REGISTERED NUMBER: 05150579 (England and Wales)

Strategic Report, Directors' Report and

Audited Financial Statements

for Year Ended 31 March 2020

for

Arbor Networks UK Limited

Arbor Networks UK Limited

Contents
for Year Ended 31 March 2020

Arbor Networks UK Limited

Company Information
for Year Ended 31 March 2020

DIRECTORS	Jean Bua Michael Szabados Gregory Sloan Anthony King
COMPANY SECRETARY	Abogado Nominees Limited
COMPANY NUMBER	05150579 (England and Wales)
COUNTRY OF INCORPORATION	United Kingdom
REGISTERED OFFICE	100 New Bridge Street London United Kingdom EC4V 6JA
INDEPENDENT AUDITORS	PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Spencer Dock North Wall Quay Dublin 1 Ireland
BANKERS	Bank of America Merill Lynch 2 King Edward Street London EC1A 1HQ JPMorgan Chase Bank 25 Bank Street London E14 5JP

Arbor Networks UK Limited
Strategic Report
for Year Ended 31 March 2020

The directors present their strategic report for year ended 31 March 2020.

REVIEW OF BUSINESS AND KPI's

Arbor Networks UK Limited is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1.

The principal activities of the Company are network traffic management and Distributed Denial of Services (DDoS) mitigation solutions for service providers, enterprise and government organisations. Our portfolio offers complete deployment and pricing flexibility through a mix of managed services, in-cloud, on-premise and virtualized solutions. Additionally, Arbor Networks® Advanced Threat Solutions leverage NetFlow and Packet Capture technology for network-wide situational awareness, broad and deep traffic visibility and dynamic security intelligence that converts threat detection and incident response into powerful visualizations, and rapid, real-time and historical insights.

On the 14 July 2015 Arbor Networks UK Limited was acquired by NetScout Systems Inc., the ultimate parent company, incorporated in the USA.

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

	2020	2019	Change
	$	$	
Revenue	129,829,643	132,497,526	-2%
Gross Profit	120,300,469	123,990,669	-3%
Gross Profit %	93%	94%	-1.0%
No. of employees	67	72	-5
Net Assets	10,835,694	67,450,191	-84%

Revenue decreased from $132,497,526 to $129,829,642 a decrease of 2%. Total revenue also includes $6,177,363 (2019: $6,149,812) which relates to intercompany related party revenue.

The decrease was as a result of lower product DDoS offering product revenue of $7,191,499 mainly in rest of the world offset by an increase in service revenue of $4,496,065 primarily due to an increase in revenue from maintenance contracts.

Net assets reduced from $67,450,191 to $10,835,694 due to dividend pay-out of $60,000,000, the remaining amount relate to the change in accounting policy.

Attrition is a result of hosted employees from other Netscout business units leaving the organisation.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive Risks

The Company faces a range of competitors, including those that may have greater name recognition and substantially greater financial, management, marketing, service, support, technical, distribution and other resources than we do. We believe that the scalability of our solutions, flexible deployment, and price-performance of our cybersecurity solutions position us well to compete against both larger network equipment and security companies and smaller niche security solutions vendors.

In the DDoS solutions market, we compete under the NetScout Arbor brand against a broad range of competitors, including Radware, Akamai, F5 Networks, A10 Networks, Fortinet, Fastly, Cloudflare and Corero Network Security. In the market for specialized threat analysis, packet forensics and protection solutions used to identify advanced network threats, we compete against a range of competitors including Darktrace, Vectra Networks, FireEye, Cisco, Palo Alto Networks, RSA (a Dell Technologies business) and other specialist providers.

The application of NetScout Systems Inc.'s approach ensures that the Company is able to respond quickly to changes in levels of activity or competitive pressures and in this the Company has significant advantages over competitors.

Legislative Risks

Currently we are not aware of any legislation risk regarding the sale and support of our products.

Financial Risks
The Company has minimum exposure to financial risk including credit, currency fluctuation and liquidity risks.

Political Risks - BREXIT
The results of operations may be affected by legislation and political developments; The Company has assessed the risks associated with BREXIT and considers the main potential risks as employment restrictions for non-UK EU employees, increased costs and compliance requirements for custom tariffs, and regulatory restrictions impacting contractual mechanisms. The Company is continuing to evaluate and implement processes to minimise these risks.

Price, Credit, Liquidity and Cash Flow Risks
Currency risk is limited as purchases are primarily in US Dollars, yet salary and related expenses are transacted in many foreign currencies. These obligations are settled within 30 days and exposure is limited. In regards to third party sales, the business is involved in many geographical areas, invoicing occurs primarily in US Dollars and exposure to undue currency risks is limited.

The directors believe that the Company has sufficient funds available to withstand any difficulties which may arise in the next 12 months.

The directors continue to identify and evaluate operational and other risks imposed on the Company, implementing changes, where necessary, to reduce the risks to manageable levels.

Section 172 statement

The directors of Arbor Networks UK Ltd have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at Board level and throughout the NetScout Group. Issues, factors and stakeholders which the Directors have considered when discharging their duty under section 172(1) are detailed on pages 3 to 29, 30 to 52 and throughout the Annual Report, available on NetScout website (www. ir.netscout.com/investors/).

Our vision, purpose, sustainability pillars and values are set out in the strategic report, as are the risks facing our organisation and the mitigating action we take, our environmental, social and governance practices, examples of stakeholder engagement and information about our engagement with employees, shareholders and suppliers. The NetScout Group's ESG activity, overseen by the Board, is described in the Strategic report on pages 3 to 29.

The Corporate Governance report contains examples of how the directors have engaged and have had regard to our stakeholders and the effect of doing so on principal decisions taken by the Company during the financial year.

Approved by the Board of Directors and signed on its behalf by:

....
Gregory Sloan - Director

Date: ....11-Mar-2021...............................

Directors' Report
for Year Ended 31 March 2020

The directors present their Directors' Report with the audited financial statements of the Company for the year ended 31 March 2020.

The principal activities of the Company are network traffic management and Distributed Denial of Services mitigation solutions for service providers, enterprise and government organizations as well as deep traffic visibility and dynamic security intelligence that transforms threat detection and incident response into powerful visualization tools with real time historical insight.

DIVIDENDS

Dividends of $60,000,000 were distributed for the year ended 31 March 2020 and no dividends were distributed for prior year ended 31 March 2019.

The Company paid a cash dividend to the parent company, TF Holdings B.V., of $60,000,000 on 1st April 2019 out of the profits available for distribution.

On 1st April 2019, the Company received total payment of $33,488,139 from its intercompany debtor, NSRS Holdings B.V., to settle the entire intercompany loan with receivable principal of $31,000,000 and receivable interest in the amount of $2,488,139.

DIRECTORS

Directors that have held the office for the entire period and to the date of this report, unless otherwise stated, were as follows:

Jean Bua
Michael Szabados
Gregory Sloan
Carolina Jones (Resigned 16/06/2020)
Anthony King

THIRD PARTY INDEMNITIES

NetScout Systems Inc., has provided limited indemnities to all directors in respect of the cost of defending claims against them and third party liabilities. These are all third-party indemnity provisions for the purpose of the Companies Act 2006 and are all currently in force.

HEALTH, SAFETY AND THE ENVIRONMENT

The Company is committed to the maintenance of high standards of practice concerning the health and safety of its employees. The Company recognises its legal obligations in this respect and compliance with such obligations and a number of policies on such matters are monitored through a health and safety committee. The Company is sensitive to the needs of the environment.

GOING CONCERN

The Company has a strong customer base and its liquidity is very good. The Company traded profitably throughout the year and since the year end, such that it had cash at bank and in hand in excess of $43m as at 31 July 2020. The directors therefore have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, including 12 months from the date of signing the Financial Statements. Accordingly, a going concern basis has been adopted in preparing the Strategic Report and financial statements.

The Company is closely monitoring the impact of COVID-19 on all aspects of its business. COVID-19 was declared a global pandemic by the World Health Organization on March 11, 2020 and the President of the United States declared the COVID-19 outbreak a national emergency. While the COVID-19 pandemic has not had a material adverse impact on the Company's operations to date, the future impacts of the pandemic and any resulting economic impact are largely unknown and rapidly evolving.

EMPLOYMENT POLICIES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical with that of other employees.

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

DONATIONS

The Company has not made any political donations and/or expenditures during the year ended 31 March 2020 and neither for prior years.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

REDUCED DISCLOSURES

Arbor Networks UK Limited, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year.

FUTURE DEVELOPMENTS

Arbor Networks UK Limited expects continued growth in the European and international markets as the Company continues to expand its sales efforts within these regions. The Company has maintained its position as the world leader in Distributed Denial of Services (DDoS) protection by diversifying into the enterprise sector and continuing to introduce cloud-based DDoS protection against DDoS attacks for the world's leading organisations.

The Company's Advanced Threat Solutions continue to be increasingly popular across European and international markets for its new and faster approach to find and resolve advanced threats and reducing the risk on organisations' networks.

INDEPENDENT AUDITORS

The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

COVID-19

The outbreak of the Coronavirus Disease 2019 ("COVID-19") has caused disruptions to many industries globally. Despite the challenges, governments and international organisations have implemented a series of measured to contain the pandemic.

The COVID-19 outbreak is an event that occurred during the Company's financial year and the impact of the COVID-19 outbreak on the Company's assets and liabilities have been assessed and recognised in the financial statements as at 31 March 2020. Subsequent to the end of the financial year and as at the date the financial statements were authorised for issue, management has also assessed the reasonably expected impact of COVID-19 and considers this impact to be non-adjusting event.

To protect our employees, contractors, customers, suppliers, and our local communities, and limit the effect of the COVID-19 pandemic on our operations, we have directed NetScout employees at our locations globally to work remotely, with limited exceptions for site-essential personnel (with protective measures and protocols in place), and we may take further actions that alter our operations as may be required by federal, state, or local authorities, or by foreign governments in countries in which we operate, or which we determine are in the best interests of our employees, suppliers, customers, business partners, and stockholders. We expect that work from home requirements and other restrictions on our employees, suppliers, customers, and business partners will change over time, whether becoming more or less restrictive, as the pandemic and global responses progress.

There is a great deal of uncertainty as to when our employees will be able to return to work on-site. Similar to other companies we have begun planning for our employees to return to work on-site in phases in accordance with federal, state and local government guidelines, as well as in accordance with foreign governmental guidelines in the countries in which we operate. Furthermore, any process we implement to enable our employees to return to work on-site will be in accordance with prevailing health and science guidance, and in a manner that seeks to protect our employees, contractors, customers, suppliers and our local communities.

As part of our existing business continuity planning, we had established infrastructure and protocols to enable our employees to work from home, but we have never before required our employees to work remotely for such an extended period of time. While we believe that our employees are able to and can continue to effectively work remotely, it is possible that the disruptions to our business operations resulting from quarantines, self-isolations, or other movement and restrictions on the ability of our employees to perform their jobs could affect our ability to develop and design our products and services in a timely manner or meet required milestones or customer commitments, and that this could have an adverse effect on our revenue and operating results. In addition, although we have been able to adequately staff our facilities with site-critical personnel with specific health and safety protocols, to satisfy our manufacturing obligations to our customers, it is possible that we or others may determine that it is necessary to direct that employees engaged in manufacturing refrain from working on-site for an indeterminate period of time, and that this could have an adverse effect on our revenue and operating results.

Furthermore, global travel has been sharply curtailed, and in some cases prohibited. Our sales personnel often meet with customers or prospective customers in person to provide greater personalized service. While our employees and customers have adjusted to virtual meetings, the inability of our sales personnel to meet with customers or prospective customers at a customer facility could have an adverse effect on our revenue and operating results.

In addition, we rely on third-party suppliers and manufacturers in China and elsewhere. The COVID-19 outbreak has resulted in the extended shutdown of certain businesses throughout the world, which may result in disruptions or delays to our supply chain. These may include disruptions from temporary closure of third-party supplier and manufacturer facilities, interruptions in product supply or restrictions on the export or shipment of our products, as well as the import of products into countries in which we operate. Although we have attempted to minimize the effects of these disruptions, it is possible that these attempts will be insufficient, and that these disruptions will likely have an adverse effect on our revenues and operating results.

The impact of the COVID-19 outbreak has been widespread and has adversely affected the global economy. While the potential impact and duration of the COVID-19 pandemic on the global economy and our business in particular may be difficult to assess or predict, the pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could decrease technology spending, adversely affecting demand for our products and services, and thus negatively affecting our revenues and operating results.

The global COVID-19 pandemic continues to rapidly evolve, and we will continue to monitor the COVID-19 situation closely and respond appropriately.

The extent to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and the length of, and effectiveness of, measures taken to contain it or treat its impact, as well as actions taken by governmental authorities to address the economic impact of the outbreak.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to our quarterly revenue and operating results, the estimates made for our critical accounting policies, and the operation of internal controls over such estimates, as well as on our liquidity and on our ability to satisfy our indebtedness obligations, including the compliance with the covenants that apply to our indebtedness.

SUBSEQUENT EVENTS

Dividend Payment

In the interim, the Company paid a cash dividend to the parent company, TF Holdings B.V., of $12,000,000 on 1st February 2021, out of the profits available for distribution.

OTHER

Details of principal risks and uncertainties are as disclosed in the Strategic Report.

Approved by the Board of Directors and signed on its behalf by:

....

Gregory Sloan - Director

Date: ....11-Mar-2021.............................

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors Report and the financial statements in accordance with applicable laws 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

Approved by the Board of Directors and signed on its behalf by:

....
Gregory Sloan - Director

Date: ....11-Mar-2021..................................

pwc

Independent auditors' report to the members of Arbor Networks UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arbor Networks UK Limited's financial statements:

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

We have audited the financial statements, included within the Strategic Report, Directors' Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2020; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 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.

We have nothing to report in respect of the above matters.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Damian Byrne

Damian Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
11 March 2021

Arbor Networks UK Limited

Profit and Loss Account
for Year Ended 31 March 2020

	Notes	Year Ended 31 March 2020 $	Year Ended 31 March 2019 Restated $
TURNOVER	2	129,829,643	132,497,526
Cost of sales		(9,529,174)	(8,506,857)
GROSS PROFIT		120,300,469	123,990,669
Operating expenses		(116,009,907)	(107,277,608)
OPERATING PROFIT		4,290,562	16,713,061
Interest receivable and similar income	5	576,969	1,458,501
Interest payable and similar expenses	6	-	(18,047)
PROFIT BEFORE TAXATION	4	4,867,531	18,153,515
Tax on profit	7	(1,423,370)	(2,822,901)
PROFIT FOR THE FINANCIAL PERIOD		3,444,161	15,330,614

CONTINUING OPERATIONS
None of the Company's activities were acquired or discontinued during the current year or previous period. The profit for the financial year is wholly attributable to the equity shareholders of the Company.

TOTAL COMPREHENSIVE INCOME
The Company has no recognised gains or losses other than the profit for the current year and on this basis, no statement of Comprehensive Income has been included.

Arbor Networks UK Limited

Balance Sheet
As at 31 March 2020

	Notes	31 March 2020	31 March 2019 restated
		$	$
ASSETS			
NON-CURRENT ASSETS			
Property, Plant, Equipment	8	818,617	1,009,163
Debtors: amounts falling due after more than one year	11	362,805	-
		1,181,422	1,009,163
CURRENT ASSETS			
Inventory	9	733,330	1,266,038
Debtors: amounts falling due within one year	10	44,013,724	78,677,017
Cash at bank and in hand		50,802,570	82,082,521
		95,549,624	162,025,576
TOTAL ASSETS		96,731,046	163,034,739
CURENT LIABILITIES			
Creditors: amounts falling due within one year	12	62,002,611	72,661,219
TOTAL ASSETS LESS CURRENT LIABILITIES		34,728,435	90,373,520
NON-CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	13	23,892,741	22,923,329
NET ASSETS		10,835,694	67,450,191
CAPITAL AND RESERVES			
	15		
Called up share capital		4	4
Profit & Loss account		9,600,483	66,156,322
Capital contribution		1,235,207	1,293,865
SHAREHOLDERS' FUNDS		10,835,694	67,450,191

The financial statements were approved by the Board of Directors on ....11-Mar-2021........................ and were signed on its behalf by:

....
Gregory Sloan - Director

Arbor Networks UK Limited

Statement of changes in Equity
for Year Ended 31 March 2020

	Called up Share Capital	Profit and loss account	Capital contribution	Total shareholders' funds
	$	$	$	$
Balance at 01 April 2018	4	47,270,310	1,052,790	48,323,104
Revised profit and total comprehensive income for the financial period	-	15,330,614	-	15,330,614
Revenue recognition Policy - Change Impact	-	3,555,398	-	3,555,398
Capital contribution - Share based payment	-	-	241,075	241,075
Balance at 31 March 2019	4	66,156,322	1,293,865	67,450,191
Balance at 01 April 2019	4	66,156,322	1,293,865	67,450,191
Profit and total comprehensive income for the financial period	-	3,444,161	-	3,444,161
Capital contribution - Share based payment	-	-	(58,658)	(58,658)
Dividends paid	-	(60,000,000)	-	(60,000,000)
Balance at 31 March 2020	4	9,600,483	1,235,207	10,835,694

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the reporting period and to the preceding year.

General information and basis of accounting
Arbor Networks UK Limited is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 4 to 6.

The individual Financial Statements of Arbor Networks UK Limited have been prepared in compliance with applicable United Kingdom Accounting standards, including Financial Reporting Standard (FRS 102) and the Companies Act 2006. Arbor Networks UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, NetScout Systems Inc., which can be obtained from 310 Littleton Road, Westford, MA, 01886, USA. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, financial instruments and remuneration of key management personnel.

Accounting convention
The financial statements have been prepared under the historical cost convention amended for certain items at fair value as set out in the accounting policies below and are in accordance with applicable accounting standards and FRS 102, issued by the Financial Reporting Council.

Functional and presentation currency
The Company's functional currency is GB Pounds and presentation currency is US Dollars due to the fact that the currency of parent company, Netscout Systems Inc. is US Dollars.

Foreign currencies
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Going concern
The directors have considered the financial position of the Company at year end and the financial statements have been prepared using the going concern basis of accounting. The Company has sufficient funds required to meet liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements. The company meets its day to day working capital requirements through ongoing operations. The current economic conditions due to the Covid-19 pandemic continue to create uncertainty, however after making inquiries and considering the company's forecasts and projections, the directors have a reasonable expectation that the company and its parent have adequate resources to continue in operational existence for the foreseeable future.

The directors taking into account all available information about the future, have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least, but not limited to 12 months, from the date which financial statements are authorised for issue. Thus, they continue to adopt the going concern basis of accounting in the preparation of the financial statements.

Share based payments
The Parent company issues equity-settled share awards to certain employees of the Company. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect on non-market-based vesting conditions.

Fair value is measured as the market value of the award on the grant date which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, vesting restrictions, and behavioural considerations.

1. **ACCOUNTING POLICIES (continued)**

Interest receivable
Interest income is attributable to intercompany loans and from bank accounts, which are recognised using the effective market interest rates. The interest rates are reviewed periodically for its reasonableness.

Revenue

Change in accounting policy:

As of 1 April 2019, the company, in line with its parent company, NetScout Systems Inc., adopted the US accounting standard ASC 606, to recognise revenue. ASC 606 is in accordance with recognition criteria principles allowed under FRS102. ASC 606 focuses on the transfer of control rather than the satisfaction of obligation as prescribed by the previous standard ASC 985. It is a principles based framework which introduces more judgement into the revenue recognition process. It's core principles are focuses on the nature of the promises in a contract. ASC 606 requires a contract to recognise the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The new standard introduces a five-step process to be following in determining the amount and timing of revenue recognition. Under ASC 606, revenue is allocated based on SSP (standalone selling price) and each performance obligation, including software, is recognised at the appropriate revenue trigger. The company elected to use the modified retrospective transition approach, therefore the comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods.

Revenue recognition policy

The company exercises judgement and uses estimates in connection with determining the amounts of products and services to be recognised in each accounting period. The company derives revenues primarily from the sale of network management tools for service provider and enterprise customers, which includes hardware, software and service offerings. The majority of the Company's product sales consist of hardware products with embedded software that are essential to providing customers the intended functionality of the solutions. The Company also sell software offerings decoupled from the underlying hardware and software solutions to provide customers with enhanced functionality. The Company accounts for revenue once a legally enforceable contract with a customer has been approved by the partied and the related promises to transfer products or services have been identified. A contract is defined by the Company as an arrangement with commercial substance identifying payment terms, each party's rights and obligations regarding the products or services to be transferred and the amount the Company deems probable of collection. Customer contracts may include promises to transfer multiple products and services to a customer. Determining whether the products and services are considered distinct performance obligations that should be accounted for separately or as one combined performance obligation may require significant judgment. Revenue is recognised when control of the products or services are transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for products and services.

Product revenue is typically recognised upon shipment, provided a legally enforceable contract exists, control has passed to the customer, and in the case of software products, when the customer has the rights and ability to access the software, and collection of the related receivable is probable. If any significant obligations to the customer remain post-delivery, typically involving obligations relating to installation and acceptance by the customer, revenue recognition is deferred until such obligations have been fulfilled. The Company's service offerings include installation, integration, extended warranty and maintenance services, post-contract customer support, stand-ready software-as-a-service (SaaS) and other professional services including consulting and training. The Company generally provides software and/or hardware supports as part of product sales, Revenue related to the initial bundled software and hardware support is recognised rateably over the support period. In addition, customers can elect to purchase extended support agreements for periods after the initial software/hardware warranty expiration. Support services generally include rights to unspecified upgrades (when and if available), telephone and internet-based support, updates, bug fixes and hardware repair and replacement. Consulting services are recognised upon delivery or completion of performance depending on the terms of the underlying contract. Reimbursements of out-of-pocket expenditures incurred in connection with providing consulting services are included in services revenue, with offsetting expense recorded in cost of service revenue. Training services include on-site and classroom training. Training revenue are recognised upon delivery of the training. Generally, the Company's contracts are accounted for individually. However, when contracts are closely interrelated and dependent on each other, it may be necessary to account for two or more contracts as one to reflect the substance of the group of contracts. Bundled arrangements are concurrent customer purchases of a combination of the Company's product and service offerings that may be delivered at various points in time. The Company's allocated the transaction price among the performance obligations in an amount that depicts the relative standalone selling prices (SSP) of each obligation. Judgement is required to determine the SSP for each distinct performance obligation. The Company uses a range of amounts to estimate SSP when it sells each of the products and services separately based on the element's historical prising. The Company also considers it overall pricing objectives and practices across different sales channels and geographies and market conditions. Generally, the Company has established SSP for a majority of its service elements based on historical standalones sales. In certain instances, the Company has established SSP for services based upon an estimate of profitability and the underlying cost to fulfil those services. Further, for certain service engagements, the Company considers quoted prices as part of multi-element arrangements of those engagements as a basis for establishing SSP, SSP has been established for product elements as the average of median selling price the element was recently sold for, whether sold alone or sold as part of a multiple element transaction. The Company reviews sales of the product elements on a quarterly basis and updates, when appropriate, its SSP for such elements to ensure that it reflects recent pricing experience. The Company products are distributed through its direct sales force and indirect distribution channels through alliances with resellers and distributors. Revenue arrangements with resellers and distributors are recognised on a sell-in basis; that is, when control of the product transfers to the reseller or distributor. The Company records consideration given to a reseller or distributor as a reduction of revenue to the extent they have recorded revenue from the reseller or distributor. With limited exceptions, the Company's return policy does not allow product returns for a refund. Returns have been insignificant to date. In addition, the Company has a history of successfully collecting receivables from its resellers and distributors.

Financial instruments
Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

Tangible fixed assets
Tangible fixed assets are stated at historic cost less accumulated depreciation and any provision for impairment. Cost includes original purchase price of the asset and the costs attributable to bringing the asset to its working condition and its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment – 3 years
Fixtures $ fittings – 5 years
Leasehold improvements – over the term of the lease
Demo & Eval. units – 1 year and 6 months

Inventory
Inventory is stated at the lower of cost and net realisable value. Cost includes direct materials, direct labour and an attributable proportion of manufacturing overheads based on a normal level of activity. Cost is calculated using the weighted average cost method.

Net realisable value is based on estimated selling price, less any further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

1. **ACCOUNTING POLICIES (continued)**

Taxation
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from gains and losses in tax assessments in in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Pension costs and other post-retirement benefits
The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the profit and loss account in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating leases
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1. **ACCOUNTING POLICIES (continued)**

Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.
Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets
For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There have been no significant estimates or assumptions which are likely to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Critical judgements in applying the Company's accounting policies
The are no other critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

2. TURNOVER

The revenue for the period ended 31 March 2020 and prior year ended 31 March 2019 are attributable to the principal activity of the Company

An analysis of revenue by geographical market is given below:

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
United Kingdom	18,568,075	18,104,135
Europe	44,475,496	39,572,179
United States of America	1,109,245	439,915
South America	17,005,514	17,553,776
Asia	21,211,854	20,612,497
Rest of the world	27,459,459	36,215,024
	129,829,643	132,497,526

An analysis of revenue by category is given below:

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Sale of goods (Hardware and software)	50,873,975	58,065,474
Rendering of services	72,778,306	68,282,241
Intercompany revenue	6,177,362	6,149,811
	129,829,643	132,497,526

The principal activities of the Company are network traffic management, Advanced Threat and DDoS mitigation solutions for service providers as well as internal network visibility and on-premises DDoS mitigation tools for enterprises and government organisations.

3. STAFF COSTS

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Wages and Salaries	7,010,070	6,853,446
Social Security Costs	1,053,486	1,126,410
Other Pension Costs (see note 16)	518,210	583,138
	8,581,766	8,562,994

3. STAFF COSTS (continued)

The average monthly number of persons (including executive directors) employed by the Company during the period was as follows:

	Year Ended 31 March 2020 Number	Year Ended 31 March 2019 Number restated
Sales and pre-sales	36	41
Customer support & services	20	20
Finance, Human Resources and IT	8	8
Marketing	3	3
	67	72

The decrease in the average number of employees is namely due a reduction of employees within Human Resources, Customer Support and Marketing. Consequently, the average number of employees employed during the period decreased by 7% (2019: decreased by 9%).

Directors' remuneration:

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Aggregate emoluments	380,902	407,371
Company contributions to defined benefit contribution scheme	3,774	3,436
	384,676	410,807

For the period ended 31 March 2020 and prior year ended 31 March 2019 three of the five directors provide services to other group undertakings and it is not practicable to allocate their remuneration across all the group undertakings, therefore no amounts in respect of these directors have been included in the amounts shown above. The amount above only includes remuneration attributable for the directors resident in the United Kingdom that have been apportioned to reflect services provided to the Company.

Remuneration of the highest paid director:

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Aggregate emoluments	333,934	364,639
Company contributions to defined benefit contribution scheme	-	-
	333,934	364,639

The highest paid director provides services to other group undertakings, consequently the amounts shown above represents the proportion of the remuneration attributable to the services provided to Arbor Networks UK Limited.

4. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Depreciation of tangible assets (see note 8)	605,913	467,570
Cost of stock recognised as an expense	9,529,174	8,506,859
Foreign exchange differences including translation adjustments	426,126	189,819
Operating lease expenses	279,640	306,501
Selling and Distribution costs	28,598,875	28,857,507
Administration expenses	76,500,415	68,838,449

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Auditors' remuneration	69,764	110,903
Non audit services	-	-
	69,764	110,903

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Bank interest	576,969	650,785
Interest on intercompany loan	-	807,716
	576,969	1,458,501

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Interest on intercompany loan	-	18,047
	-	18,047

7. TAX ON PROFIT

The tax charge comprises:

	Year ended 31 March 2020 $	Year ended 31 March 2019 restated $
Current tax		
Corporation tax at the standard rate of 19% (2018: 19%)	1,342,663	3,805,932
Prior year adjustment to corporation tax	23,560	(1,010,415)
	1,366,223	2,795,517
Deferred tax		
Charge/(credit) for current year	26,934	(6,463)
Adjustment in respect of change in tax rates	3,373	33,166
Effect of changes in tax rates	26,840	681
	57,147	27,384
Taxation charge for the year	1,423,370	2,822,901

The standard rate of tax applied to reported profit is 19% (2018: 19%).

During the year beginning 1 April 2020 the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge by $26,934 as a result of the projected reversal of accelerated capital allowances and short term timing differences.

The differences between the total current tax shown above and the amount calculated by applying the rate of UK corporation tax to the profit before tax are as follows:

	Year ended 31 March 2020 $	Year ended 31 March 2019 restated $
Profit before tax	4,867,531	18,153,515
Corporation tax at the standard rate of 19% (2018: 19%)	924,831	3,449,168
Effects of:		
Expenses not deductible	20,089	21,389
Share options	-	(2,624)
Tax rate changes	26,840	681
Impact of change in accounting policy	424,677	331,537
Prior year adjustment to corporation tax	26,933	(977,250)
Total current taxation charge for the year	1,423,370	2,822,901

7. TAX ON PROFIT (continued)

CORPORATION TAX

	Year ended 31 March 2020	Year ended 31 March 2019 restated
	$	$
Corporation tax (creditor) at the end of the period	(163,120)	(797,507)

DEFERRED TAX

	Year ended 31 March 2020	Year ended 31 March 2019 restated
	$	$
Deferred tax asset at 1st April	(196,533)	255,525
Adjustment in respect of prior years	3,373	(33,163)
Deferred tax (credit) charge to profit and loss account for the year	(93)	5,782
Impact of change of accounting policy	424,677	(424,677)
Deferred tax asset at 31st March	231,424	(196,533)

8. **PROPERTY, PLANT AND EQUIPMENT**

	Computer Equipment	Fixtures & Fittings	Leasehold Improvements	Demo & Eval. units	Total
	$	$	$	$	$
COST					
At 1 April 2019	388,825	27,588	277,885	1,660,724	2,355,022
Additions	103,152	-	-	312,214	415,366
At 31 March 2020	491,977	27,588	277,885	1,972,938	2,770,388
ACCUMULATED DEPRECIATION					
At 1 April 2019	179,231	15,730	118,563	1,032,335	1,345,859
Depreciation for the year	109,892	6,801	44,461	444,758	605,912
At 31 March 2020	289,123	22,531	163,024	1,477,093	1,951,771
NET BOOK VALUE					
At 31 March 2020	202,854	5,057	114,861	495,845	818,617
At 31 March 2019	209,594	11,858	159,322	628,389	1,009,163

9. INVENTORY

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Stocks	733,330	1,266,038

There is no material difference between the carrying value of stocks and their replacement cost.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Trade debtors	33,521,032	39,386,352
Amount owed by group undertakings	8,854,589	36,697,664
Other debtors	1,406,679	2,593,001
Corporation tax	-	-
Deferred tax asset	231,424	-
	44,013,724	78,677,017

The amount owed by group undertakings that related to a loan and accrued interest owing from NSRS Holdings BV, a related party within the Group, was settled during the current year and has a nil balance at year end (2019: $33,488,139).

The amount owed by group undertakings relates to quarterly cross charges for the administration of hosted employees and expenditure for other supplies amounting to $8,854,589 (2019: $2,849,043). It is interest free and due and settled within 30 days from the date of invoice.

11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Year Ended 31 March 2020	Year Ended 31 March 2019 restated
	$	$
Prepaid commissions due after 1 year	362,805	-

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31 March 2020 $	Year Ended 31 March 2019 restated $
Trade creditors	647,216	1,644,898
Amount owed to group undertakings	3,837,964	15,619,862
VAT	1,354,292	1,165,483
Deferred revenue	49,879,633	49,131,813
Holiday and pension accrual	202,608	225,398
Other Creditors	221,718	107,498
Other taxes and social security	456,048	558,178
Accrued expenses	5,240,012	3,214,049
Deferred tax liability	-	196,533
Corporation tax	163,120	797,507
	62,002,611	72,661,219

The amount owed to group undertakings relates to quarterly cross charges for administration of Arbor Networks UK Limited employees hosted by other group companies. It is interest free and settled within 30 days from the date of invoice.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Year Ended 31 March 2020 $	Year Ended 31 March 2019 restated $
Accruals and deferred revenue	23,885,136	22,869,974
Other creditors	7,605	53,355
	23,892,741	22,923,329

Below is a detailed summary showing the recognition of deferred revenue over forthcoming periods:

	31 March 2020 $	31 March 2019 restated $
Due between one and two years	14,738,127	14,756,790
Due between two to five years	9,102,344	8,113,184
Due more than five years	44,665	-
	23,885,136	22,869,974

14. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under operating leases are as follows:

	Year Ended 31 March 2020		Year Ended 31 March 2019 restated	
	Car Leases	Buildings	Car Leases	Buildings
	$	$	$	$
Lease expiring within one year	11,186	283,399	23,920	277,800
One to five years	2,831	448,716	4,676	723,823
	14,017	732,115	28,596	1,001,623

The buildings lease is between Arbor Networks UK Limited and Novell UK limited, commencing 24th March 2016 and expiring on 8th March 2022. The rent is settled quarterly starting from 24th December 2016 offering thirteen months rent free period split into two period of nine months at the start of the lease and another four months from 24th May 2020 to 23rd September 2020. The overall lease payments are spread over the life of the lease including any rent free periods.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Allotted Number:	Class:	Nominal Value:	Year Ended 31 March 2020 $	Period Ended 31 March 2019 restated $
2	Ordinary	£1	4	4

The Company has one class of ordinary shares which carries no right to fixed income. The nominal value of the two shares is in Great British Pounds, which were translated into the functional currency, US Dollars at the exchange rate of 1.945 as of 22 April 2014.

16. PENSION COMMITMENTS

The Company operates a group defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to $850,703 (2019: $886,421) from which, $518,210 (2019: $583,138) related to the employees of Arbor Networks UK Limited and the remaining $332,493 (2019: $311,883) relates to hosted employees from other group business units. These costs are recharged to these other business units as part of the intercompany revenue recharge agreement. Outstanding pension contributions at the end of period amounted to $81,386 (2019: $85,426).

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is TF Holdings BV, a company incorporated in the Netherlands with registered address Science Park Eindhoven 5110, 5692 EC Son, Netherlands. At present and at the balance sheet date, the ultimate parent undertaking, controlling party and the smallest and largest group to consolidate these financial statements is NetScout Systems Inc., a company incorporated in Delaware in the United States, trading on NASDAQ under NTCT. The consolidated financial statements of this group are available to the public at their registered office and can be obtained from 310 Littleton Road, Westford, MA, 01886, USA.

Related party transactions
As per section 33.1A of FRS 102 Related party disclosures, disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member. The Company transacts with various other entities within its Group at arm's length, however, the particulars of these transactions need not be disclosed. The only other related party transactions are with two of the Directors of the entity, who are paid via the Company's UK payroll as disclosed in note 3.

18. SHARE-BASED PAYMENTS

Equity-settled share-based payments:
Certain employees participate in the Netscout Systems Inc. 2007 Equity Incentive Plan and were granted Restricted Stock Unites (RSUs) under the plan. The fair value of share based awards granted to employees is measured at the grant date and recognised as an expense over the vesting period, generally four years, subject to the Company estimate of the number of awards which will lapse. The only performance condition is that the individual is an employee of the Company at the vesting date.

RSUs are granted to selected employees with a fixed release date. One fourth of the RSUs granted are released annually on the anniversary of the grant date. Options are valued using an accepted pricing model. The fair value per RSU granted and additional information used in the calculation are as follows:

	2020	2020	2019	2019
		WAEP		WAEP
	No	$	No	$
Outstanding at 1st April	157,798	31.34	132,318	32.16
Granted during the year	70,850	30.54	80,539	30.54
Exercised during the year	(61,015)	26.60	(44,193)	36.60
Forfeited during the year	(11,601)	29.79	(10,866)	29.79
Outstanding at the end of the year	156,032		157,798	
Exercisable at the end of the year	156,032	28.85	157,798	31.34

The weighted average fair value of RSUs granted in the year was $2,163,969 (2019: $2,459,900) with $1,391,163 (2019: $1,175,637) being charged to the profit and loss account during the year.

19. **CONTINGENT LIABILITIES**

The bank has provided the group class guarantee facility of GBP 2,300,000 which will be reviewed in October 2020. Securities are held with Composite Company Limited. There have been no changes to the group guarantee.

As a result of a VAT inspection, the company has committed to strengthening its controls in the event of the company or HMRC identifying similar breaches. A contingent liability has been disclosed as a penalty of $1.1m would be payable in the event of a reoccurrence of historical events.

20. **EVENTS AFTER THE REPORTING YEAR END**

In the interim, the Company paid a cash dividend to the parent company, TF Holdings B.V., of $12,000,000 on 1st February 2021, out of the profits available for distribution.

21. **COVID-19**

The outbreak of the Coronavirus Disease 2019 ("COVID-19") in early 2020 has caused disruptions to many industries globally. Despite the challenges, governments and international organisations have implemented a series of measured to contain the pandemic.

The COVID-19 outbreak is an event that occurred during the Company's financial year and the impact of the COVID-19 outbreak on the Company's assets and liabilities have been assessed and recognised in the financial statements as at 31 March 2020. Subsequent to the end of the financial year and as at the date the financial statements were authorised for issue, management has also assessed the reasonably expected impact of COVID-19 and considers this impact to be non-adjusting event.

To protect our employees, contractors, customers, suppliers, and our local communities, and limit the effect of the COVID-19 pandemic on our operations, we have directed NetScout employees at our locations globally to work remotely, with limited exceptions for site-essential personnel (with protective measures and protocols in place), and we may take further actions that alter our operations as may be required by federal, state, or local authorities, or by foreign governments in countries in which we operate, or which we determine are in the best interests of our employees, suppliers, customers, business partners, and stockholders. We expect that work from home requirements and other restrictions on our employees, suppliers, customers, and business partners will change over time, whether becoming more or less restrictive, as the pandemic and global responses progress.

There is a great deal of uncertainty as to when our employees will be able to return to work on-site. Similar to other companies we have begun planning for our employees to return to work on-site in phases in accordance with federal, state and local government guidelines, as well as in accordance with foreign governmental guidelines in the countries in which we operate. Furthermore, any process we implement to enable our employees to return to work on-site will be in accordance with prevailing health and science guidance, and in a manner that seeks to protect our employees, contractors, customers, suppliers and our local communities.

As part of our existing business continuity planning, we had established infrastructure and protocols to enable our employees to work from home, but we have never before required our employees to work remotely for such an extended period of time. While we believe that our employees are able to and can continue to effectively work remotely, it is possible that the disruptions to our business operations resulting from quarantines, self-isolations, or other movement and restrictions on the ability of our employees to perform their jobs could affect our ability to develop and design our products and services in a timely manner or meet required milestones or customer commitments, and that this could have an adverse effect on our revenue and operating results. In addition, although we have been able to adequately staff our facilities with site-critical personnel with specific health and safety protocols, to satisfy our manufacturing obligations to our customers,
it is possible that we or others may determine that it is necessary to direct that employees engaged in manufacturing refrain from working on-site for an indeterminate period of time, and that this could have an adverse effect on our revenue and operating results.

Furthermore, global travel has been sharply curtailed, and in some cases prohibited. Our sales personnel often meet with customers or prospective customers in person to provide greater personalized service. While our employees and customers have adjusted to virtual meetings, the inability of our sales personnel to meet with customers or prospective customers at a customer facility could have an adverse effect on our revenue and operating results.

21. COVID-19 (continued)

In addition, we rely on third-party suppliers and manufacturers in China and elsewhere. The COVID-19 outbreak has resulted in the extended shutdown of certain businesses throughout the world, which may result in disruptions or delays to our supply chain. These may include disruptions from temporary closure of third-party supplier and manufacturer facilities, interruptions in product supply or restrictions on the export or shipment of our products, as well as the import of products into countries in which we operate. Although we have attempted to minimize the effects of these disruptions, it is possible that these attempts will be insufficient, and that these disruptions will likely have an adverse effect on our revenues and operating results.

The impact of the COVID-19 outbreak has been widespread and has adversely affected the global economy. While the potential impact and duration of the COVID-19 pandemic on the global economy and our business in particular may be difficult to assess or predict, the pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could decrease technology spending, adversely affecting demand for our products and services, and thus negatively affecting our revenues and operating results.

The global COVID-19 pandemic continues to rapidly evolve, and we will continue to monitor the COVID-19 situation closely and respond appropriately.

The extent to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and the length of, and effectiveness of, measures taken to contain it or treat its impact, as well as actions taken by governmental authorities to address the economic impact of the outbreak.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to our quarterly revenue and operating results, the estimates made for our critical accounting policies, and the operation of internal controls over such estimates, as well as on our liquidity and on our ability to satisfy our indebtedness obligations, including
the compliance with the covenants that apply to our indebtedness.

22. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 11-Mar-2021