

Company registration number: 05872797

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

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 2019**

	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	4	91,381	4,460
		<u>91,381</u>	<u>4,460</u>
Current assets			
Debtors: amounts falling due within one year	5	3,113,378	3,230,460
Cash at bank and in hand		16,820	49,109
		<u>3,130,198</u>	<u>3,279,569</u>
Creditors: amounts falling due within one year	6	(470,016)	(243,805)
Net current assets		<u>2,660,182</u>	<u>3,035,764</u>
Total assets less current liabilities		<u>2,751,563</u>	<u>3,040,224</u>
Provisions for liabilities			
Other provisions	8	(78,760)	(61,169)
		<u>(78,760)</u>	<u>(61,169)</u>
Net assets		<u><u>2,672,803</u></u>	<u><u>2,979,055</u></u>
Capital and reserves			
Called up share capital		187	187
Capital redemption reserve		21	21
Profit and loss account		2,672,595	2,978,847
		<u>2,672,803</u>	<u>2,979,055</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.

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:

Andy Macdonald
.....
A Macdonald
Director
Date: 04-Sep-2020

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

PROVEN LEGAL TECHNOLOGIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2018 (as previously stated)	187	21	3,466,625	3,466,833
Prior year adjustment	-	-	(512,442)	(512,442)
At 1 January 2018 (as restated)	187	21	2,954,183	2,954,391
Profit for the year	-	-	24,664	24,664
At 1 January 2019	187	21	2,978,847	2,979,055
Loss for the year	-	-	(306,252)	(306,252)
At 31 December 2019	187	21	2,672,595	2,672,803

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 2019

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 is 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 'Administrative expenses'.

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

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

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 account has been kept active

2.4 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Financial instruments

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

2.6 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.

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

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

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

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2018 - 3).

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	IT equipment £	Total £
Cost or valuation					
At 1 January 2019	71,347	12,885	71,712	400,902	556,846
Additions	160,121	-	-	-	160,121
At 31 December 2019	231,468	12,885	71,712	400,902	716,967
Depreciation					
At 1 January 2019	71,347	12,885	69,634	398,520	552,386
Charge for the year on owned assets	71,997	-	1,041	162	73,200
At 31 December 2019	143,344	12,885	70,675	398,682	625,586
Net book value					
At 31 December 2019	88,124	-	1,037	2,220	91,381
At 31 December 2018	-	-	2,078	2,382	4,460

5. Debtors

	2019 £	As restated 2018 £
Trade debtors	615,520	426,854
Amounts owed by group undertakings	2,433,072	2,605,820
Other debtors	-	32,933
Prepayments and accrued income	64,786	164,853
	3,113,378	3,230,460

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	23,713	7,564
Amounts owed to group undertakings	322,156	144,841
Corporation tax	-	15,214
Other taxation and social security	33,040	-
Other creditors	8,264	24,794
Accruals and deferred income	82,843	51,392
	<u>470,016</u>	<u>243,805</u>

7. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	111,850	198,355
Later than 1 year and not later than 5 years	-	78,791
	<u>111,850</u>	<u>277,146</u>

8. Provisions

	Dilapidation provision £
At 1 January 2019	61,169
Charged to profit or loss	17,591
At 31 December 2019	<u>78,760</u>

9. Prior year adjustment

An adjustment has been made in respect of amounts owed by group companies to the Company as at 31 December 2017 to agree the balance brought forward in both reserves and debtors to the signed accounts as at 31 December 2016. The effect of this was a decreased in both reserves and amounts owed by group by £512,442.

PROVEN LEGAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. 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.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

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