

**Touch Local Limited**

**Annual Report and Consolidated Financial  
Statements**

Registered number 02885607

31 December 2020

THURSDAY



\*AAJZELS8\*

A20

23/12/2021

#178

COMPANIES HOUSE

## **Contents**

Officers and Professional Advisors	1
Strategic Report	2
Directors' Report	5
Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and the Consolidated Financial Statements	7
Independent Auditor's Report to the Members of Touch Local Limited	8
Consolidated Profit and Loss Account and Other Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Cash Flows Statement	16
Notes to the Financial Statements	17

## **Officers and Professional Advisors**

### ***Directors***

Sharon Rowlands  
Christina L. Clohecy  
Jeffrey S. Neace

### ***Secretary***

Bird and Bird LLP  
15 Fetter Lane  
London  
EC4A 1JP

### ***Registered Office***

12 New Fetter Lane  
London  
EC4A 1JP

### ***Banker***

NatWest Bank plc, Westminster Branch  
PO Box 3038  
57 Victoria Street  
London  
SW1H 0HN

### ***Solicitor***

Bird & Bird LLP  
15 Fetter Lane  
London  
EC4A 1JP

### ***Auditor***

KPMG LLP  
Chartered Accountants and Registered Auditor  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

## **Strategic Report**

### ***REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS***

During the year, Touch Local Limited ('the Company') provided a full range of Internet services to small businesses to help them compete and succeed online. The Company meets the needs of small businesses anywhere along their lifecycle with affordable, subscription-based solutions including website design and hosting, search engine optimization, online marketing campaigns, directory listings and eCommerce solutions.

The Company expects its 2021 trading results to increase in comparison to the 2020 trading results as a result of acquisition of the Easily Limited. In January 2021, the Company acquired 100% of the outstanding shares of Easily Limited, a provider of domain names, hosting, and technology solutions based in United Kingdom. In addition, on that same date, the Company also acquired certain assets from Corporation Service Company related to its Speednames Brand, which primarily consisted of customers. The purchase price for both was approximately £1.1 million, of which the funds to purchase was contributed to the Company by its parent entity, Web.com Group, Inc.

In February 2021, Endurance International Group, Inc. acquired 100% of the equity interest in Web.com Group, Inc. and its wholly owned subsidiaries. As a result, Endurance International Group Holdings, Inc. is now considered the ultimate parent company. The ultimate controlling parties are Siris Capital Group (601 Lexington Avenue, 59<sup>th</sup> Floor, New York, NY 10022) and Clearlake Capital Group (233 Wilshire Blvd, Suite 800, Santa Monica, CA 90401).

In addition, during 2021, the Company continues to focus on profitable growth and improving the net profits of the Company.

### ***KEY PERFORMANCE INDICATORS***

During the year ended 31 December 2020, Touch Local Limited has made a profit of £115,000 (2019: profit £167,000). The Company had approximately 4,725 customers as of 31 December 2020 with average revenue per month of £101.75 as compared to approximately 6,017 customers as of 31 December 2019 with average revenue per month of £124.53. The average revenue per month (per customer) decreased by 18% during the year ended 31 December 2020 when compared to the prior year ended 2019. Revenue decreased by 37% during the year ended 31 December 2020 as compared to the revenue from 2019. The average revenue per month (per customer) decreased at a lower percentage than the top line revenues did primarily due to our internal strategy to sell higher priced online marketing products to our customer base, such as search engine marketing and pay-per-click advertising. In addition, the costs to fulfil these services have increased as the costs to fulfil online marketing products are higher compared to traditional directory products and stand-alone websites.

### ***PRINCIPAL RISKS AND UNCERTAINTIES***

The principal risks facing the Company are as follows:

- We rely heavily on the reliability, security, and performance of our internally developed systems and processes, and any difficulties in maintaining these systems may result in service interruptions, decrease customer service, or increase expenditures.
- Providing online marketing service and products to our clients is a fragmented and changing market; if this market fails to grow, we will not be able to grow our business.
- A portion of our online marketing service and products are sold on a month-by-month basis, and if our customers are unable or choose not to subscribe to our web services, our revenue may decrease.
- Weakened global economic conditions may harm our industry, business, and results of operations.

## Strategic Report (continued)

### ***PRINCIPAL RISKS AND UNCERTAINTIES (continued)***

These risks are mitigated by constant monitoring by management. For the risks deemed to be high risk factors, management has developed a formal action plan that addresses this risk and assigned an owner who will closely monitor the process and act as warranted.

### ***FINANCIAL RISK MANAGEMENT***

The most important components of financial risk to a company are interest rate risk, credit risk, market risk and cash flow risk. The only financial risk the directors consider relevant to this Company is cash flow risk. The key risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. This risk is mitigated by the ultimate parent company being able to satisfy all obligations of the Company if they are unable to pay creditors.

### ***IMPACT DUE TO BREXIT***

As with many other companies across the UK, the continuing political process has meant the full implications of Brexit for all aspects of our business still remain uncertain. We have assessed the Company's risks associated with the potential impact of the UK's departure from the EU and evaluated the potential impact this will have on the Company.

The risks identified relate to the following topics: business and economic environment, cross-border trade, cross-border labour, as well as political and regulatory uncertainty. UK management has assessed the impact and believe any impact would be immaterial to our financial statements.

### ***IMPACT DUE TO COVID-19***

The Directors have undertaken a review across the business for the impact of the spread of the coronavirus across the world, to the extent possible given the rapidly changing situation. The majority of the work continues to be carried out through remote working. The Covid-19 pandemic has increased the level of uncertainty around the future trading environment. Immediately following the outbreak, the board implemented regular meetings of management to undertake close monitoring of trading levels, perform scenario planning and develop action plans to deal with different future trading scenarios. Identified risks and changes have been explored and suitable mitigants were identified or put in place to the extent possible. The Directors are satisfied that the impact on the Company is manageable and does not impact its presentation as a going concern.

### ***DIRECTORS' SECTION 172 STATEMENT***

The directors, together with management from the ultimate parent company, make long term decisions for the Group. These range from changes in internal systems to external acquisitions. The Group's employees are either consulted or communicated to when there are decisions likely to affect them. There are regular updates provided by management to the entire organization and employees are encouraged to ask questions and suggest process involvement.

Business relationships with customers and suppliers are key to the Group's success so maintaining a good reputation and high standards of business conduct is extremely important. Whenever there are key changes to process or services, customers and suppliers are consulted or communicated in advance of any such changes.

## Strategic Report (continued)

### ***DIRECTORS' SECTION 172 STATEMENT (continued)***

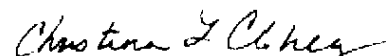
The Group recognizes the importance of its environmental responsibilities and designs and implements policies to reduce any damage that might be caused by the Group's activities. Initiatives designed to minimize the Company's impact on the environment include improving our energy use, efficiency, paper use and recycling.

By order of the board

**Christina L. Clohecy**  
*Director*

17<sup>th</sup> December 2021

Company registered number: 02885607



Touch Local Limited  
12 New Fetter Lane  
London  
EC4A 1JP

## **Directors' Report**

The directors present their report and the audited financial statements for the year ended 31 December 2020.

### ***RESULTS AND DIVIDENDS***

Consolidated financial statements have been prepared comprising the results of the Touch Local Limited ('the Company') and its wholly owned subsidiaries: Touch (NW) Limited, Enable Media Limited and Central Index Limited. The subsidiaries of Touch Local Limited, which are all incorporated in Great Britain and registered in England, are exempt from the audit of their individual accounts due to the existence of a parental guarantee given by this parent undertaking of this group which prepares these consolidated accounts. The consolidated profit for the year ended 31 December 2020 after taxation amounted to £115,000 (2019: profit £167,000). The profit attributable to the Company for the year ended 31 December 2020 after taxation, amounted to £442,000 (2019: Profit £495,000).

The directors do not recommend any dividend on the ordinary shares in respect of the year ended 31 December 2020 (2019: £nil).

### ***DIRECTORS***

The directors who held office during the year were as follows:

Sharon Rowlands  
Christina L. Clohecy  
Jeffrey S. Neace

### ***POLITICAL CONTRIBUTIONS***

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year ended 31<sup>st</sup> December 2020.

### ***DISCLOSURE OF INFORMATION TO AUDITOR***

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 auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### ***GOING CONCERN***

Notwithstanding net current liabilities of £1,765,000 (2019: £1,749,000) as at 31 December 2020 the consolidated financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these consolidated financial statements which indicate that, taking account of reasonably possible downsides, the group will have sufficient funds, through its cash and cash equivalents and in downside cases funding from its ultimate parent company, Newfold Digital Inc, to meet its liabilities as they fall due for that period

## **Directors' Report (continued)**

### ***GOING CONCERN (continued)***

Those forecasts are dependent on Newfold Digital Inc not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £1,210,000, and providing additional financial support during that period. Newfold Digital Inc has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

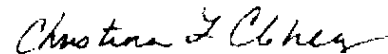
### ***OTHER INFORMATION***

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

### ***AUDITOR***

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will therefore continue in office.

By order of the board

  
**Christina L. Clohecy**  
*Director*

17<sup>th</sup> December 2021

Company registered number: 02885607

Touch Local Limited  
12 New Fetter Lane  
London  
EC4A 1JP



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the group and parent company 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of the groups profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations', or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCH LOCAL LIMITED**

## **Opinion**

We have audited the financial statements of Touch Local Limited ("the company") for the year ended 31 December 2020 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flows Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management/ directors/ sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCH LOCAL LIMITED (continued)**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet commission and profit targets, recent revisions to guidance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that Telesales and Channel revenue is recorded in the wrong period and the risk that Group and component management may be in a position to make inappropriate accounting entries.

We also identified a fraud risk related to the corresponding accrued and deferred revenue on the revenue noted above in response to possible pressures to meet commission and profit targets.

*In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.*

We also performed procedures including:

Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected users who typically do not make post entries or are not authorized to post journal entries, unusual entries posted to cash accounts, unexpected journal entries posted to revenue or deferred revenue accounts, journal entries posted at the end of the period or post-closing entries with little or no explanation or journal entries containing certain key words posted to revenue or trade receivables.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and the management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCH LOCAL LIMITED (continued)**

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Omar Ali (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
17 December 2021

## **Consolidated Profit and Loss Account and Other Comprehensive Income**

*for the year ended 31<sup>st</sup> December 2020*

		<b>2020</b>	2019
	<i>Note</i>	<b>£000</b>	£000
<b>Turnover</b>	2	<b>6,295</b>	10,044
Cost of sales		<b>(2,577)</b>	(3,510)
<b>Gross profit</b>		<u><b>3,718</b></u>	<u>6,534</u>
Other income	3	<b>209</b>	-
Administrative expenses	4	<b>(3,812)</b>	(6,367)
<b>Operating profit</b>		<u><b>115</b></u>	<u>167</u>
Interest payable and similar expenses		-	-
<b>Profit before taxation</b>		<u><b>115</b></u>	<u>167</u>
Tax on profit	7	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<u><b>115</b></u>	<u>167</u>
<b>Total comprehensive income for the year</b>		<u><u><b>115</b></u></u>	<u><u>167</u></u>

The accompanying notes on pages 17 to 30 are an integral part of these financial statements

There are no other gains or losses other than the profit for the year of £115,000 (2019: profit £167,000).

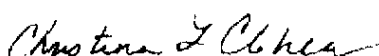
## Consolidated Balance Sheet

as at 31<sup>st</sup> December 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	8		273		130
Tangible assets	9		27		39
			<u>300</u>		<u>169</u>
<b>CURRENT ASSETS</b>					
Debtors	11	803		979	
Cash at bank and in hand		<u>811</u>		<u>566</u>	
<b>TOTAL CURRENT ASSETS</b>		<u>1,614</u>		<u>1,545</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	(3,379)		(3,294)	
<b>NET CURRENT LIABILITIES</b>			<u>(1,765)</u>		<u>(1,749)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(1,465)</u>		<u>(1,580)</u>
<b>CREDITORS: amounts falling due after more than one year</b>		<u>-</u>		<u>-</u>	
<b>NET LIABILITIES</b>			<u>(1,465)</u>		<u>(1,580)</u>
<b>CAPITAL AND RESERVES</b>					
Called-up share capital	13		1		1
Share premium account			23,695		23,695
Capital redemption reserve			12,200		12,200
Profit and loss account			(45,460)		(45,575)
Capital contribution			<u>8,099</u>		<u>8,099</u>
<b>SHAREHOLDERS' DEFICIT</b>			<u>(1,465)</u>		<u>(1,580)</u>

The accompanying notes on pages 17 to 30 are an integral part of these financial statements.

These financial statements were approved by the board of directors on 17<sup>th</sup> December 2020 and were signed on its behalf by:

  
Christina L. Clohecy  
Director

Company registered number: 02885607

Touch Local Limited  
12 New Fetter Lane  
London  
EC4A 1JP

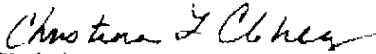
## Company Balance Sheet

as at 31<sup>st</sup> December 2020

		2020	2019
	Notes	£'000	£'000
<b>FIXED ASSETS</b>			
Intangible assets	8	273	130
Tangible assets	9	-	-
<b>CURRENT ASSETS</b>		<u>273</u>	<u>130</u>
Debtors	11	6,771	6,396
Cash at bank and in hand		<u>253</u>	<u>343</u>
<b>TOTAL CURRENT ASSETS</b>		<u>7,024</u>	<u>6,739</u>
<b>CREDITORS</b> : amounts falling due within one year	12	<u>(735)</u>	<u>(749)</u>
<b>NET CURRENT ASSETS</b>		<u>6,289</u>	<u>5,990</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,562</u>	<u>6,120</u>
<b>CREDITORS</b> : amounts falling due after more than one year		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>6,562</u></u>	<u><u>6,120</u></u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	13	1	1
Share premium account		23,695	23,695
Capital redemption reserve		12,200	12,200
Profit and loss account		(37,020)	(37,462)
Capital contribution		<u>7,686</u>	<u>7,686</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>6,562</u></u>	<u><u>6,120</u></u>

The accompanying notes on pages 17 to 30 are an integral part of these financial statements.

These financial statements were approved by the board of directors on 17<sup>th</sup> of December 2021 and were signed on its behalf by:

  
**Christina L. Clohec**  
Director

Company registered number: 02885607

Touch Local Limited  
12 New Fetter Lane  
London  
EC4A 1JP

## Consolidated Statement of Changes in Equity

	Called up Share Capital £000	Share Premium Account £000	Capital Redemption Reserve £000	Profit and loss account £000	Capital Contribution £000	Shareholders Deficit £000
Balance at 1 January 2019	1	23,695	12,200	(45,742)	7,374	(2,472)
Total comprehensive loss for the period	-	-	-	167	-	167
Transactions with owners, recorded directly in equity	-	-	-	-	725	725
Balance at 31 December 2019	1	23,695	12,200	(45,575)	8,099	(1,580)
Total comprehensive income for the period	-	-	-	115	-	115
Profit or loss	-	-	-	115	-	115
Total comprehensive income for the period	-	-	-	115	-	115
Transactions with owners, recorded directly in equity	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-
Balance at 31 December 2020	1	23,695	12,200	(45,460)	8,099	(1,465)

The accompanying notes on pages 17 to 30 are an integral part of these financial statements.



## Company Statement of Changes in Equity

	Called up Share Capital £000	Share Premium Account £000	Capital Redemption Reserve £000	Profit and loss account £000	Capital Contribution £000	Shareholders Deficit £000
Balance at 1 January 2019	1	23,695	12,200	(37,957)	6,961	4,900
Total comprehensive loss for the period	-	-	-	495	-	495
Transactions with owners, recorded directly in equity	-	-	-	-	725	725
Balance at 31 December 2019	1	23,695	12,200	(37,462)	7,686	6,120
Total comprehensive income for the period	-	-	-	442	-	442
Profit or loss	-	-	-	442	-	442
Total comprehensive income for the period	-	-	-	442	-	442
Transactions with owners, recorded directly in equity	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-
Balance at 31 December 2020	1	23,695	12,200	(37,020)	7,686	6,562

The accompanying notes on pages 17 to 30 are an integral part of these financial statements.

## Consolidated Cash Flows Statement

	2020	2019
	£000	£000
<b>Cash flows from operating activities</b>		
Profit for the year	115	167
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	122	39
	<u>237</u>	<u>206</u>
Decrease in trade and other debtors	173	227
Increase/(decrease) in trade and other creditors	88	(557)
<b>Net cash provided by (used for) operating activities</b>	<b>498</b>	<b>(124)</b>
<b>Cash flows from investing activities</b>		
Acquisition of tangible fixed assets	(6)	(26)
Capitalised development costs	(247)	(158)
<b>Net cash used for investing activities</b>	<b>(253)</b>	<b>(184)</b>
<b>Cash flows from financing activities</b>		
Proceeds from parent company related to capital contribution	-	725
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>725</b>
Net increase in cash and cash equivalents	245	417
Cash and cash equivalents at 1 January	566	149
<b>Cash and cash equivalents at 31 December</b>	<b>811</b>	<b>566</b>

The accompanying notes on pages 17 to 30 are an integral part of these financial statements.

## Notes to the Financial Statements

*(forming part of the financial statements)*

### 1 Accounting policies

Touch Local Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK. The registered number is 02885607 and the registered address is 12 New Fetter Lane, London, EC4A 1JP. These group and parent financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in England and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in financial statements have been rounded to the nearest £1,000. The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time;
- The disclosures required by FRS 102.11 Basic Financial Instrument and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company has made no measurement and recognition adjustments. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

Notwithstanding net current liabilities of £1,765,220 (2019: £1,749,000) as at 31 December 2020 the consolidated financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these consolidated financial statements which indicate that, taking account of reasonably possible downsides, the group will have sufficient funds, through its cash and cash equivalents and in downside cases funding from its ultimate parent company, Newfold Digital Inc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Newfold Digital Inc not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £1,210,000, and providing additional financial support during that period. Newfold Digital Inc has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 1.3 Basis of consolidation

The consolidated financial statements incorporate the results of Touch Local Limited and all of its subsidiary undertakings as at 31 December 2020. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.5 Basic financial instruments

##### *Trade and other debtors / 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.

##### *Investments in preference and ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

##### *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.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings. The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term or its useful lives. Land is not depreciated. The estimated useful lives are as follows:

- plant, vehicles, and equipment – 3-4 years
- leasehold improvements - 4 years or up to the length of the lease, whichever is shorter

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

#### 1.7 Intangibles

##### *Licences*

The fair value of acquired licences are amortised over their estimated useful lives or 20 years, whichever is the shorter. Provision is made for any impairment.

##### *Goodwill*

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

##### *Research and development*

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation period for the capitalised development is 3 years.

#### 1.8 Investment

Fixed asset investments are shown at cost less provision or impairment.

#### 1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 1.10 Turnover

Turnover represents the amounts derived from the provision of services which fall within the Company's ordinary activities, stated net of value added tax. All revenue except third party reseller arrangements is recognised equally over the length of the contract using a daily recognition method. Third party reseller arrangements revenue is recognised when earned.

Turnover is generated by one class of business and in three geographic areas, the United Kingdom, Europe, and South Africa.

#### 1.11 Government grants

Government grants are treated as other operating income in the Statement of Comprehensive Income in the period to which they are related. Between xxx and xxx 2020, the Company received and booked £xxx in respect of the Coronavirus Job Retention Scheme.

#### 1.12 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### 1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes to the financial statements (continued)

### 2 Turnover

	<b>2020</b>	2019
	<b>£000</b>	£000
Total turnover	<b>6,295</b>	10,044

Over 80% of the turnover is generated from customers within the United Kingdom.

### 3 Other Income

	<b>2020</b>	2019
	<b>£000</b>	£000
Income from JRS Grant	<b>209</b>	-

### 4 Expenses and auditor's remuneration

	<b>2020</b>	2019
	<b>£ '000</b>	£ '000
Included in the profit/loss are the following:		
Amortisation of intangible assets	<b>104</b>	32
Depreciation of tangible assets	<b>18</b>	7
Operating lease expense of rent	<b>140</b>	214

The analysis of auditors' remuneration is as follows:

	<b>2020</b>	2019
	<b>£ '000</b>	£ '000
Fees payable to the company's auditors for the audit of the Group and Company's financial statements	<b>43</b>	36

## Notes to the financial statements (continued)

### 5 Directors' remuneration

The following directors were in office during the year and were not paid by any of the companies in the Touch Local Group:

Sharon Rowlands  
 Christina L. Clohecy  
 Jeffrey S. Neace

Due to the nature of the operations of the Group, the remuneration of the directors for their services to the Company is not contained in the records of the Company, as the amount of work performed by the directors for the Company is immaterial. The directors are remunerated for their services to the group as a whole, which is disclosed in the holding Company, Web.com Group, Inc., and consolidated financial statements of Web.com Group, Inc. Further details are disclosed in note 16.

### 6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2020	2019
Average number of persons employed (including directors)		
Administrative	12	14
Operational	56	96
Total	<u>68</u>	<u>110</u>

	2020 £ '000	2019 £ '000
Staff costs during the period (including directors)		
Wages and salaries	2,615	3,429
Social security costs	241	308
Pension contributions	43	57
Total	<u>2,899</u>	<u>3,794</u>



## Notes to the financial statements (continued)

### 7 Taxation

There is no current UK tax charge for the year (2019: £nil) due to tax losses arising in the period. The group has tax losses amounting to £45,317,000 (2019: £45,436,000) on which no deferred tax assets had been recognised because of the uncertainty of future profits with which to utilise against these losses.

Total tax expense recognised in the profit and loss account:

	2020 £ '000	2019 £ '000
<i>Current tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
<i>Deferred tax (see note 1)</i>		
Origination and reversal of timing differences	-	-
Change in tax rate	-	-
Adjustments arising from a change in tax status of the company	-	-
Total deferred tax	-	-
Total tax	-	-

## Notes to the financial statements (continued)

### 7 Taxation (continued)

*Analysis of current tax recognized in profit and loss:*

	2020 £ '000	2019 £ '000
UK corporation tax	-	-
Double taxation relief	-	-
Foreign tax	-	-
Total current tax recognised in profit and loss	<u>-</u>	<u>-</u>

*Recognition of effective tax rate:*

Tax assessed for the period is lower (2019: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%). The differences are explained below:

	2020 £ '000	2019 £ '000
Profit/(loss) before tax	<u>115</u>	<u>167</u>
	<u>115</u>	<u>167</u>
Tax using the UK corporation tax rate of 19% (2018: 19%)	22	32
Expenses not deductible for tax purposes	3	5
Deferred tax not recognised on other timing differences	(1)	(9)
Current year losses for which no deferred tax asset was recognised	61	70
Tax losses brought forward	(85)	(98)
Total tax expense included in profit or loss	<u>-</u>	<u>-</u>

*Factors that may affect future tax charges*

The standard rate of corporation tax for the year end 31 December 2020 was 19% (2019: 19%).

Changes to the UK corporation tax rates were enacted as part of the Finance Act 2016 (on 6 September 2016). These included reductions to reduce the rate to 17% from 1 April 2020. In March 2020, the intended reduction in the corporation tax rate for 19% to 17% was cancelled. Deferred taxes at the balance sheet date have been measured using the enacted tax rate of 19% (2019: 17%).

In March 2021, the Chancellor announced in his Budget Statement an increase in the rate of corporation tax to 25% with effect from 1 April 2023. This does constitute substantive enactment and therefore deferred tax balances continue to be measured at the enacted rate of 19%. However, with the increase in the corporation tax rate to 25% after 1 April 2023, the unrecognised deferred tax asset would be increased by £2,763,000 to £11,510,000.

The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the Company.

## Notes to the financial statements (continued)

### 8 Intangible assets and goodwill

GROUP	Goodwill	Licenses	Development Costs	Total
	£ '000	£ '000	£ '000	£ '000
<b>Cost</b>				
Balance at 1 January 2020	834	586	516	1,936
Additions	-	-	247	247
Balance at 31 December 2020	<u>834</u>	<u>586</u>	<u>763</u>	<u>2,183</u>
<b>Amortisation and impairment</b>				
Balance at 1 January 2020	834	586	386	1,806
Amortisation for the year	-	-	104	104
Balance at 31 December 2020	<u>834</u>	<u>586</u>	<u>490</u>	<u>1,910</u>
<b>Net book value</b>				
At 1 January 2020	<u>-</u>	<u>-</u>	<u>130</u>	<u>130</u>
<b>At 31 December 2020</b>	<u>-</u>	<u>-</u>	<u>273</u>	<u>273</u>

COMPANY	Licenses	Development Costs	Total
	£ '000	£ '000	£ '000
<b>Cost</b>			
Balance at 1 January 2020	521	516	1,037
Additions	-	247	247
Balance at 31 December 2020	<u>521</u>	<u>763</u>	<u>1,284</u>
<b>Amortisation and impairment</b>			
Balance at 1 January 2020	521	386	907
Amortisation for the year	-	104	104
Balance at 31 December 2020	<u>521</u>	<u>490</u>	<u>1,011</u>
<b>Net book value</b>			
At 1 January 2020	<u>-</u>	<u>130</u>	<u>130</u>
<b>At 31 December 2020</b>	<u>-</u>	<u>273</u>	<u>273</u>

## Notes to the financial statements (continued)

### 9 Tangible fixed assets

GROUP	Leasehold Improvements £ '000	Plant, Vehicles and Equipment £ '000	Total £ '000
<b>Cost</b>			
Balance at 1 January 2020	539	1,054	1,593
Additions	-	6	6
Balance at 31 December 2020	<u>539</u>	<u>1,060</u>	<u>1,599</u>
<b>Depreciation</b>			
Balance at 1 January 2020	521	1,033	1,554
Charges for the year	7	11	18
Balance at 31 December 2020	<u>528</u>	<u>1,044</u>	<u>1,572</u>
<b>Net book value</b>			
At 1 January 2020	<u>18</u>	<u>21</u>	<u>39</u>
At 31 December 2020	<u>11</u>	<u>16</u>	<u>27</u>

COMPANY	Leasehold Improvements £ '000	Plant, Vehicles and Equipment £ '000	Total £ '000
<b>Cost</b>			
Balance at 1 January 2020	291	622	913
Balance at 31 December 2020	<u>291</u>	<u>622</u>	<u>913</u>
<b>Depreciation</b>			
Balance at 1 January 2020	291	622	913
Charges for the year	-	-	-
Balance at 31 December 2020	<u>291</u>	<u>622</u>	<u>913</u>
<b>Net book value</b>			
At 1 January 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>

## Notes to the financial statements (continued)

### 10 Fixed asset investments

The trading subsidiaries of Touch Local limited, below, which are all domiciled and registered in the UK, are exempt from the audit of their individual accounts (Section 479a of the companies act 2006) due to the existence of a parental guarantee given by this parent undertaking of this group which prepares these consolidated accounts:

Net book value as at 1 January 2020 and 31 December 2020	£ 10
--	---------

Name of Company	Registered Address	Proportion of voting rights and ordinary share capital owned	Nature of business
Touch NW Limited - 04144911	12 New Fetter Lane, London, EC4A 1JP	100%	Non-trading
Touch Jobs Limited - 04140442	12 New Fetter Lane, London, EC4A 1JP	100%	Non-trading
Enable Media Limited - 05178759	12 New Fetter Lane, London, EC4A 1JP	100%	Marketing and web services
AskAlix Limited - 03762890	12 New Fetter Lane, London, EC4A 1JP	100%	Non-trading
Central Index Limited - 06002202	12 New Fetter Lane, London, EC4A 1JP	100%	White label online business directories

### 11 Debtors

	Group		Company	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Trade Debtors	304	353	146	142
Other Debtors	4	41	4	6
Prepayments and deferred cost	313	328	63	65
Accrued Income	182	248	127	128
Amounts due from group undertakings	-	-	6,428	6,046
Amounts due from ultimate parent	-	9	3	9
	<b>803</b>	<b>979</b>	<b>6,771</b>	<b>6,396</b>

Amounts due from group and ultimate parent are non-interest bearing and due upon demand.

Amounts due from group undertakings will be contributed into equity during fiscal year 2021.

Trade debtors include provision for uncollectable receivables £52,753 (2019: nil) for the group and £22,159 for the company (2019: nil). Bad debts written off amount to £96,041 (2019: £44,697) for the group and £88,615 (2019: £14,839) for the company and are included in administrative expenses.

## Notes to the financial statements (continued)

### 12 Creditors

	Group		Company	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Trade Creditors	300	386	118	193
Accrued Compensation	266	340	58	48
Accrued Taxes	292	219	17	(6)
Accruals	130	162	50	61
Deferred Income	1,181	1,437	65	82
Amounts owed to group undertakings	-	-	382	371
Amounts owed to ultimate parent	1,210	750	45	-
	<b>3,379</b>	<b>3,294</b>	<b>735</b>	<b>749</b>

### 13 Called-up Share Capital

	Number	Amount £
31 December 2020		
<i>Alloted, called up and fully paid</i>		
Ordinary Shares of 0.01p each	11,240,688	1,124
	Number	Amount £
31 December 2019		
<i>Alloted, called up and fully paid</i>		
Ordinary Shares of 0.01p each	11,240,688	1,124

The Ordinary Shares shall be entitled to the following rights:

#### *Voting in general meetings*

The holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at the general meeting of the Company.

#### *Dividends*

All dividends declared by the Company shall be payable to the holders of the Ordinary Shares *pari passu* as if the same were one class of the Shares and shall be distributed *pro rata* according to the number of Shares held by them respectively.

#### *Capital rights*

On a return of assets on a liquidation or a winding-up, reduction of capital or otherwise, the assets of the Company remaining after payment of such liabilities as it is necessary to discharge to effect the distribution shall be distributed based on a complex formula laid out in the Articles of Association.

## Notes to the financial statements (continued)

### 14 Operating Leases

Non-cancellable operating lease rentals are payable as follows:

<b>Group</b>	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
Within one year	117	110
Within two to five years	29	136
Over five years	-	-
	<u>146</u>	<u>246</u>
<b>Company</b>	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
Within one year	-	-
Within two to five years	-	-
Over five years	-	-
	<u>-</u>	<u>-</u>

### 15 Related Parties

The Group has related party transactions with Web.com Group, the ultimate parent of Touch Local Limited and subsidiaries. Web.com Group provides services for domain registration, as well as, administrative support from the United States. At 31 December 2020, the Group owed Web.com Group, Inc. the amount of £1,210,000 (2019: £750,000). Web.com Group, Inc. is not seeking repayment of these amounts currently due.

### 16 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Web.com Group, Inc. The ultimate controlling party is Siris Capital Group (601 Lexington Avenue, 59th Floor New York, NY 10022).

The smallest and largest group in which the results of the Company and its group are consolidated is that headed by Web.com Group Inc. (5335 Gate Parkway, Jacksonville, Florida 32256). The consolidated financial statements may be obtained from 5335 Gate Parkway, Jacksonville, Florida, 32256.

## **Notes to the financial statements (concluded)**

### **17 Subsequent Events**

In January 2021, the Company acquired 100% of the outstanding shares of Easily Limited, a provider of domain names, hosting, and technology solutions based in United Kingdom. In addition, on that same date, the Company also acquired certain assets from Corporation Service Company related to its Speednames Brand, which primarily consisted of customers. The purchase price for both was approximately £1.1 million, of which the funds to purchase was contributed to the Company by its parent entity, Web.com Group, Inc.

In February 2021, Endurance International Group, Inc. acquired 100% of the equity interest in Web.com Group, Inc. and its wholly owned subsidiaries. Endurance International Group Holdings, Inc. is now considered the ultimate parent company. The ultimate controlling parties are Siris Capital Group (601 Lexington Avenue, 59<sup>th</sup> Floor, New York, NY 10022) and Clearlake Capital Group (233 Wilshire Blvd, Suite 800, Santa Monica, CA 90401).

In December 2021, Touch Local Limited has decided to convert the amounts due from Enable Media Limited into contributed equity. The amount converted was £6,428,000.