

LOOKOUT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
ENDED 31 JANUARY 2019

FRIDAY



A8EE8A0H

A09

20/09/2019

#123

COMPANIES HOUSE

CONTENTS	Page (s)
Company Information	2
Directors' Report	3 - 4
Independent Auditor's Report to the members of Lookout Limited	5 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 18

COMPANY INFORMATION

Directors	Mr M Nasiff Lookout Inc
Registered Office	Mulberry Shrubbs Hill Lane Sunningdale Berkshire SL5 0LD
Auditor	Hayvenhursts Limited Statutory Auditor Fairway House Links Business Park St Mellons Cardiff CF3 0LT
Registered Number	8065264

The directors present their annual report and the audited financial statements of the company for the year ended 31 January 2019.

Principal Activity

The company provided pre-sales and support services to its parent company, Lookout Inc throughout the year. The results for the year ended 31 January 2019 are set out in the statement of comprehensive income on page 7. The directors consider the state of affairs of the company to be satisfactory. No dividends were paid or proposed during the year (2018: £nil).

Future developments

The directors plan for the company to continue to trade as it has done, with no significant future developments to report.

Going Concern

The directors have considered Going Concern, and given the working capital cycle of the business, recognise the need for ongoing support from their parent company, Lookout Inc. Having made enquiries, the parent company has indicated its willingness to continue to provide such financial support to the company as necessary to enable it to continue in operational existence for the foreseeable future, and for a period of not less than 12 months from the date of approval of these financial statements.

Financial instruments

The company may be impacted by customer credit risk, effects arising from price risk, contract breach and liquidity risk. The majority of the goods and services sold by the company are provided by its own resources or are bought in from related parties. Where services are bought in the costs of these are recharged to customers. Credit risk management follows normal best practice and includes varying levels of credit assessments according to customer size and active credit performance management through key performance indicators such as days' sales outstanding. Contract risk is managed by entering into cost plus arrangements. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations and through its participation in the in-house banking arrangements of the parent group. The directors are not aware of any other pending significant financial risks.

Directors

The directors who held office during the year and up to the date of signing these financial statements were as follows:

Mr M Nasiff

Mr D Kim (resigned 12 September 2018)

Lookout Inc

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements 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). 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

**Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements
(continued)**

that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

Directors indemnity arrangements

The parent company has executed deeds of indemnity for the benefit of each director of the company, and each person who was a director of the company during the year, in respect of liabilities that may attach to them in their capacity as directors of the company or of associated companies. These indemnities were granted at different times according to the law in place at the time and where relevant are qualifying third-party indemnity provisions as defined by section 234 of the Companies Act 2006. These indemnities were in force throughout the year and are currently in force.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the Board



Mr M Nasiff, Director

11 September 2019

Opinion

We have audited the financial statements of Lookout Limited (the 'company') for the year ended 31 January 2019 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Gareth R Williams (Senior Statutory Auditor)
for and on behalf of Hayvenhursts Limited
Chartered Accountants & Statutory Auditor
Fairway House
Links Business Park
St Mellons
Cardiff
CF3 0LT

16 September 2019

LOOKOUT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2019

	<u>Notes</u>	31.1.19 £	31.1.18 £
Turnover	1, 4	5,418,842	4,627,752
Administration expenses		(5,153,437)	(4,394,197)
Profit on ordinary activities before taxation	5	265,405	233,555
Taxation on ordinary activities	8	(35,275)	(19,946)
Net retained profit for the financial period	14	230,130	213,610

All amounts relate to continuing activities.

There are no other recognised gains or losses for the current year.

The notes on pages 10 to 18 form part of these financial statements

LOOKOUT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2019

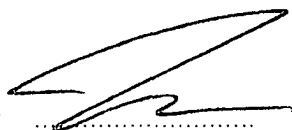
Company Number 8065264

	Notes	As at 31.1.19		As at 31.1.18	
		£	£	£	£
Fixed assets					
Tangible assets	9		1,347		-
Current assets					
Debtors	10	1,226,260		717,187	
Cash at bank and in hand		242,323		326,109	
		<u>1,468,583</u>		<u>1,043,296</u>	
Creditors: amounts falling due within one year	11	<u>442,990</u>		<u>246,486</u>	
Net current assets			1,025,593		796,810
Net assets			<u>1,026,940</u>		<u>796,810</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and Loss account			1,026,840		796,710
Shareholder's funds			<u>1,026,940</u>		<u>796,810</u>

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

These financial statements were approved and authorised for issue by the directors on the 11 September 2019 and are signed on their behalf by:

Mr M Nasiff, Director



The notes on pages 10 to 18 form part of these financial statements

LOOKOUT LIMITED

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

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 February 2017	100	583,100	583,200
Profit for the financial year	-	213,610	213,610
Balance at 31 January 2018	<u>100</u>	<u>796,710</u>	<u>796,810</u>
Balance at 1 February 2018	100	796,710	796,810
Profit for the financial year	-	230,130	230,130
Balance at 31 January 2019	<u>100</u>	<u>1,026,840</u>	<u>1,026,940</u>

1 General information

The company provides pre-sales and support services to its parent company, Lookout Inc.

Lookout Limited is a private company limited by shares incorporated, registered and domiciled in England, registration number 8065264. The registered office is Mulberry, Shrubbs Hill Lane, Sunningdale, Berkshire, SL5 0LD.

2 Basis of preparation of financial statements

The financial statements of Lookout Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial reporting standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

3 Accounting Policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented in these financial statements, unless otherwise stated.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The company is 100% owned by its ultimate parent, Lookout Inc. which is the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements are available from 1 Front Street, Suite 3100, San Francisco, CA 94111

Going concern

The directors have considered Going Concern, and given the working capital cycle of the business, recognise the need for ongoing support from their parent company, Lookout Inc. Having made enquiries, the parent company has indicated its willingness to continue to provide such financial support to the company as necessary to enable it to continue in operational existence for the foreseeable future, and for a period of not less than 12 months from the date of approval of these financial statements.

3 Accounting Policies (Continued)**Basic financial instruments****(i) Trade and other debtors / Trade and other creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Revenue recognition

The company recognises revenue from the provision of services to its parent company in the month in which the service is delivered, when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes incurred in only original purchase price and expenditure directly bringing the assets into working condition for their intended use. Depreciation is provided at rates calculated to write off the cost of each asset less the estimated residual value over its estimated useful life. The principal annual rates in use are:

Computer and office equipment	33.3% on cost
-------------------------------	---------------

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 within "other operating income" in statement of comprehensive income.

3 Accounting Policies (Continued)**Employee benefits****(i) Defined contribution pension plans**

The company operates a defined contribution plan for its employees. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

(ii) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All gains and losses on translation and from the settlement of transactions are included in the profit and loss account. The company's functional and presentational currency is the pound sterling.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements

3 Accounting Policies (Continued)**(ii) Deferred tax (continued)**

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Leases

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

(ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Given the straightforward nature of the company, the directors do not consider there to be any critical accounting judgements or uncertainties.

Share-based payments

Where share options are awarded to employees, the fair value of the options, measured at the date of grant of the options using an appropriate valuation model is charged to the profit and loss account over the period in which the options vest.

4 Turnover

Turnover (all derived from the single activity of the company) in the year was segmented as follows:

	31.1.19 £	31.1.18 £
United States of America	5,418,842	4,627,752
	<u>5,418,842</u>	<u>4,627,752</u>

5 Operating profit

The operating profit before tax is stated after charging:

	31.1.19 £	31.1.18 £
Depreciation of owned assets	962	45,581
Audit fees payable to the company's auditors	4,250	4,250
Operating leases	240,300	217,911
Staff Costs - wages and salaries	3,054,383	2,436,910
- social security	530,888	434,222
- other pension costs	56,678	22,745
Foreign exchange (gain) / loss	<u>(1,286)</u>	<u>4,653</u>

6 Directors

	31.1.19 £	31.1.18 £
Directors emoluments	<u>-</u>	<u>-</u>

The directors of the company are also directors or officers of the parent company. The directors' services to the company do not occupy a significant amount of their time and are considered to be incidental, and so the directors do not consider that they received any remuneration for their services to the company for either the year to 31 January 2019 or year to 31 January 2018.

Other than the board, there were no other key management personnel in the year.

7 Employees and directors

The average monthly number of employees (including executive directors) during the year was:

	31.1.19 Number	31.1.18 Number
Administration	3	3
Sales and support	19	19
	<u>22</u>	<u>22</u>

8 Taxation on profit on ordinary activities

The tax charge on the profit on ordinary activities for the period was as follows:

	31.1.19 £	31.1.18 £
(i) Current tax:		
Corporation tax on ordinary activities in current period at prevailing rates	42,000	35,000
Corporation tax on ordinary activities in prior period at prevailing rates	(6,725)	(15,054)
	<u>35,275</u>	<u>19,946</u>

(ii) Reconciliation of tax charge:

The tax assessed on the profit on ordinary activities for the year is lower (2018: lower) than the standard average rate of corporation tax in the UK of 19% (2018: 19.16%):

	31.1.19 £	31.1.18 £
Profit on ordinary activities before taxation	<u>265,405</u>	<u>233,555</u>
Current tax at 19% (2018: 19.16%)	50,427	44,749
Effects of:		
Depreciation (less) / more than capital allowances in period	(2,144)	6,083
Expenses not deductible for tax purposes	3,774	1,524
R&D tax credit	(18,186)	(24,085)
Over provision	8,129	6,728
Overprovision in prior year	(6,725)	(15,054)
Total current tax charge	<u>35,275</u>	<u>19,945</u>

9 Property, plant and equipment

	Computer Equipment £
Cost	
As at 1 February 2018	-
Additions in the year	<u>2,309</u>
At 31 January 2019	<u>2,309</u>
Depreciation	
As at 1 February 2018	-
Charge for the year	<u>962</u>
At 31 January 2019	<u>962</u>
Net book value	
At 31 January 2019	<u><u>1,347</u></u>
At 31 January 2018	<u><u>-</u></u>

10 Debtors

	31.1.19 £	31.1.18 £
Amounts owed by group undertakings	974,871	529,263
Other debtors	37,109	12,177
Prepayments and accrued income	<u>214,280</u>	<u>175,747</u>
	<u><u>1,226,260</u></u>	<u><u>717,187</u></u>

Amounts owed by group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are payable on demand.

11 Creditors: Amounts falling due within one year

	31.1.19 £	31.1.18 £
Trade creditors	173,695	52,325
Corporation tax	36,174	33,202
Other taxation and social security	115,644	79,714
Accruals and deferred income	<u>117,477</u>	<u>81,245</u>
	<u><u>442,990</u></u>	<u><u>246,486</u></u>

12 Lease obligations

The total future minimum lease payments under non-cancellable operating lease rentals as at 31 January 2019 are as follows:

	31.1.19 £	31.1.18 £
Later than one year and not later than five years	<u><u>120,150</u></u>	<u><u>360,450</u></u>

During the year £240,300 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £223,340).

13 Employee benefits

During the year contributions into a defined contribution scheme of £56,678 (2018 : £22,745) were made, of which £nil were outstanding at the end of the year.

14 Share capital

	31.1.19 £	31.1.18 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

15 Financial instruments

The company has the following financial instruments:

	Note	2019 £	2018 £
Financial assets at fair value through profit or loss		<u>-</u>	<u>-</u>
Financial assets that are debt instruments measured at amortised cost			
- Amounts owed by group undertakings	10	974,871	529,263
- Other receivables	10	<u>37,109</u>	<u>12,177</u>
		<u>1,011,980</u>	<u>541,440</u>
Financial liabilities measured at fair value through profit or loss		<u>-</u>	<u>-</u>
Financial liabilities measured at amortised cost			
- Trade creditors	11	173,695	52,325
- Accruals	11	<u>117,477</u>	<u>81,245</u>
		<u>291,172</u>	<u>133,570</u>

The company has no interest rate derivative financial instruments (2018: none).

16 Share-based payments

Lookout, Inc., the parent company to Lookout Limited, offers to its employees an equity-settled share based remuneration scheme ("Equity-settled remuneration"). The share options relate to the parent company's common stock. Details of the scheme are as follows.

Exercise price (\$)	At 31 January 2018	Granted during the year	Exercised during the year	Surrendered during the year	At 31 January 2019
Stock Options					
2.01	459,416	-	(11,979)	(61,886)	385,551
1.7	63,000	23,705	-	(13,476)	73,229
1.42	-	87,250	-	(3,000)	84,250
	<u>522,416</u>	<u>110,955</u>	<u>(11,979)</u>	<u>(78,362)</u>	<u>543,030</u>

At 31 January 2019 there were 13 (2018: 14) employees who subscribed to the company's share option scheme.

Options are granted under the parent company's stock incentive plan. Generally stock options to employees vest over a period of 48 months and have a contractual life of 10 years from the date of grant. Grants of stock options generally must be at an exercise price not less than the fair value of the underlying common stock on the date of grant.

17 Ultimate parent company

The company is 100% owned by its ultimate parent, Lookout Inc, a company incorporated in the USA and located at 1 Front Street, Suite 3100, San Francisco, CA 94111 and is included in the consolidated financial statements of that company. The accounts are not publically available.

18 Related party transactions

The company has taken advantage of the exemptions in FRS 102 from disclosing transactions with other companies that are wholly owned within the group.