

# **Lighthouse eDiscovery Europe, Ltd.**

Registered number: 09610972

## **Annual report**

**For the year ended 31 December 2019**

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LIGHTHOUSE EDISCOVERY EUROPE, LTD.

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COMPANY INFORMATION

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Directors	B McManus D B Binder
Company secretary	D B Binder
Registered number	09610972
Registered office	Tower Bridge House St Katharine's Way London E1W 1DD
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the audited financial statements for the year ended 31 December 2019.

**Principal activity**

The principal activity of the company is that of providing litigation related electronic discovery services and technology which helps corporations and their law firms review, process and analyse large volumes of email, documents and other communications in litigation, regulatory, and governmental investigation matters.

**Directors**

The directors who served during the year and to the date of this report were:

D B Binder  
G W Moorhead (resigned 19 June 2019)  
B McManus

**Results and dividends**

The loss for the year, after taxation, amounted to £2,500,333 (2018 - loss £3,599,514).

During the year the directors do not recommend the payment of any dividend.

**Directors' responsibilities statement**

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the audited 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 to enable them to ensure that the audited 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.

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Going concern**

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debt as they fall due for the foreseeable future.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the company and the group of which it is part. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time but the directors remain confident that the group has adequate financial resources to navigate this period and for the parent company to therefore continue to support the company as required.

**United Kingdom resignation from the European Union**

We will continue to be compliant with local privacy requirements and other local regulation requirements as they may impact our business.

**Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Post balance sheet events**

The impact of COVID-19 coronavirus outbreak is not yet clear and it is therefore not currently possible to evaluate all potential implications to the company's trade, customers, suppliers and the wider economy.

**Auditors**

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

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**D B Binder**

Director

Date: 22 May 2020

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIGHTHOUSE EDISCOVERY EUROPE, LTD.**

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**Opinion**

We have audited the financial statements of Lighthouse eDiscovery Europe, Ltd. (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 FRS 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 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

**Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 10 and non-adjusting post balance sheet events on page 20.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIGHTHOUSE EDISCOVERY EUROPE, LTD.**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In 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 Directors' Report.

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

- adequate accounting records have not been kept, 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.
- 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 in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIGHTHOUSE EDISCOVERY EUROPE, LTD.**

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

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

Mike Bailey (Senior statutory auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor

6 Sutton Plaza  
Sutton Court Road

Sutton  
Surrey  
SM1 4FS

29 May 2020



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
Turnover	<b>4</b>	3,768,602	1,609,174
Cost of sales		(3,082,056)	(2,333,959)
<b>Gross profit/(loss)</b>		<u>686,546</u>	<u>(724,785)</u>
Sales and marketing		(993,014)	(675,588)
Administrative expenses		(2,193,865)	(1,619,113)
<b>Operating loss</b>	<b>5</b>	<u>(2,500,333)</u>	<u>(3,019,486)</u>
Tax on loss	<b>7</b>	-	(580,028)
<b>Loss for the financial year</b>		<u>(2,500,333)</u>	<u>(3,599,514)</u>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<u>(2,500,333)</u>	<u>(3,599,514)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	8	41,913	-
Tangible assets	9	632,437	569,674
Investments	10	3,390,345	3,390,345
		<u>4,064,695</u>	<u>3,960,019</u>
<b>Current assets</b>			
Debtors: Amounts falling due after more than one year	11	38,340	37,140
Debtors: Amounts falling due within one year	11	2,015,604	845,046
Cash at bank and in hand	12	543,617	129,003
		<u>2,597,561</u>	<u>1,011,189</u>
Creditors: Amounts falling due within one year	13	(530,956)	(393,516)
<b>Net current assets</b>		<u>2,066,605</u>	<u>617,673</u>
<b>Total assets less current liabilities</b>		<u>6,131,300</u>	<u>4,577,692</u>
Creditors: Amounts falling due after more than one year	14	(5,852,496)	(1,798,555)
<b>Net liabilities</b>		<u>278,804</u>	<u>2,779,137</u>
<b>Capital and reserves</b>			
Called up share capital	16	4	4
Share premium account		8,961,913	8,961,913
Capital contribution reserve		347,193	347,193
Profit and loss account		(9,030,306)	(6,529,973)
<b>Total equity</b>		<u>278,804</u>	<u>2,779,137</u>

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**LIGHTHOUSE EDISCOVERY EUROPE, LTD.**  
**REGISTERED NUMBER: 09610972**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

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

**D B Binder**  
Director  
Date: 22 May 2020

The notes on pages 10 to 20 form part of these financial statements.

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

	Called up share capital £	Share premium account £	Capital contribution £	Profit and loss account £	Total equity £
<b>At 1 January 2018</b>	1	-	347,193	(2,930,459)	(2,583,265)
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(3,599,514)	(3,599,514)
<b>Total comprehensive income for the year</b>	-	-	-	(3,599,514)	(3,599,514)
Shares issued during the year	3	8,961,913	-	-	8,961,916
<b>Total transactions with owners</b>	3	8,961,913	-	-	8,961,916
<b>At 1 January 2019</b>	4	8,961,913	347,193	(6,529,973)	2,779,137
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(2,500,333)	(2,500,333)
<b>Total comprehensive income for the year</b>	-	-	-	(2,500,333)	(2,500,333)
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 31 December 2019</b>	<u>4</u>	<u>8,961,913</u>	<u>347,193</u>	<u>(9,030,306)</u>	<u>278,804</u>

The notes on pages 10 to 20 form part of these financial statements.

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

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**1. General information**

Lighthouse eDiscovery Europe, Ltd is a private company limited by shares incorporated in England and Wales. The address of its registered office is Tower Bridge House, St Katharine's Way, London, United Kingdom, E1W 1DD.

The principal activity of the company is that of providing litigation related electronic discovery services and technology which helps corporations and their law firms review, process and analyse large volumes of email, documents and other communications in litigation, regulatory and governmental investigation matters.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

**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 company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debt as they fall due for the foreseeable future.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the company and the group of which it is part. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time but the directors remain confident that the group has adequate financial resources to navigate this period and for the parent company to therefore continue to support the company as required.

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

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**2. Accounting policies (continued)**

**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.5 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. The estimated useful lives range as follows:

Plant & machinery	-	5 years straight line
Computer equipment	-	3 years straight line
Leasehold Improvements	-	straight line over lease term.

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 the statement of comprehensive income.

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

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**2. Accounting policies (continued)**

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.8 Financial Instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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

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

**2.9 Foreign currency translation**

The company's functional currency is GBP.

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 differences are taken to statement of comprehensive income.

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

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**2. Accounting policies (continued)**

**2.10 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.

**2.11 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.

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

The directors do not believe that any critical judgement has been made in the process of applying the company's accounting policies that would have a material effect in the statutory financial statements.

**4. Turnover**

	2019 £	2018 £
United Kingdom	3,768,602	1,609,174
	<u>3,768,602</u>	<u>1,609,174</u>

All turnover arose within the United Kingdom.



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

**5. Operating loss**

The operating loss is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	247,435	110,541
Auditors remuneration	14,300	13,000
Auditors remuneration - non-audit	20,360	41,352
Exchange (gain) / loss	<u>(197,654)</u>	<u>281,187</u>

The directors were remunerated through the parent company during the current year. It is not possible to distinguish the amounts paid to the directors for services provided to this company.

The only key management personnel are the directors of the company.

**6. Employees**

Staff costs were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,182,647	1,747,937
Social security costs	248,411	205,798
Cost of defined contribution scheme	67,028	39,290
	<u>2,498,086</u>	<u>1,993,025</u>

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Sales	5	4
Administration	18	13
Directors	2	3
	<u>25</u>	<u>20</u>

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

7. Taxation

	2019 £	2018 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	580,028
<b>Total deferred tax</b>	-	580,028
<b>Taxation on profit on ordinary activities</b>	-	580,028

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2018 - 19%).

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

8. Intangible assets

	Capitalised Software £
<b>Cost</b>	
Additions	112,273
At 31 December 2019	112,273
<b>Amortisation</b>	
Charge for the year	70,360
At 31 December 2019	70,360
<b>Net book value</b>	
At 31 December 2019	41,913
At 31 December 2018	-

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

9. Tangible fixed assets

	Plant & machinery £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost or valuation</b>				
At 1 January 2019	9,313	663,838	63,220	736,371
Additions	-	319,167	-	319,167
Disposals	-	(8,969)	-	(8,969)
At 31 December 2019	9,313	974,036	63,220	1,046,569
<b>Depreciation</b>				
At 1 January 2019	3,180	103,195	60,322	166,697
Charge for the year	1,863	242,674	2,898	247,435
At 31 December 2019	5,043	345,869	63,220	414,132
<b>Net book value</b>				
At 31 December 2019	4,270	628,167	-	632,437
<b>At 31 December 2018</b>	6,133	560,643	2,898	569,674

10. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2019	3,390,345
At 31 December 2019	3,390,345

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

**Subsidiary undertaking**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Lighthouse Switzerland GMBH	Switzerland	Litigation related electronic discovery services.	ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves</b>	<b>Profit/(Loss)</b>
Lighthouse Switzerland GMBH	(789,833)	(1,088,407)

**11. Debtors**

	<b>2019 £</b>	<b>2018 £</b>
<b>Due after more than one year</b>		
Other debtors	38,340	37,140
	<u>38,340</u>	<u>37,140</u>

Other debtor relates to deposits on new lease and deferred rent.

	<b>2019 £</b>	<b>2018 £</b>
<b>Due within one year</b>		
Trade debtors	1,798,014	524,741
Other debtors	105,521	181,223
Prepayments and accrued income	112,069	139,082
	<u>2,015,604</u>	<u>845,046</u>

**12. Cash and cash equivalents**

	<b>2019 £</b>	<b>2018 £</b>
Cash at bank and in hand	<u>543,617</u>	<u>129,003</u>

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

**13. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	99,889	37,316
Amounts owed to group undertakings	150,417	76,712
Taxation and social security	95,224	72,124
Accruals	185,426	207,364
	<u>530,956</u>	<u>393,516</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**14. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	5,852,650	1,783,998
Other creditors	(154)	14,557
	<u>5,852,496</u>	<u>1,798,555</u>

Amounts owed to group undertakings are unsecured with interest payable at 1.29% per annum and not repayable before 1 January 2021.

**15. Financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>2,485,492</u>	<u>974,049</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>6,288,228</u>	<u>2,121,447</u>

Financial assets measured at amortised cost comprise of trade debtors, other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, other creditors and accruals.

**16. Share capital**

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	2019 £	2018 £
<b>Allotted, called up and unpaid</b>		
355 (2018 - 355) ordinary shares of £0.01 each	<u>4</u>	<u>4</u>

**17. Capital contribution reserve:**

The parent company, Lighthouse Document Technologies Inc., waived intercompany balances of £347,194 during 2015, with these amounts being treated as a capital contribution to Lighthouse eDiscovery Europe, Ltd.

**18. Pension commitments**

The company operates a defined contribution plan for all employees of the company. Contributions made into this plan are paid by the company at rates specified in the rules of the schemes. The total amount recognised in profit and loss during the year was £67,028 (2018: £39,290). As at the reporting date, amounts payable of £13,729 (2018: £7,237) was owed by the company for underpayment into the plan.

**19. 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	475,000	481,050
Later than 1 year and not later than 5 years	429,159	365,687
	<u>904,159</u>	<u>846,737</u>

**20. Related party transactions**

The Company is a wholly owned subsidiary of Lighthouse Document Technologies, Inc., and as such has taken advantage of the exemption permitted by FRS 102 Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group.

At 31 December 2019, accrued interest of £150,417 (2018: £76,172) was due to Lighthouse Document Technologies, Inc., the parent company. This amount is included within amounts owed to group undertakings.

At 31 December 2019, a loan of £5,852,650 (2018: £1,784,000) was due to Lighthouse Document Technologies, Inc., the parent company. This amount is shown in Creditors: amounts due after more than one year.

**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Post balance sheet events**

The impact of COVID-19 coronavirus outbreak is not yet clear and it is therefore not currently possible to evaluate all potential implications to the company's trade, customers, suppliers and the wider economy.

**22. Controlling party**

The directors consider Lighthouse Document Technologies, Inc., a company incorporated in the United

States of America, under the laws of the state of Washington, as the 100% owner of Lighthouse eDiscovery Europe, Ltd., to be the immediate parent undertaking.

The ultimate controlling party is Lighthouse Technologies Holding Corp, a company incorporated in the United States of America.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.