

Company registration number: 05872797

AMENDED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

PROVEN LEGAL
TECHNOLOGIES LIMITED



MENZIES
BRIGHTER THINKING

PROVEN LEGAL TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	A Macdonald M S Stuppler
Company secretary	Reed Smith Corporate Services Limited
Registered number	05872797
Registered office	3rd Floor 10 Aldersgate Street London EC1A 4HJ
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Centrum House 36 Station Road Egham Surrey TW20 9LF

PROVEN LEGAL TECHNOLOGIES LIMITED

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**PROVEN LEGAL TECHNOLOGIES
LIMITED**
REGISTERED NUMBER:05872797

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	16,834	51,133
		<u>16,834</u>	<u>51,133</u>
Current assets			
Debtors: amounts falling due within one year	5	3,892,433	4,228,222
Cash at bank and in hand		150,383	78,358
		<u>4,042,816</u>	<u>4,306,580</u>
Creditors: amounts falling due within one year	6	(524,212)	(1,003,569)
Net current assets		<u>3,518,604</u>	<u>3,303,011</u>
Total assets less current liabilities		<u>3,535,438</u>	<u>3,354,144</u>
Provisions for liabilities			
Other provisions		(61,169)	(61,169)
		<u>(61,169)</u>	<u>(61,169)</u>
Net assets		<u><u>3,474,269</u></u>	<u><u>3,292,975</u></u>
Capital and reserves			
Called up share capital		187	187
Capital redemption reserve		21	21
Profit and loss account		3,474,061	3,292,767
		<u><u>3,474,269</u></u>	<u><u>3,292,975</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**PROVEN LEGAL TECHNOLOGIES
LIMITED**
REGISTERED NUMBER:05872797

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017**

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

DocuSigned by:

Andrew Macdonald

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A Macdonald
Director

Date: 31-03-2020 | 5:19:27 PM BST

The notes on pages 3 to 8 form part of these financial statements.

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Proven Legal Technologies Limited is a private Company limited by shares and incorporated in England and Wales. The registered office of the Company can be found on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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 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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.3 Revenue

Revenue is recognised when it is realised (or realisable and earned), which generally occurs when each of the following criteria is met:

- Persuasive evidence of an arrangement exists
- Services have been rendered and delivered
- The price to the buyer from the seller is fixed and determinable
- Collectability is reasonably assured

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

The company provides e-discovery, document review, and consulting services to companies and the litigation departments of law firms. Revenue is generated from the following sources:

- a. Processing - fees are related to the conversion of data into an organised, searchable electronic database with the amount earned primarily based upon the volume of data processed
- b. Production - fees are tied to the number of documents produced or the number of hours to produce required documents from processed data
- c. Hosting - fees are based on the volume of data stored
- d. Consulting - fees are based on the number of hours of service provided
- e. Document review - fees are based on the number of hours spent reviewing documents, the number of documents reviewed, or the amount of data reviewed
- f. Ice Viewer - fees are based on volume of data uploaded and also the length of time the accounts has been kept active

2.4 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.6 Tangible fixed assets

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

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Plant and machinery	- 33%
Fixtures and fittings	- 20%
IT equipment	- 33%
Other	- 20%
Leasehold improvements	- over life of th lease

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 Statement of Comprehensive Income.

2.7 Financial instruments

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

2.8 Restatement of financial statements

The revised audited financial statements replace the original unaudited accounts for the financial year and are now the statutory accounts for that year. The financial statements have been prepared as at the date of the original accounts, and not as at the date of the revision and accordingly do not deal with the events between those dates.

The restatement is required in line with the Companies Act 2006, in which an adjustment to recognise an additional bad debt provision and a rent free period has altered the Statement of Income and Retained Earnings and the Statement of Financial Position.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 15).

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	IT equipment £	Total £
Cost or valuation					
At 1 January 2017	71,347	12,885	71,712	400,902	556,846
At 31 December 2017	71,347	12,885	71,712	400,902	556,846
Depreciation					
At 1 January 2017	71,254	12,885	57,191	364,383	505,713
Charge for the year on owned assets	93	-	9,550	24,656	34,299
At 31 December 2017	71,347	12,885	66,741	389,039	540,012
Net book value					
At 31 December 2017	-	-	4,971	11,863	16,834
At 31 December 2016	93	-	14,521	36,519	51,133

5. Debtors

	2017 £	2016 £
Trade debtors	456,307	1,328,132
Amounts owed by group undertakings	3,362,084	2,840,486
Other debtors	6,263	489
Prepayments and accrued income	67,779	59,115
	3,892,433	4,228,222

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	87,015	27,670
Amounts owed to group undertakings	137,405	214,505
Corporation tax	214,085	432,633
Other taxation and social security	-	62,987
Other creditors	41,324	55,784
Accruals and deferred income	44,383	209,990
	<u>524,212</u>	<u>1,003,569</u>

7. Provisions

	Dilapidation provision £
At 1 January 2017	61,169
At 31 December 2017	<u>61,169</u>

8. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	198,355	98,052
Later than 1 year and not later than 5 years	277,146	-
	<u>475,501</u>	<u>98,052</u>

9. Parent Company

The parent company of the smallest group for which consolidated financial statements are drawn up is DLR Legal Limited. The company's registered office is 3rd Floor, 10 Aldersgate Street, London, EC1A 4HJ.

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed by Andrew Cook FCA (Senior Statutory Auditor) on behalf of Menzies LLP.