

**BRIGHTLOCAL LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 DECEMBER 2018 TO 31 DECEMBER 2019**

Ten Forward Finance Ltd

Chartered Certified Accountants

Balfour House  
741 High Road  
London  
N12 0BP

**Brightlocal Ltd**  
**Unaudited Financial Statements**  
**For the Period 1 December 2018 to 31 December 2019**

---

**Contents**

	<b>Page</b>
Balance Sheet	1—2
Notes to the Financial Statements	3 7

**Brightlocal Ltd**  
**Balance Sheet**  
**As at 31 December 2019**

Registered number: 10384626

	Notes	31 December 2019		30 November 2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible Assets	3		-		213,489
Tangible Assets	4		16,877		100,342
			<u>16,877</u>		<u>313,831</u>
<b>CURRENT ASSETS</b>					
Debtors	5	143,434		90,384	
Cash at bank and in hand		1,558,215		1,442,618	
		<u>1,701,649</u>		<u>1,533,002</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	6		<u>(1,161,470)</u>		<u>(1,615,030)</u>
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<u>540,179</u>		<u>(82,028)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>557,056</u>		<u>231,803</u>
<b>NET ASSETS</b>			<u>557,056</u>		<u>231,803</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		1		1
Profit and Loss Account			557,055		231,802
<b>SHAREHOLDERS' FUNDS</b>			<u>557,056</u>		<u>231,803</u>

**Brightlocal Ltd**  
**Balance Sheet (continued)**  
**As at 31 December 2019**

---

For the period ending 31 December 2019 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

**21 May 2020**

The notes on pages 3 to 7 form part of these financial statements.

**Brightlocal Ltd**  
**Notes to the Financial Statements**  
**For the Period 1 December 2018 to 31 December 2019**

---

**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:

Fixtures & Fittings	33.3% Straight line Basis
Computer Equipment	33.3% Straight Line basis

The directors took the decision to write off the full cost of the Plant & Machinery which are the Website Development Costs. They do not consider it an asset but an expense in the year it was incurred.

The directors have decided to review the depreciation policy and agree that writing off over 3 year is more realistic than 4 years.

**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.



**Brightlocal Ltd**  
**Notes to the Financial Statements (continued)**  
**For the Period 1 December 2018 to 31 December 2019**

**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.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**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.

**2. Average Number of Employees**

Average number of employees, including directors, during the year was as follows:

	<b>31 December 2019</b>	<b>30 November 2018</b>
Office and administration	2	2
Sales, marketing and distribution	22	18
	24	20

**3. Intangible Assets**

	<b>Development Costs £</b>
<b>Cost</b>	
As at 1 December 2018	320,218
As at 31 December 2019	320,218
<b>Amortisation</b>	
As at 1 December 2018	106,729
Provided during the period	213,489
As at 31 December 2019	320,218
<b>Net Book Value</b>	
As at 31 December 2019	-
As at 1 December 2018	213,489

**Brightlocal Ltd**  
**Notes to the Financial Statements (continued)**  
**For the Period 1 December 2018 to 31 December 2019**

**4. Tangible Assets**

	<b>Plant &amp; Machinery</b>	<b>Fixtures &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
As at 1 December 2018	29,434	104,792	23,068	157,294
Additions	-	-	13,016	13,016
As at 31 December 2019	<u>29,434</u>	<u>104,792</u>	<u>36,084</u>	<u>170,310</u>
<b>Depreciation</b>				
As at 1 December 2018	19,620	26,198	11,134	56,952
Provided during the period	9,814	71,943	14,724	96,481
As at 31 December 2019	<u>29,434</u>	<u>98,141</u>	<u>25,858</u>	<u>153,433</u>
<b>Net Book Value</b>				
As at 31 December 2019	<u>-</u>	<u>6,651</u>	<u>10,226</u>	<u>16,877</u>
As at 1 December 2018	<u>9,814</u>	<u>78,594</u>	<u>11,934</u>	<u>100,342</u>

**5. Debtors**

	<b>31 December 2019</b>	<b>30 November 2018</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	86,811	50,840
Prepayments and accrued income	41,282	-
Other debtors	-	189
VAT	-	39,354
Directors' loan accounts	15,340	-
Amounts owed by group undertakings	1	1
	<u>143,434</u>	<u>90,384</u>

**6. Creditors: Amounts Falling Due Within One Year**

	<b>31 December 2019</b>	<b>30 November 2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	61,467	1,343
Corporation tax	152,537	63,039
Other taxes and social security	17,517	13,542
VAT	1,506	-
Other creditors	-	1,831
Accruals and deferred income	6,500	4,167
Directors' loan accounts	-	14,946
Amounts owed to group undertakings	921,943	1,516,162
	<u>1,161,470</u>	<u>1,615,030</u>



**Brightlocal Ltd**  
**Notes to the Financial Statements (continued)**  
**For the Period 1 December 2018 to 31 December 2019**

**7. Share Capital**

		31 December 2019	30 November 2018
Allotted, Called up and fully paid		1	1
	<b>Value</b>	<b>31 December 2019</b>	<b>30 November 2018</b>
	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>			
Ordinary A shares	1,000	1	1

		Nominal value	Number	Amount
		<b>£</b>		<b>£</b>
<b>Shares issued during the period:</b>				
Ordinary E shares		0.001	1	-

**8. Other Commitments**

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

	<b>Land and buildings</b>	
	<b>31 December 2019</b>	<b>30 November 2018</b>
	<b>£</b>	<b>£</b>
Within 1 year	71,075	-
Between 1 and 5 years	355,375	-
After 5 years	248,763	-
	675,213	-

**9. Directors Advances, Credits and Guarantees**

Included within creditors is the following loan from a director:

	<b>As at 1 December 2018</b>	<b>Amounts advanced</b>	<b>Amounts repaid</b>	<b>Amounts written off</b>	<b>As at 31 December 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Mr Myles Anderson	(14,906 )	30,245	-	-	15,340

The above loan was repaid on 27 February 2020.

**10. Dividends**

	<b>31 December 2019</b>	<b>30 November 2018</b>
	<b>£</b>	<b>£</b>
<b>On equity shares:</b>		
Final dividend paid	185,900	171,600
	185,900	171,600

**Brightlocal Ltd**  
Page 6  
**Notes to the Financial Statements (continued)**  
**For the Period 1 December 2018 to 31 December 2019**

---

**11. Related Party Transactions**

**Bright Little Light Ltd**

Bright Little Light Ltd is controlled by BrightLocal Services Ltd

During the year a management fee of £750,000 was levied by Bright Little Light Ltd to the company. At 31 December 2019, the company owed £924,603 to Bright Little Light Ltd.

**BrightLocal Services Ltd**

The company is controlled by BrightLocal Services Ltd

During the year, the company paid a dividend to BrightLocal Services Ltd of £185,900.

**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 86 Gloucester Road, Brighton, East Sussex, BN1 4AP.

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.