

**BRIGHTLOCAL LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Ten Forward Accounting Ltd

Chartered Certified Accountants

1 Mountview Court
310 Friern Barnet Lane
London
N20 0LD

Brightlocal Ltd
Unaudited Financial Statements
For The Year Ended 31 December 2020

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Brightlocal Ltd
Balance Sheet
As at 31 December 2020

Registered number: 10384626

	Notes	31 December 2020		31 December 2019	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	4		4,699		16,877
			4,699		16,877
CURRENT ASSETS					
Debtors	5	445,828		143,434	
Cash at bank and in hand		2,652,725		1,558,215	
		3,098,553		1,701,649	
Creditors: Amounts Falling Due Within One Year	6	(2,312,294)		(1,161,470)	
NET CURRENT ASSETS (LIABILITIES)			786,259		540,179
TOTAL ASSETS LESS CURRENT LIABILITIES			790,958		557,056
NET ASSETS			790,958		557,056
CAPITAL AND RESERVES					
Called up share capital	7		1		1
Profit and Loss Account			790,957		557,055
SHAREHOLDERS' FUNDS			790,958		557,056

Brightlocal Ltd
Balance Sheet (continued)
As at 31 December 2020

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Myles Anderson

Director

8 September 2021

The notes on pages 3 to 6 form part of these financial statements.

Brightlocal Ltd
Notes to the Financial Statements
For The Year Ended 31 December 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.3. Research and Development

Expenditure on research and development is now capitalised and amortised over three years.

1.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	33.3% Straight line Basis
Fixtures & Fittings	33.3% Straight line Basis
Computer Equipment	50% Straight Line Basis

The directors took the decision to write off the office computer equipment over two years as this is a more realistic basis. The company policy is to replace and not repair computer equipment.

The directors took the decision to write off all computer equipment issued to the technicians in the year of purchase as their realistic expected life is 12 months due to heavy usage. Again, the company policy is to replace and not repair computer equipment.

1.5. Financial Instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

1.6. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.7. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.8. Registrar Filing Requirements

The company has taken advantage of Companies Act 2006 section 444(1) and opted not to file the profit and loss account, directors report, and notes to the financial statements relating to the profit and loss account. The notes which are not included have been hidden but original note numbering has remained the same for those that are present.

Brightlocal Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

2. Average Number of Employees

Average number of employees, including directors, during the year was: 31 (2019: 24)

3. Intangible Assets

	Development Costs £
Cost	
As at 1 January 2020	320,218
As at 31 December 2020	320,218
Amortisation	
As at 1 January 2020	320,218
As at 31 December 2020	320,218
Net Book Value	
As at 31 December 2020	-
As at 1 January 2020	-

4. Tangible Assets

	Plant & Machinery	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
As at 1 January 2020	29,434	104,792	36,084	170,310
Additions	-	-	2,876	2,876
As at 31 December 2020	29,434	104,792	38,960	173,186
Depreciation				
As at 1 January 2020	29,434	98,141	25,858	153,433
Provided during the period	-	6,651	8,403	15,054
As at 31 December 2020	29,434	104,792	34,261	168,487
Net Book Value				
As at 31 December 2020	-	-	4,699	4,699
As at 1 January 2020	-	6,651	10,226	16,877

5. Debtors

	31 December 2020	31 December 2019
	£	£
Due within one year		
Trade debtors	39,676	86,811
Prepayments and accrued income	65,515	41,282
Other debtors	468	-
VAT	4,529	-
Directors' loan accounts	-	15,340
Amounts owed by group undertakings	335,640	1
	445,828	143,434

Brightlocal Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

6. Creditors: Amounts Falling Due Within One Year

	31 December 2020	31 December 2019
	£	£
Trade creditors	79,509	61,467
Corporation tax	169,116	152,537
Other taxes and social security	34,904	17,517
VAT	-	1,506
Other creditors	5,147	-
Accruals and deferred income	40,500	6,500
Directors' loan accounts	296,949	-
Amounts owed to group undertakings	1,686,169	921,943
	<u>2,312,294</u>	<u>1,161,470</u>

7. Share Capital

			31 December 2020	31 December 2019
	Value	Number	£	£
Alotted, Called up and fully paid			1	1
			<u>1</u>	<u>1</u>
Alotted, called up and fully paid	£		£	£
Ordinary A shares	1,000	1	1	1
			<u>1</u>	<u>1</u>

8. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	Land and buildings	
	31 December 2020	31 December 2019
	£	£
Within 1 year	71,075	71,075
Between 1 and 5 years	355,375	355,375
After 5 years	177,688	248,763
	<u>604,138</u>	<u>675,213</u>

9. Directors Advances, Credits and Guarantees

Included within creditors are the following loans from the directors:

	As at 1 January 2020	Amounts advanced	Amounts repaid	Amounts written off	As at 31 December 2020
	£	£	£	£	£
Mr Myles Anderson	15,340	(666,185)	423,207	-	(227,638)
Mr Edward Eliot	-	(249,037)	179,726	-	(69,311)
	<u>-</u>	<u>(915,222)</u>	<u>602,933</u>	<u>-</u>	<u>(312,289)</u>

The above loans are interest free and repayable on demand.

Brightlocal Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

10. Dividends

	31 December 2020	31 December 2019
	£	£
On equity shares:		
Final dividend paid	601,639	185,900
	601,639	185,900
	601,639	185,900

11. Related Party Transactions

BrightLocal Services Ltd

The company is controlled by BrightLocal Services Ltd

During the year, the company paid a dividend to BrightLocal Services Ltd of £588,270 and it paid costs on behalf of BrightLocal Services Ltd of £335,640. At year end the company was owed £335,640 from BrightLocal Services Ltd. This is interest free and repayable on demand.

Bright Little Light Ltd

Bright Little Light Ltd is controlled by BrightLocal Services Ltd

During the year a management fee of £880,000 was levied by Bright Little Light Ltd to the company. At 31 December 2020, the company owed £1,686,170 to Bright Little Light Ltd.

12. Parent Undertaking and Controlling Party

The company's immediate and ultimate parent undertaking is BrightLocal Services Ltd . BrightLocal Services Ltd was incorporated in the United Kingdom. The controlling party is Mr Myles Anderson who controls 71% of the shares of BrightLocal Services Ltd .

13. General Information

Brightlocal Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 10384626 . The registered office is 2nd Floor, Blenheim House, 120 Church Street, Brighton, East Sussex. BN1 1UD.

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.