

LOCALEYES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS


FOR THE YEAR ENDED 31 DECEMBER 2020

CORK ■ DUBLIN

5 Lapps Quay Cork T12 RW7D Ireland
+353 21 4272900 www.crowleysdfk.ie

Partners: James O'Connor FCA (Director) Tony Cooney FCA (Director) Edward Murphy FCA CTA (Director) Colette Nagle FCA (Director) Natalie Kelly (Director) FCA QFA
Vincent Teo FCA Siobhán O'Hea CTA Harry O'Sullivan FCA David Coombes FCA Niall Grant FCA CTA

Crowleys DFK Unlimited Company trading as Crowleys DFK. Registered Office: 16/17 College Green, Dublin D02 V078. Company No: 393878.

A member firm of  DFK International a worldwide association of independent firms.

Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in Ireland (ICAI).

Chartered Accountants Ireland is the operating name of ICAI.

LOCALEYES LIMITED

Directors	Raffaello Marco Sartorio (Swiss) (appointed 2 April 2021) Lindita Spahija (Albanian) Niall Shanahan
Company secretary	Lindita Spahija
Registered number	263049
Registered office	5 Lapps Quay Cork
Independent auditors	Crowleys DFK Unlimited Company Chartered Accountants and Statutory Audit Firm 5 Lapps Quay Cork
Bankers	Allied Irish Bank 66 South Mall Cork AIB Treasury and International Ashford House Tara Street Dublin 2
Solicitors	J.W. O'Donovan & Company 53 South Mall Cork

LOCALEYES LIMITED

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LOCALEYES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the group during the year was the provision of computer software localisation and translation services.

Business review

The results for the year are set out on page 10. There has been no significant change in the company's activities during the year. During 2020, LocalEyes has continued to work with external marketing advisors to establish trading opportunity in the European and US markets. This continues to be a key area of development for the Company. Directors continue marketing and development strategies together with developing other client business areas.

Results and dividends

The profit for the financial year, after taxation and minority interests, amounted to €3,168,637 (2019 - €1,357,844). The company paid interim dividends in the amount of €5,535,000 during the year (2019 - €1,250,000). At 31 December 2020, the directors had declared but not paid interim dividends amounting to €800,000 (2019 - €255,000). The directors do not recommend a final dividend.

Directors

The directors who served during the financial year were:

Niall Shanahan
Lindita Spahija

Secretary

The company secretary throughout the year was Lindita Spahija.

Directors and secretary and their interests

The directors and secretary at 31 December 2020 did not hold any direct interest in the shares of the Company. Carlo Cozza holds 100% of the share capital of Kibest Srl, the ultimate parent company of LocalEyes Limited.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company and its subsidiaries are in the following categories:

Economic risk

The risk of increased interest rates and/or inflation having an adverse impact on served markets. The risk of unrealistic increases in wages or infrastructural cost impacting adversely on competitiveness of the group and its principal customers. The risk of adverse exchange movements.

These risks are managed by innovative product sourcing, strict control of costs and, when needed, re-negotiating the pricing model with customers and suppliers.

Competition risk

The directors of the company and subsidiaries manage competition through close attention to customer service levels in terms of quality and timeline delivery.

LOCALEYES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Financial risk

Each of the companies within the group has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

People in our business

The continued success of the group has been achieved by the people working in it. Each of the subsidiaries is managed separately but reflects the group philosophy and ethos. There are many long serving members of staff and the relatively low turnover of personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff as well as the other stakeholders in the business, in a fair and consistent manner. Their continued loyalty and hard work is much appreciated.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 3rd Floor, 11 Anglesea Street, Cork.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Future developments

There are no material changes anticipated in the business of the Group at this time. The directors continue to focus on generating sales and rationalising its costs in order to maintain profitability.

Research and development activities

The Group did not engage in any research and development activities during the financial year to 31 December 2020.

Statement on relevant audit information

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 and the group'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 and the group's auditors are aware of that information.

LOCALEYES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

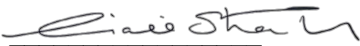
Branches outside the state

The Group has branches outside the State in Germany, Sweden and Denmark.

Auditors

The auditors, Crowleys DFK Unlimited Company continue in office in accordance with section 383(2) of the Companies Act 2014.

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



Niall Shanahan
Director

Date:



Lindita Spahija
Director

Date:

LOCALEYES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

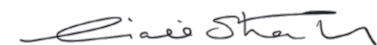
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing each of the financial statements, the directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for ensuring that the Group and the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the group to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Niall Shanahan
Director

Date:



Lindita Spahija
Director

Date:

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOCALEYES LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LocalEyes Limited (the 'Company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statement of Changes in Equity, the Group Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2020 and of its profit for the year then ended;
- the Company Statement of Financial Position gives a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020;
- the Group financial statements and the Company financial statements have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.


Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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LOCALEYES LIMITED



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOCALEYES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' report is consistent with the financial statements; and
- in our opinion, the Directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's Statement of Financial Position is in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 5, 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 Group's and the parent Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or has no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOCALEYES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group or the parent Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the parent Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Group and the parent Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LOCALEYES LIMITED



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOCALEYES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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 Section 391 of the Companies Act 2014. 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 Auditors' 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.

Tony Cooney
for and on behalf of
Crowleys DFK Unlimited Company
Chartered Accountants and Statutory Audit Firm
5 Lapps Quay
Cork

Date:

LOCALEYES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €	2019 €
Turnover	4	18,166,279	18,203,873
Cost of Sales		(8,069,548)	(9,018,006)
Gross profit		10,096,731	9,185,867
Administrative expenses		(6,278,985)	(7,519,060)
Operating profit	5	3,817,746	1,666,807
Share of losses in associated undertakings		(120,732)	(15,532)
Other interest receivable and similar income	8	1	1
Reconstructing cost		(12,859)	-
Interest payable and similar expenses	9	(1,227)	(360)
Profit before taxation		3,682,929	1,650,916
Tax on profit	10	(514,292)	(293,072)
Profit for the financial year		3,168,637	1,357,844

The notes on pages 18 to 39 form part of these financial statements.

LOCALEYES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 €	2019 €
Profit for the financial year	3,168,637	1,357,844
Other comprehensive income		
Currency translation differences	34,544	74,976
Total comprehensive income for the financial year	<u><u>3,203,181</u></u>	<u><u>1,432,820</u></u>
Profit for the financial year attributable to:		
Non-controlling interest	(2,118)	146,000
Owners of the parent company	3,170,755	1,211,844
	<u><u>3,168,637</u></u>	<u><u>1,357,844</u></u>
Total comprehensive income for the financial year attributable to:		
Non-controlling interest	(10,422)	157,648
Owners of the parent company	3,213,603	1,275,172
	<u><u>3,203,181</u></u>	<u><u>1,432,820</u></u>

LOCALEYES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 €	2020 €	2019 €	2019 €
Fixed assets					
Intangible assets	12		164,722		69,377
Tangible fixed assets	13		252,526		400,121
Financial assets	14		-		56,478
			<u>417,248</u>		<u>525,976</u>
Current assets					
Stocks	15	262,359		432,145	
Debtors: amounts falling due within one year	16	1,092,446		2,708,433	
Current asset investments	17	1		1	
Cash at bank and in hand	18	2,530,141		2,525,873	
		<u>3,884,947</u>		<u>5,666,452</u>	
Creditors: amounts falling due within one year	19	<u>(1,740,791)</u>		<u>(1,299,205)</u>	
Net current assets			2,144,156		4,367,247
Total assets less current liabilities			<u>2,561,404</u>		<u>4,893,223</u>
Capital and Reserves					
Called up share capital presented as equity	21		1,376,294		3,376,294
Other reserves	22		190		190
Profit and loss account	22		(531,518)		763,655
Capital redemption reserve	22		973,776		-
			<u>1,818,742</u>		<u>4,140,139</u>
Shareholders funds					
Non-controlling interests			742,662		753,084
Total shareholder's funds			<u>2,561,404</u>		<u>4,893,223</u>

The financial statements were approved and authorised for issue by the board:



Niall Shanahan
Director

Date:



Lindita Spahija
Director

Date:

The notes on pages 18 to 39 form part of these financial statements.

LOCALEYES LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 €	2020 €	2019 €	2019 €
Fixed assets					
Intangible assets	12	109,219			-
Tangible assets	13	54,782			235,105
Financial assets	14	817,040			958,200
			981,041		1,193,305
Current assets					
Stocks	15	238,572		365,211	
Debtors: amounts falling due within one year	16	1,104,299		2,306,517	
Current Asset Investments	17	1		1	
Cash at bank and in hand	18	1,660,004		2,287,482	
		3,002,876		4,959,211	
Creditors: amounts falling due within one year	19	(1,633,657)		(1,377,917)	
Net current assets			1,369,219		3,581,294
Total assets less current liabilities			2,350,260		4,774,599
Capital and Reserves					
Called up share capital presented as equity	21		1,376,294		3,376,294
Capital reduction reserve	22		973,766		-
Other reserves	22		190		190
Profit and loss account	22		-		1,398,115
Shareholders funds			2,350,260		4,774,599

The financial statements were approved and authorised for issue by the board:



Niall Shanahan
Director

Date:



Lindita Spahija
Director

Date:

The notes on pages 18 to 39 form part of these financial statements.

LOCALEYES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Other reserves	Capital reduction reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total Equity
	€	€	€	€	€	€	€
At 1 January 2020	3,376,294	190	-	763,655	4,140,139	753,084	4,893,223
Comprehensive income for the financial year							
Profit for the financial year	-	-	-	3,170,755	3,170,755	(2,118)	3,168,637
Currency translation differences	-	-	-	42,848	42,848	(8,304)	34,544
Total comprehensive income for the financial year	-	-	-	3,213,603	3,213,603	(10,422)	3,203,181
Dividends: Equity capital	-	-	(1,026,224)	(4,508,776)	(5,535,000)	-	(5,535,000)
Transfer to capital reduction reserve	(2,000,000)	-	2,000,000	-	-	-	-
Other movements	-	-	-	-	-	-	-
At 31 December 2020	1,376,294	190	973,776	(531,518)	1,818,742	742,662	2,561,404

The notes on pages 18 to 39 form part of these financial statements.

LOCALEYES LIMITED

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

	Called up share capital	Other reserves	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total Equity
	€	€	€	€	€	€
At 1 January 2019	3,376,294	190	738,483	4,114,967	595,436	4,710,403
Comprehensive income for the financial year						
Profit for the financial year	-	-	1,211,844	1,211,844	146,000	1,357,844
Currency translation differences	-	-	63,328	63,328	11,648	74,976
Total comprehensive income for the financial year	<u>3,376,294</u>	<u>190</u>	<u>1,275,172</u>	<u>1,275,172</u>	<u>157,648</u>	<u>1,432,820</u>
Dividends: Equity capital	-	-	(1,250,000)	(1,250,000)	-	(1,250,000)
Other movements	-	-	-	-	-	-
At 31 December 2019	<u>3,376,294</u>	<u>190</u>	<u>763,655</u>	<u>4,140,139</u>	<u>753,084</u>	<u>4,893,223</u>

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LOCALEYES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Capital reduction reserve	Other reserves	Profit and loss account	Total Equity
	€		€	€	€
At 1 January 2020	3,376,294	-	190	1,398,115	4,774,559
Comprehensive income for the financial year					
Profit for the financial year	-	-	-	3,110,661	3,110,661
Contributions by and distributions to owners					
Transfer to capital reduction reserve	(2,000,000)	2,000,000	-	-	-
Dividends: Equity capital	-	(1,026,224)	-	(4,508,776)	(5,535,000)
At 31 December 2020	<u>1,376,294</u>	<u>973,776</u>	<u>190</u>	<u>-</u>	<u>2,350,260</u>

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

	Called up share capital	Other reserves	Profit and loss account	Total Equity
	€	€	€	€
At 1 January 2019	3,376,294	190	1,264,341	4,640,825
Comprehensive income for the financial year				
Profit for the financial year	-	-	1,383,774	1,383,774
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,250,000)	(1,250,000)
At 31 December 2019	<u>3,376,294</u>	<u>190</u>	<u>1,398,115</u>	<u>4,774,599</u>

The notes on pages 18 to 39 form part of these financial statements.

LOCALEYES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 €	2019 €
Cash flows from operating activities		
Profit for the financial year	3,168,636	1,357,842
Adjustments for:		
Amortisation of intangible assets	68,485	87,574
Depreciation of tangible assets	64,710	98,879
Profit on disposal of tangible assets	-	-
Interest paid	1,227	360
Interest received	(1)	(1)
Taxation charge	514,292	293,072
(Income)/loss from interests in associate undertaking	120,731	15,532
Impairment of investments	-	1
(Increase)/decrease in stocks	169,786	(75,153)
Decrease /(increase) in debtors	1,615,985	(93,770)
Increase/(decrease) in creditors	199,368	44,493
Corporation tax (paid)	(272,073)	(373,028)
Foreign currency translation adjustments	35,885	71,579
Net cash generated from operating activities	5,687,031	1,427,380
Cash flows from investing activities		
Purchase of tangible fixed assets	(82,853)	(246,256)
Sale of tangible fixed assets	569	17,872
Purchase of intangible fixed assets	-	-
Purchase of shares in associates	(64,253)	-
Sale of shares in associates	-	63,455
Interest received	1	1
Net cash from investing activities	(146,536)	(164,928)
Cash flows from financing activities		
Dividends paid	(5,535,000)	(1,250,000)
Interest paid	(1,227)	(360)
Net cash used in financing activities	(5,536,227)	(1,250,360)
Net increase/(decrease) in cash and cash equivalents	4,268	12,092
Cash and cash equivalents at beginning of year	2,525,873	2,513,781
Cash and cash equivalents at the end of year	2,530,141	2,525,873
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,530,141	2,525,873

The notes on pages 18 to 39 form part of these financial statements.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

These financial statements comprising the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes constitute the consolidated and individual financial statements of LocalEyes Limited for the financial year ended 31 December 2020.

LocalEyes Limited is a private company limited by shares (registered under Part 2 of the Companies Act 2014), incorporated and registered in the Republic of Ireland (CRO Number: 263049). The company's registered address is 5 Lapps Quay. The company's principal place of business is 3rd Floor, 11 Anglesea Street, Cork. The nature of the Group's operations and its principal activities are set out in the Directors' Report.

The financial statements have been approved in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" (FRS102).

The financial statements have been presented in Euro (€) which is also the functional currency of the Group and the company.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

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

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Profit and Loss account in these financial statements.

2.2 Basis of Consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the investee's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

The results of associates are accounted for using the equity method of accounting.

All intra-group transactions, balances, income and expenses are eliminated on consolidation

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 be met before revenue is recognised:

Rendering of services

Revenue 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 the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group 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 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquire at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated profit and loss account over its useful economic life.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated profit and loss account within 'other operating income'.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Foreign currency translation (continued)

On consolidation, the results of overseas operations are translated into Euros at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.7 Finance costs

Finance costs are charged to the Consolidated Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Profit and Loss Account 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 Group in independently administered funds.

2.10 Interest income

Interest income is recognised in the Consolidated Profit and Loss Account using the effective interest method.

2.11 Intangible fixed assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Profit and Loss Account over its useful economic life of 10 years.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Intangible fixed assets (continued)

Other 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.

The estimated useful lives range as follows:

Customer listing	- 5 years
Other intangible assets	- 3 years
Software	- 3 years

2.12 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, using the straight-line method.

Depreciation is provided on the following basis:

• Property renovation	Life of lease
• Motor vehicles	10%
• Fixtures and fittings	15%
• Equipment	15%
• Computer equipment	20%
• Software	33%

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 in the Consolidated Income Statement.

2.13 Valuation of investments

The Company's investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

The Company's investments in associates and joint ventures are held at cost less impairment.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Work in progress

Work in progress is valued at selling price, including direct costs, overhead and profit. Provision is made for any foreseeable losses where appropriate.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Consolidated Profit and Loss Account.

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.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.19 Financial instruments

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

2.20 Operating Leases: the group as the lessee

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.21 Taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the Consolidated profit and loss account, 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 and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgements, estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates, and the effect of any change in estimates will be adjusted in the financial statements when they become reasonably determinable.

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under these circumstances.

Judgements

In preparing the financial statements, the directors have had to make the following judgments:

Useful lives of depreciable assets

The annual depreciation and amortisation charges depend primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors annually review these asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in the useful lives can have a significant impact on the depreciation and amortisation charges for the financial year. The net book value of Tangible Fixed Assets subject to depreciation at the financial year end date was €252,526 (2019 - €400,121). The net book value of Intangible Fixed Assets subject to amortisation at the financial year end date was €164,722 (2019 - €69,377).

Impairment of Debtors

The Group trades with its customers on credit terms some debts due will not be paid through the default of a small number of customers. The directors' assessment of the recoverability of these amounts is informed by historical experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed at each financial year end. The total amounts of debtors at 31 December 2020 was €1,092,446 (2019 - €2,708,433).

Going Concern

Since the financial year end the Covid-19 pandemic has resulted in a worldwide slowdown of economic activity. However, LocalEyes Limited has continued to trade strongly during this period despite the measures that governments have introduced in response to the virus.

The group reported a profit of €3,168,637 (2019 - €1,357,844) and has net assets of €2,561,404 (2019 - €4,893,223) at the year end. The directors have prepared budgets and cash flow projections which demonstrate that there is no material uncertainty regarding the Group's ability to meet its liabilities as they fall due and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the group was unable to continue as a going concern.

The financial statements have been prepared on a going concern basis.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. Turnover

An analysis of turnover by class of business is as follows:

	2020	2019 €
Localisation and translation services	18,166,279	18,203,873
	<u>18,166,279</u>	<u>18,203,873</u>

Analysis of turnover by country of destination:

	2020	2019 €
Republic of Ireland	10,748,063	9,277,919
Europe	5,229,964	6,591,303
Rest of the World	2,188,252	2,334,651
	<u>18,166,279</u>	<u>18,203,873</u>

5. Profit on ordinary activities before taxation

The operating surplus is stated after charging:

	2020 €	2019 €
Depreciation of tangible fixed assets	64,711	98,879
Amortisation of intangible assets, including goodwill	68,484	120,634
Impairment of investments and other receivables	-	-
Operating lease rentals	463,636	345,847
Exchange differences	78,035	6,176
Defined contribution pension cost	116,428	89,389

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. Employees

Staff costs were as follows:

	2020	2019
	€	€
Wages and salaries	4,702,584	5,791,621
Social insurance costs	802,787	912,870
Cost of defined contribution scheme	116,428	89,389
	<u>5,620,694</u>	<u>6,793,880</u>

Capitalised employee costs during the year amounted to €Nil (2019: €Nil).

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

	2020	2019
	No.	No.
Administrative staff	73	69
Technical staff	42	92
	<u>115</u>	<u>161</u>

7. Directors' remuneration

	2020	2019
	No.	No.
Directors' emoluments	10,000	10,000
Directors national insurance	1,105	1,095
	<u>11,105</u>	<u>11,095</u>

8. Interest receivable

	2020	2019
	€	€
Bank interest receivable	<u>1</u>	<u>1</u>

9. Interest payable and similar expenses

	2020	2019
	€	€
Bank interest payable	<u>1,227</u>	<u>360</u>

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Taxation

	2020 €	2019 €
Corporation tax		
Current tax on profit for the financial year	518,300	287,561
Total current tax	<u>518,300</u>	<u>287,561</u>
Deferred tax		
Origination and reversal of timing differences	<u>(4,008)</u>	<u>5,511</u>
Taxation profit on ordinary activities	<u>514,292</u>	<u>293,072</u>
	2020 €	2019 €
Profit on ordinary activities before tax	<u>3,086,784</u>	<u>1,480,326</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2019: 12.5%)	457,299	186,493
Effects of:		
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	34,034	74,563
Capital allowances for the financial year in excess of depreciation	(1,441)	1,098
Income tax withheld	4,244	10,450
Foreign tax on income for the year	15,976	-
Foreign tax in respect of prior periods	5,173	-
Other differences	(4,008)	5,021
Unrelieved loss on foreign subsidiaries	(3,417)	15,447
PY tax adjustment post year end	6,432	-
Total tax charge for the year	<u>514,292</u>	<u>293,072</u>

11. Dividends

	2020 €	2019 €
Interim Dividends paid	<u>5,535,000</u>	<u>1,250,000</u>

At 31 December 2020, the directors had declared but not paid interim dividends of €800,000 (2019 - €255,000).

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Intangible fixed assets

Group

	Customer listing €	Concessions & patents €	Other intangibles €	Goodwill €	Software €	Total €
Cost or valuation						
At 1 January 2020	501,531	25,624	8,237	138,753	-	674,145
Transfers between classes	-	-	-	-	163,829	163,829
Foreign exchange movement	1,397	-	-	-	-	1,397
At 31 December 2020	502,928	25,624	8,237	138,753	163,829	839,371
Amortisation						
At 1 January 2020	501,531	25,479	8,237	69,521	-	604,768
Charge for the financial year	-	-	-	13,874	54,610	68,484
Foreign exchange movement	1,397	-	-	-	-	1,397
At 31 December 2020	502,928	25,479	8,237	83,395	54,610	674,649
Net book value						
At 31 December 2020	-	145	-	55,358	109,219	164,722
At 31 December 2019	-	145	-	69,232	-	69,377

Amortisation of goodwill

The goodwill arose on the acquisition of the business of CB Services SA. The goodwill is amortised to the profit and loss account evenly over 10 years on a straight line basis in accordance with the Group's accounting policy. The remaining amortisation period is 5 years.

Customer listing

The customer listing is amortised to the profit and loss account evenly over 5 years on a straight line basis in accordance with the Group's accounting policy. The remaining amortisation period is 1 year.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Company	Software	Total
	€	€
Cost or valuation		
At 1 January 2020	-	-
Transfers between classes	163,829	163,829
Foreign exchange movement	-	-
At 31 December 2020	<u>163,829</u>	<u>163,829</u>
Amortisation		
At 1 January 2020	-	-
Charge for the financial year	54,610	54,610
Foreign exchange movement	-	-
At 31 December 2020	<u>54,610</u>	<u>54,610</u>
Net book value		
At 31 December 2020	<u>109,219</u>	<u>109,219</u>
At 31 December 2019	<u>-</u>	<u>-</u>

The company engaged consultants to develop bespoke software and related tools for use in the company's business. The total cost incurred and capitalised amounted to €163,829.

Software is amortised to the Profit and Loss Account evenly over their estimated useful life of 3 years from January 2020. The remaining amortisation period is 2 years.

All amortisation of intangible fixed assets is included in administration expenses in the Profit and Loss Account.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets

Group

	Property renovations	Motor Vehicles	Fixtures and fittings	Equipment	Computer Equipment	Software	Total
	€	€	€	€	€	€	€
Cost or valuation							
At 1 January 2020	140,677	32,179	119,177	51,656	463,484	329,771	1,136,944
Additions	-	70,091	2,064	53	10,644	-	82,852
Disposals	-	-	-	-	(2,035)	(51,960)	(53,995)
Transfers between classes	-	-	-	-	-	(163,829)	(163,829)
Foreign exchange movement	(308)	90	(357)	(293)	(2,248)	(103)	(3,219)
At 31 December 2020	140,369	102,360	120,884	51,416	469,845	113,879	998,753
Depreciation							
At 1 January 2020	71,670	30,616	89,196	30,018	363,431	151,892	736,823
Charge for the financial year	10,017	2,735	7,984	3,533	34,907	5,535	64,711
Disposals	-	-	-	-	(1,466)	(51,960)	(53,426)
Foreign exchange movement	(8)	85	(202)	(95)	(1,590)	(71)	(1,881)
At 31 December 2020	81,679	33,436	96,978	33,456	395,282	105,396	746,227
Net book value							
At 31 December 2020	58,690	68,924	23,906	17,960	74,563	8,483	252,526
At 31 December 2019	69,007	1,563	29,981	21,638	100,053	177,879	400,121

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible fixed assets

Company

	Property renovations €	Equipment €	Software €	Fixtures and Fittings €	Computer Equipment €	Total €
Cost or valuation						
At 1 January 2020	113,035	2,122	215,789	35,438	181,069	547,453
Additions	-	-	-	-	6,727	6,727
Disposals	-	-	(51,960)	-	-	(51,960)
Transfers between classes	-	-	(163,829)	-	-	(163,829)
At 31 December 2020	<u>113,035</u>	<u>2,122</u>	<u>-</u>	<u>35,438</u>	<u>187,796</u>	<u>338,391</u>
Depreciation						
At 1 January 2020	70,967	2,122	51,960	30,540	156,759	312,348
Charge for the financial year	8,413	-	-	2,040	12,768	23,221
Disposals	-	-	(51,960)	-	-	(51,960)
At 31 December 2020	<u>79,380</u>	<u>2,122</u>	<u>-</u>	<u>32,580</u>	<u>169,527</u>	<u>283,609</u>
Net book value						
At 31 December 2020	<u>33,655</u>	<u>-</u>	<u>-</u>	<u>2,858</u>	<u>18,269</u>	<u>54,782</u>
At 31 December 2019	<u>42,068</u>	<u>-</u>	<u>163,829</u>	<u>4,898</u>	<u>24,310</u>	<u>235,105</u>

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Financial assets

Group	Investment in associates €	Total €
Cost or valuation		
At 1 January 2020	56,478	56,478
Additions		
Disposals	(4,445)	(4,445)
Share of profit/(loss)	(52,033)	(52,033)
Reclassification		
At 31 December 2020	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2020	<u>-</u>	<u>-</u>
At 31 December 2019	<u>56,478</u>	<u>56,478</u>

Associate Undertakings

The Group holds 20% of the shares in Campus Party Limited, a company with a registered office address at 5 Lapps Quay, Cork. The principal activity of this company is provision of licenses to run Campus Party events locally and in other countries. These shares were purchased during the financial year and a buy back option was attached to this purchase. This investment is accounted for using the equity method.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Financial assets (continued)

Company	Investments in subsidiary companies	Investment in associates	Total
	€	€	€
Cost or valuation			
At 1 January 2020	3,537,631	125,176	3,662,807
Additions	47,584	-	47,584
Disposals	(2,148,525)	(4,445)	(2,152,970)
At 31 December 2020	1,436,690	120,731	1,557,421
Impairments			
At 1 January 2020	2,704,607	-	2,704,607
Charge for the period	184,299	-	184,299
Impairment on disposals	(2,148,525)	-	(2,148,525)
At 31 December 2020	740,381	-	740,381
Net book value			
At 31 December 2020	696,309	120,731	817,040
At 31 December 2019	833,024	125,176	958,200

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity	Registered office
LocalEyes Nederland BV	The Netherlands	100%	Translation Services	Burgemeester Hogguerstraat 791, 1064EB Amsterdam, The Netherlands
LocalEyes Suomi OY	Finland	100%	Translation Services	Linnoitustie 4, 02600, Espoo, Finland
LocalEyes España SL	Spain	100%	Translation Services	C/ Príncipe, 14 - 1 Izq. 28012, Madrid, España
LocalEyes Albania	Albania	100%	Translation Services	Rruga Pjeter Bogdani, Nr 20, ish Blloku, Tirane, Albania
LocalEyes USA LLC	United States of America	100%	Translation Services	520 S. El Camino Suite 518, San Mateo California CA 94402
CB Service S.A.	Switzerland	42%	Translation Services	Avenue Du Lemman 21 - 1005 Lausanne, Switzerland
Ratelanguage Technologies Limited	Ireland	100%	Translation Services	5 Lapps Quay, Co Cork, Cork, T12 RW7D, Ireland

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Financial assets (continued)

Subsidiary undertakings (continued)

The company has availed of the exemption under S315 (a) of the Companies Act 2014 from the requirement to disclose information on the net assets and results of its subsidiaries in its individual financial statements.

The company currently has a 42% shareholding in CB Service S.A. At 31 December 2020, the company has an option to purchase additional shares up to 51% of the share capital of CB Service S.A. by 31 December 2024. If the company exercises this option, it will receive an additional 5 year option to purchase the remaining shares in the company. At the date of signing these financial statements, the directors expect to exercise the existing option to purchase additional shares up to 51% of the share capital. During the year, the directors assessed these balances and have provided an impairment of €184,299 (2019 - €200,000). At 31 December 2020, the net book value of investment in CB Service S.A. amounts to €83,452 (€220,168).

Associate undertakings

The company holds 20% of the shares in Campus Party Limited, a company with a registered office address at 5 Lapps Quay, Cork. The principal activity of this company is provision of licenses to run Campus Party events locally and in other countries.

15. Work in progress

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Work in progress	<u>262,359</u>	<u>432,145</u>	<u>238,572</u>	<u>365,211</u>

There was no impairment loss recognised in cost of sales in respect of work in progress in 2020 and 2019. For the financial year ended 31 December 2020, a total of €6,119,413 (2019: €6,775,540) of inventories was included in profit and loss as an expense.

16. Debtors

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Due within one year				
Trade debtors	869,182	1,400,762	412,994	718,979
Amounts owed by group undertakings	-	489,478	627,077	1,039,763
Amounts owed by associated undertakings	-	412,750	1,435	412,750
Other debtors	84,789	171,255	9,055	94,801
Prepayments and accrued income	66,003	69,110	48,965	39,745
VAT repayable	64,511	159,180	-	-
Corporation tax repayable	-	-	-	-
Deferred tax	7,961	5,897	4,773	479
	<u>1,092,446</u>	<u>2,708,433</u>	<u>1,104,299</u>	<u>2,306,517</u>

All debtors are due within one year.

Trade debtors are due within the company's normal terms.

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

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. Current assets investments

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Unlisted investments	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

At 31 December 2020, the directors considered the value of the unlisted investments, all of which are equity investments, to be €1 and therefore recorded an impairment loss of €nil in profit and loss for the financial year.

18. Cash and cash equivalents

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Cash at bank and in hand	<u>2,530,141</u>	<u>2,525,873</u>	<u>1,656,190</u>	<u>2,279,284</u>

19. Creditors: Amounts falling due within one year

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Trade creditors	525,015	715,812	233,273	406,373
Amounts owed to group undertakings	-	-	772,268	718,653
Amounts owed to associate undertakings	-	-	-	-
Corporation tax	251,742	9,523	202,357	10,962
VAT payable	41,014	-	-	-
Taxation and social insurance	167,830	290,602	106,421	113,390
Other creditors	392,457	107,484	-	-
Accruals	358,919	167,587	315,524	120,341
Overdrafts owed to credit institutions	3,814	8,197	3,814	8,198
	<u>1,740,791</u>	<u>1,299,205</u>	<u>1,633,657</u>	<u>1,377,917</u>

Trade and other creditors are payable at various dates over the coming months in accordance with the supplier's usual and customary credit terms.

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

Corporation tax and other taxation and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

The terms of the accruals are based on underlying contracts.

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
PAYE	167,830	248,795	92,256	113,390
VAT	41,014	41,807	14,165	-
	<u>208,844</u>	<u>290,602</u>	<u>106,421</u>	<u>113,390</u>

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

20. Deferred taxation

Group	2020 €	2019 €
At beginning of year	5,897	11,408
Charged to profit or loss	2,064	(5,511)
At end of year	<u>7,961</u>	<u>5,897</u>

The deferred tax asset is made up as follows	2020 €	2019 €
Accelerated capital allowances	<u>7,961</u>	<u>5,897</u>

Company	2020 €	2019 €
At beginning of year	479	2,608
Charged to profit or loss	4,294	(2,129)
At end of year	<u>4,773</u>	<u>479</u>

The deferred tax asset is made up as follows	2020 €	2019 €
Accelerated capital allowances	<u>4,773</u>	<u>479</u>

21. Share capital

	2020 €	2019 €
Authorised 4,000,000 Ordinary shares €1 each	<u>4,000,000</u>	<u>4,000,000</u>
Allotted, called up and fully paid 1,376,294 Ordinary shares of €1 each	<u>1,376,294</u>	<u>3,376,294</u>

On 14 December 2020, the Company reduced its issued share capital by 2,000,000 ordinary shares of €1 each. The nominal value of the reduced share capital was transferred to the capital reduction reserve. The amounts held in this reserve are available for distribution.

22. Reserves

Other reserves

Other reserves, comprising the capital conversation reserve represent the cumulative affect of the revaluation between Irish Punt to Euro.

Profit and loss account

The profit and loss account include all current and prior periods retained profits and losses.

Capital reduction reserve

The capital reduction reserve represents the amount by which the group's issued share capital has been reduced less any distributions to shareholders. Amounts held in this reserve are available for distribution.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

23. Pension commitments

The group and company both operate a defined contributions pension scheme. The assets of the scheme are held separately from those of the group and company in an independently administered fund. The pension cost charge represents contributions paid by the group and company to the fund and amounted to €116,428 and €78,116 respectively (2019: €89,389, €39,516, respectively). The total amounts outstanding at year end were €nil receivable, €6,204 payable (2019: €nil - receivable, €1,190 - payable).

24. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Not later than 1 year	127,632	128,442	55,632	55,632
Later than 1 year but not later than 5 years	341,799	254,835	-	-
	<u>469,431</u>	<u>383,277</u>	<u>55,632</u>	<u>55,632</u>

25. Transactions with directors

Apart from the disclosures made in note 7 no other disclosures are required in accordance with sections 305 to 312 of the Companies Act 2014.

26. Related party transactions

Kibest Srl is the ultimate parent company of Local Eyes Limited. At 1 January 2019, a total amount of €270,000 was owing to LocalEyes Limited. During 2019, LocalEyes Limited issued loans in the amount of €30,000 to Kibest Srl. During 2020, Kibest Srl paid all of the amounts owed to LocalEyes Limited (2019 - €300,000).

Cubic Venture SA is the immediate parent company of LocalEyes Limited. During 2017, the company advanced a fair value loan amounting to €181,926 to Cubic Venture SA which was used to purchase the shares in WeTipp Limited (formerly an associate of LocalEyes Limited). During 2020, an amount of €590,000 was assigned to and paid by Cubic Venture SA on behalf of Campus Party Limited.

As noted in note 14, LocalEyes Limited holds 42% of CB Service S.A. and it has the option to purchase additional shares in the company up to 51% of the share capital by 31 December 2024. During the year, directors assessed the value of these investment and provided an impairment of €184,299 (2019 - €200,000). At 31 December 2020, the net book value of investment of LocalEyes Limited in CB Service SA amounts to €83,452 (2019 - €220,168). Also during the year, LocalEyes Limited invoiced CB Service S.A. an amount of €nil (2019 - €8,135) and CB Service S.A. also invoiced LocalEyes Limited an amount of €90 (2019 - €12,126) which was also paid by LocalEyes Limited during the year. At 31 December 2020, €Nil (2019 - €Nil) was owed by LocalEyes Limited to CB Service S.A.

Scripta Manent SARL is a 90% is a subsidiary of CB Service S.A., a 42% owned associate of LocalEyes Limited. During 2020, Scripta Manent invoiced LocalEyes Limited €212,537 (2019 - €529,442) and the company paid €253,223 (2019 - €532,503) leaving a balance due to Scripta Manent of €2,479 (2019 - €43,165).

Other related party transactions

Total compensation paid to key management personnel during the year amounted to €10,000 (2019: €10,000).

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

27. Post balance sheet events

There have been no significant events affecting the Group since the year end.

28. Controlling party

The ultimate controlling parent company is Kibest Srl, a company incorporated in Italy. The immediate parent company is Cubic Venture SA, a company incorporated in Switzerland. Carlo Cozza holds 100% of the share capital of Kibest Srl and is therefore the company's controlling party.

29. Financial Instruments

Group	2020 €	2019 €
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,484,113	5,000,118
Financial assets that are equity instruments measured at cost less impairment	1	56,478
	<u>3,484,114</u>	<u>5,056,596</u>
	2020 €	2019 €
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(921,286)</u>	<u>(831,493)</u>
	2020 €	2019 €
Company		
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,702,058	4,463,342
Financial assets that are equity instruments measured at cost less impairment	817,041	958,201
	<u>3,519,099</u>	<u>5,421,543</u>
	2020 €	2019 €
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,009,355)</u>	<u>(1,113,244)</u>

Financial assets that are debt instruments measured at amortised cost comprises of cash at bank and in hand, trade debtors, amounts owed by group undertakings, amounts owed by associated undertakings and other debtors.

Financial assets that are equity instruments measured at cost less impairment comprise investments in subsidiaries undertakings, associate undertakings and unlisted current and long term investments.

Financial liabilities measured at amortised cost comprises of bank overdraft, trade creditors, other creditors and amounts owed to group and associate undertakings.

LOCALEYES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

29. Reclassification of Comparatives

Comparatives have been reclassified to conform with current year presentation.

30. Approval of financial statements

The board of directors approved these financial statements for issue on _____.