.

#### 2.16 Administrative expenses

Administrative expenses comprise costs related to management, administrative and sales staff, office expenses, marketing, depreciation etc.

#### 2.17 Tax on ordinary activities

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.18 Contribution to pension funds

Certain companies within the group make contributions to defined contribution schemes, the assets of these schemes are held separately from the assets of the company. Pension costs are charged against profits in respect of the accounting period in which they are paid.

#### 2.19 Interest bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

#### 2.20 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.

#### 2.21 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

#### 2.22 Financial instruments

The group 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.22 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

#### 2.23 Deferred taxation

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax balances are not discounted.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax and liabilities are offset within the same legal tax entity.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of turnover, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

In preparing these financial statements, the directors have made the following key judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determination of the useful economic lives of the tangible and intangible assets of the business, to ensure they are appropriate and in line with comparable assets in the software sector.
- Determination of fair value of assets and liabilities acquired through business combinations, including any separately identifiable intangibles identified.

### 4. Turnover

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

	2018 £000	Restated 2017 £000
Online revenue	13,619	13,263
Channel revenue	2,293	1,951
	<u>15,912</u>	<u>15,214</u>

Analysis of turnover by country of invoicing entity:

	2018 £000	Restated 2017 £000
United Kingdom	14,702	13,932
Rest of Europe	765	505
Rest of the world	445	777
	<u>15,912</u>	<u>15,214</u>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 5. Operating loss

The operating loss is stated after charging:

	2018 £000	Restated 2017 £000
Depreciation	566	342
Auditors' remuneration		
- Audit services	102	91
- Non audit services - tax	21	20
- Non audit services - accounts preparation	9	8
- Non audit services - other	62	30
Amortisation	280	284
Operating lease	481	390
Foreign exchange loss	294	765
Research and development	6,298	4,667
	<u>6,298</u>	<u>4,667</u>

### 6. Employees

Staff costs (including directors) consist of:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Wages and salaries	8,014	6,161	346	353
Social security costs	457	836	40	32
Pensions	431	273	26	40
	<u>8,902</u>	<u>7,270</u>	<u>412</u>	<u>425</u>

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

	Group 2018 No.	Group 2017 No.	Company 2018 No.	Company 2017 No.
Employees	<u>153</u>	<u>145</u>	<u>3</u>	<u>3</u>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 7. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments (including fees)	484	652

The highest paid director received total emoluments of £463,000 (2017 - £576,000).

### 8. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	-	4
Other loan interest payable	40	34
	<u>40</u>	<u>38</u>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 9. Taxation

	2018 £000	2017 £000
<b>Corporation tax</b>		
Current tax on profits for the year	94	-
Adjustments in respect of previous periods	56	(18)
	<u>150</u>	<u>(18)</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	158	154
<b>Total current tax</b>	<u>308</u>	<u>136</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	61	-
Adjustments in respect of prior periods	(151)	16
<b>Total deferred tax</b>	<u>(90)</u>	<u>16</u>
<b>Taxation on loss on ordinary activities</b>	<u><u>218</u></u>	<u><u>152</u></u>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £000	Restated 2017 £000
Loss on ordinary activities before tax	(5,024)	(4,086)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	(955)	(786)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,345	141
Income not taxable for tax purposes	(1,062)	(74)
Utilisation of tax losses	-	(4)
Foreign tax	57	44
Adjustments in respect of prior periods	(95)	(2)
Adjustments due to change in tax rates	(34)	36
Unrelieved tax losses and other deductions in the period	235	797
Market value adjustments in respect of intra-group transfer	727	-
<b>Total tax charge for the year</b>	<b>218</b>	<b>152</b>

#### Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax asset at 31 December 2018 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

At 31 December 2018 the group had unrelieved tax losses of £9,242,620 (2017 - £8,590,367) with a potential deferred tax asset of £1,709,043 (2017 - £1,632,169). At the 31 December 2018 the group has recognised a deferred tax asset of £Nil (2017 - £Nil).

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 10. Intangible assets

#### Group

	Technology £000	Goodwill on consolidation £000	Total £000
<b>Cost</b>			
At 1 January 2018	469	2,102	2,571
At 31 December 2018	<u>469</u>	<u>2,102</u>	<u>2,571</u>
<b>Amortisation</b>			
At 1 January 2018	98	1,728	1,826
Charge for the year	70	210	280
At 31 December 2018	<u>168</u>	<u>1,938</u>	<u>2,106</u>
<b>Net book value</b>			
At 31 December 2018	<u>301</u>	<u>164</u>	<u>465</u>
At 31 December 2017	<u>371</u>	<u>374</u>	<u>745</u>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 10. Intangible assets (continued)

#### Company

	<b>Technology £000</b>
At 1 January 2018	469
Disposals	(469)
At 31 December 2018	-
At 1 January 2018	98
On disposals	(98)
At 31 December 2018	-
<b>Net book value</b>	
At 31 December 2018	-
At 31 December 2017	371

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 11. Tangible fixed assets

#### Group

	<b>Fixtures, fittings, tools and equipment £000</b>
<b>Cost</b>	
At 1 January 2018	2,382
Additions	241
At 31 December 2018	<u>2,623</u>
<b>Depreciation</b>	
At 1 January 2018	1,471
Charge for the year	566
At 31 December 2018	<u>2,037</u>
<b>Net book value</b>	
At 31 December 2018	<u>586</u>
At 31 December 2017	<u>911</u>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 11. Tangible fixed assets (continued)

#### Company

	Fixtures, fittings, tools and equipment £000
<b>Cost</b>	
At 1 January 2018	1,463
Additions	52
At 31 December 2018	<u>1,515</u>
<b>Depreciation</b>	
At 1 January 2018	978
Charge for the year	333
At 31 December 2018	<u>1,311</u>
<b>Net book value</b>	
At 31 December 2018	<u><u>204</u></u>
At 31 December 2017	<u><u>485</u></u>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 12. Investments

#### Company

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 January 2018	2,543
At 31 December 2018	<u>2,543</u>
<b>Impairment</b>	
Charge for the period	930
At 31 December 2018	<u>930</u>
<b>Net book value</b>	
At 31 December 2018	<u>1,613</u>
At 31 December 2017	<u>2,543</u>

The impairment relates to the reduction in the carrying values of investments in Bullguard Denmark ApS and Bullguard Sverige AB.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 12. Investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Registered address	Holding
BullGuard ApS	Denmark	c/o Mazars Erhvervsservice ApS Østerfælled Torv 10 2 2100 Copenhagen	100%
BullGuard Denmark A/S	Denmark	c/o Mazars Erhvervsservice ApS Østerfælled Torv 10 2 2100 Copenhagen	100%
BullGuard Deutschland GmbH	Germany	c/o Mazars Theodor- Stern-Kai 1 60596 Frankfurt, Germany	100%
BullGuard Benelux BVBA	Belgium	De Keyserlei 58-60 box 19, 2018 Antwerp	100%
BullGuard UK Ltd	UK	9 Devonshire Square London EC2M 4YF	100%
BullGuard Sverige AB	Sweden	c/o Mazars SET, Box 1317 111 83 Stockholm	100%
BullGuard Software SRL	Romania	Afi Park 5 Blvd. Timisara, Nr. 4A, etaj 4, Sector 6, Bucuresti Romania Postal Code 061328	100%
BullGuard Australia Pty Ltd	Australia	c/o GW Accounting Unit 8 174 Liverpool Road Enfield NSW 2136	100%
BullGuard US, Inc.	US	85 Chestnut Ridge Rd, Suite 114 Montvale, NJJ 07645	100%
BullGuard Israel Ltd	Israel	Ha'Menofim 10 St Herzliya Israel	100%

### 13. Inventory

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Finished goods	214	487	128	129

Inventory is measured using the average cost formula.

Inventory recognised in cost of sales during the year as an expense was £495,001 (2017 - £276,808). The amount of impairment loss recognised in the income statement was £221,045 (2017 - £268,390).

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 14. Debtors

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Trade receivables	1,266	1,603	892	779
Receivables from group enterprises	-	-	2,774	5,142
Other receivables	434	387	68	232
Prepayments and accrued income	229	212	145	131
Corporation tax	52	178	-	18
VAT receivable	219	173	129	41
	<u>2,200</u>	<u>2,553</u>	<u>4,008</u>	<u>6,343</u>

### 15. Creditors: amounts falling due within one year

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Trade creditors	633	914	551	700
VAT payable	268	-	-	-
Payables to group enterprises	-	-	5,152	3,551
Corporation tax	152	-	-	-
Other payables and accruals	2,765	2,836	1,022	1,057
Deferred revenue	10,957	10,654	9,826	9,426
	<u>14,775</u>	<u>14,404</u>	<u>16,551</u>	<u>14,734</u>

### 16. Creditors: amounts falling due after more than one year

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Deferred revenue	3,265	2,951	3,265	2,951

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 17. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
6,230,000 Ordinary shares of £0.00005 each	312	300
5,168,200 Series A Preferred shares of £0.00005 each	258	258
8,294,000 Series B Preferred shares of £0.00005 each	415	415
	<u>985</u>	<u>973</u>

During 2018, 257,422 ordinary shares were issued at a premium of £0.0495 per share.

The holders of ordinary shares, Series A preferred shares and Series B preferred shares are equally entitled to receive a dividend if any dividend is declared from the company.

On liquidation, reduction of capital, dissolution or winding up of the company the assets of the company available for distribution among the shareholders shall be applied strictly in the following order of priority:

- a) first, in payment to the holders of each Series B Preferred share an amount equal to two times the subscription price per Series B Preferred share held by them;
- b) second, in payment to the holders of each Series A Preferred share an amount equal to the subscription price per share Series B Preferred share held by them;
- c) thereafter each share shall participate in the remaining assets of the company available for distribution among the shareholders.

The Series B Preferred shares carry a preferential return on a sale. Out of the total consideration payable on a sale, the proceeds of sale shall be applied strictly in the following order of priority;

- a) first, in payment to the holders of each Series B Preferred share an amount equal to two times the subscription price per Series B Preferred share held by them;
- b) second, in payment to the holders of each Series A Preferred share an amount equal to the subscription price per share Series B Preferred share held by them;
- c) thereafter each share shall participate in the remaining assets of the company available for distribution among the shareholders.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 18. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Share premium account

The share premium accounts includes the premium on issue of equity shares, net of any issue costs.

#### Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

### 19. Share based payments

The company operates an equity-settled share based payment remuneration scheme for employees over their £0.00005 ordinary shares.

	Weighted average exercise price (pence) 2018	Number 2018	Weighted average exercise price (pence) 2017	Number 2017
Outstanding at the beginning of the year	0.95	1,200,600	280	8,672
Granted during the year	0.74	375,000	135	8,171
Exercised during the year	0.5	(257,422)	255	(10,840)
Cancelled during the year	0.5	(205,978)		-
<b>Outstanding at the end of the year</b>	<b>0.84</b>	<b>1,112,200</b>	<b>190</b>	<b>6,003</b>
Subdivision of shares (200: 1)	-	-	0.95	1,200,600
<b>Outstanding at the end of the year</b>	<b>0.84</b>	<b>1,112,200</b>	<b>0.95</b>	<b>1,206,603</b>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 19. Share based payments (continued)

The exercise price of options outstanding at the end of the year ranged from 1.4p to 0.5p (2017 - 1.4p to 0.5p) and their weighted average contractual life was 8 years (2017 - 9 years).

Of the total number of options outstanding at the end of the year 611,853 (2017 - 422,629) had vested and were exercisable at the end of the year.

	<b>On issuance 2018</b>	<b>On issuance 2017</b>
Option pricing model used	<b>Black-Scholes</b>	Black-Scholes
Weighted average share price (pence)	<b>£0.014</b>	£0.014
Exercise price (pence)	<b>£0.014</b>	£0.014
Weighted average contractual life (years)	<b>10</b>	10
Expected volatility	<b>20%</b>	20%
Risk-free interest rate	<b>0.5%</b>	0.5%

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted. The volatility assumption was determined with reference comparable companies.

There was no share-based payment accounting charge in the current or prior year.

### 20. Commitments under operating leases

At 31 December 2018 the group had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2018 £000</b>	<b>2017 £000</b>
Less than 1 year	<b>517</b>	448
Between 1 and 5 years	<b>855</b>	1,383
	<b>1,372</b>	1,831

### 21. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the certain group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

### 22. Controlling party

The ultimate controlling party is EPD Successor Holdco L.P.

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 23. Restatement of revenue and foreign exchange treatment for the group and company

The revenue recognition in relation to license key sales was not correctly reflected in the consolidated and company statement of comprehensive income for 2017 due to revenue that should have been recognised in 2016.

The foreign exchange in relation to currency translation differences was not correctly reflected in the consolidated and company statement of comprehensive income for 2017.

The foreign exchange loss in relation to unrealised foreign exchange has been moved into administrative expenses from the previously categorised other comprehensive income as it did not meet the classification criteria for other comprehensive income.

The respective figures for 2017 have been restated and shown below.

#### Consolidated Statement of Comprehensive Income

	2017, restated £000
Loss for the year, previously stated	3,204
Reclassification in relation to foreign exchange	698
Restatement in relation to revenue	336
<b>Total loss for the year, restated</b>	<b>4,238</b>
Other comprehensive loss, previously stated	499
Reclassification in relation to foreign exchange	(698)
<b>Other comprehensive income, restated</b>	<b>(199)</b>
<b>Total comprehensive loss, restated</b>	<b>4,039</b>

#### Consolidated Statement of Financial Position

	2017, restated £000
Opening retained earnings at 1 January 2017, previously stated	(17,201)
Restatement in relation to revenue	336
<b>Opening retained earnings at 1 January 2017, restated</b>	<b>(16,865)</b>

# BullGuard Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 23. Restatement of revenue and foreign exchange treatment for the group and company (continued)

#### Company Statement of Comprehensive Income

	2017, restated £000
Loss for the year, previously stated	1,679
Restatement in relation to foreign exchange	698
Restatement in relation to revenue	336
<b>Total loss for the year, restated</b>	<b>2,713</b>
Other comprehensive loss, previously stated	698
Restatement in relation to foreign exchange	(698)
<b>Other comprehensive loss, restated</b>	<b>-</b>
<b>Total comprehensive loss, restated</b>	<b>2,713</b>
	2017, restated £000
Opening retained earnings, previously stated	(15,627)
Restatement in relation to revenue	336
<b>Opening retained earnings, restated</b>	<b>(15,291)</b>

### 24. Post balance sheet events

On 2 October 2019, the subsidiary company BullGuard Israel Limited sold the intellectual property for the Dojo product for an undisclosed amount.