

Company Registration No. 05654147 (England and Wales)

BRIGHT STARR LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
PAGES FOR FILING WITH REGISTRAR

BRIGHT STARR LTD

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BRIGHT STARR LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

2019 continued to be an exciting year for Brightstarr and the Unily brand. With the continuous growth, engaged global customer base and industry leading product, the business attracted significant investment from Farview Equity Partners and Silversmith Capital Partners. The partners both share the same passion and excitement for the Unily offering and are aligned to the company's future aspirations.

The investment provides Unily with the potential to disrupt the global digital experience marketplace at greater pace and with broader reach than ever before. The company can further invest and develop the current platform which is recognised by global brands as providing answers to some of the toughest questions for multi-nationals around productivity, employee engagement and organisational culture. With further investment available for next generation technologies, such as AI across content, Search, UX and Analytics, Unily is poised to respond to future demands and naturally, will influence, adapt and grow within the market.

Reaching over 100 customers, with more than 1 million users, Unily has grown ARR YoY by 34 %.

Re-investing retained profits, along with the capital investment, Unily continues to invest in R&D, Go To Market and Operational functions to ensure the business is able to scale at the expected pace.

Winners of globally recognised industry awards, Unily looks forward to continued growth in the coming years.

On behalf of the board

W Saville

Director

10 December 2020

BRIGHT STARR LTD

BALANCE SHEET

AS AT 31 DECEMBER 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|---|-------|--------------------|----------------|--------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 65,597 | | 87,932 |
| Current assets | | | | | |
| Stocks | 9 | 113,325 | | - | |
| Debtors | 10 | 2,271,636 | | 4,881,061 | |
| Cash at bank and in hand | | 3,482,709 | | 906,910 | |
| | | <u>5,867,670</u> | | <u>5,787,971</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(4,959,444)</u> | | <u>(4,611,538)</u> | |
| Net current assets | | | 908,226 | | 1,176,433 |
| Total assets less current liabilities | | | <u>973,823</u> | | <u>1,264,365</u> |
| Provisions for liabilities | 12 | | - | | (12,295) |
| Net assets | | | <u>973,823</u> | | <u>1,252,070</u> |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 1,000 | | 1,000 |
| Profit and loss reserves | | | 972,823 | | 1,251,070 |
| Total equity | | | <u>973,823</u> | | <u>1,252,070</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 10 December 2020 and are signed on its behalf by:

W Saville
Director

Company Registration No. 05654147

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

| | Share capital | Profit and loss reserves | Total |
|--|---------------|-----------------------------|-----------|
| Notes | £ | £ | £ |
| Balance at 1 January 2018 | 1,000 | 788,493 | 789,493 |
| Year ended 31 December 2018: | | | |
| Profit and total comprehensive income for the year | - | 1,232,577 | 1,232,577 |
| Dividends | - | (770,000) | (770,000) |
| | | | |
| Balance at 31 December 2018 | 1,000 | 1,251,070 | 1,252,070 |
| Year ended 31 December 2019: | | | |
| Loss and total comprehensive income for the year | - | (278,247) | (278,247) |
| | | | |
| Balance at 31 December 2019 | 1,000 | 972,823 | 973,823 |

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Bright Starr Ltd is a private company limited by shares incorporated in England and Wales. The registered office is First Floor, The Granary Abbey Mill Business Park, Lower Eashing, Godalming, Surrey, GU7 2QW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Software development costs which will generate future economic benefit and the expenditure attributable to the development can be measured is capitalised and recognised as an intangible asset,

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|----------------------------|-------------------|
| Software Development Costs | 25% straight line |
|----------------------------|-------------------|

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------|---------------------|
| Leasehold improvements | over the lease term |
| Plant and Equipments | 25% straight line |
| Fixtures and fittings | 25% straight line |
| Computer Equipments | 25% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks comprises unbilled work-in-progress being the direct costs associated with the provision of customisation services to customers and are stated at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Change in accounting policy

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

3 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2019 | 2018 |
|----------------------------------|-------------------|-------------------|
| | £ | £ |
| Other significant revenue | | |
| Interest income | 2,585 | 833 |
| | <u> </u> | <u> </u> |

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Turnover and other revenue (Continued)

| | 2019 | 2018 |
|---|------------------|------------------|
| | £ | £ |
| Turnover analysed by geographical market | | |
| West Europe | 6,937,099 | 5,685,538 |
| North America | 1,044,161 | 699,335 |
| Middle East | 122,410 | 130,793 |
| | <u>8,103,670</u> | <u>6,515,666</u> |

5 Auditor's remuneration

| | 2019 | 2018 |
|---|--------------|--------------|
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the company | <u>7,040</u> | <u>5,526</u> |

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| 2019 | 2018 |
|-----------|-----------|
| Number | Number |
| <u>25</u> | <u>23</u> |

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Intangible fixed assets

| | Software Development Costs £ |
|------------------------------------|---------------------------------|
| Cost | |
| At 1 January 2019 | 14,007 |
| Disposals | (14,007) |
| At 31 December 2019 | - |
| Amortisation and impairment | |
| At 1 January 2019 | 14,007 |
| Disposals | (14,007) |
| At 31 December 2019 | - |
| Carrying amount | |
| At 31 December 2019 | - |
| At 31 December 2018 | - |

8 Tangible fixed assets

| | Leasehold improvements £ | Plant and Equipments £ | Fixtures and fittings £ | Computer Equipments £ | Total £ |
|------------------------------------|-----------------------------|---------------------------|----------------------------|--------------------------|------------|
| Cost | | | | | |
| At 1 January 2019 | 96,040 | 30,076 | 66,789 | 182,409 | 375,314 |
| Additions | - | 6,174 | - | 13,114 | 19,288 |
| Disposals | - | (25,904) | (53,412) | (139,236) | (218,552) |
| At 31 December 2019 | 96,040 | 10,346 | 13,377 | 56,287 | 176,050 |
| Depreciation and impairment | | | | | |
| At 1 January 2019 | 51,493 | 28,372 | 52,058 | 155,459 | 287,382 |
| Depreciation charged in the year | 15,270 | 3,306 | 6,244 | 16,802 | 41,622 |
| Eliminated in respect of disposals | - | (25,904) | (53,411) | (139,236) | (218,551) |
| At 31 December 2019 | 66,763 | 5,774 | 4,891 | 33,025 | 110,453 |
| Carrying amount | | | | | |
| At 31 December 2019 | 29,277 | 4,572 | 8,486 | 23,262 | 65,597 |
| At 31 December 2018 | 44,547 | 1,704 | 14,731 | 26,950 | 87,932 |

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Stocks

| | 2019 £ | 2018 £ |
|------------------|-----------|-----------|
| Work in progress | 113,325 | - |

10 Debtors

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 636,457 | 1,071,944 |
| Corporation tax recoverable | - | 222,078 |
| Amounts owed by group undertakings | 1,488,462 | 3,272,797 |
| Other debtors | 84,911 | 69,299 |
| Prepayments and accrued income | 61,806 | 244,943 |
| | 2,271,636 | 4,881,061 |

11 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------|-----------|-----------|
| Trade creditors | 33,651 | 95,764 |
| Taxation and social security | 53,583 | 47,618 |
| Other creditors | - | 707,627 |
| Accruals and deferred income | 4,872,210 | 3,760,529 |
| | 4,959,444 | 4,611,538 |

12 Provisions for liabilities

| | Notes | 2019 £ | 2018 £ |
|--------------------------|-------|-----------|-----------|
| Deferred tax liabilities | 13 | - | 12,295 |

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Liabilities 2019 £ | Liabilities 2018 £ |
|--|--------------------------|--------------------------|
| Balances: | | |
| Accelerated capital allowances | 6,227 | 12,295 |
| Statutory database figures differ from the trial balance: | | |
| Deferred tax balances | - | 12,295 |
| Difference | 6,227 | - |
| Movements in the year: | | 2019 £ |
| Liability at 1 January 2019 | | 12,295 |
| Credit to profit or loss | | (12,295) |
| Liability at 31 December 2019 | | - |

14 Share capital

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Ordinary share capital Issued and fully paid | | |
| 1,000 of £1 each | 1,000 | 1,000 |

15 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Peter Seed ACA.

The auditor was Moorgate Chartered Accountants, Statutory Auditor.

BRIGHT STARR LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2019 | 2018 |
|----------------------------|-------------|-------------|
| | £ | £ |
| Within one year | 150,000 | 150,000 |
| Between two and five years | 600,000 | 600,000 |
| In over five years | 122,500 | 262,500 |
| | <hr/> | <hr/> |
| | 872,500 | 1,012,500 |
| | <hr/> | <hr/> |

17 Parent company

The ultimate parent company is Bright Starr Group Limited by virtue of its 100% share holding.

The group consolidated financial statements of Bright Starr Group Ltd, whose registered office address is First Floor, The Granary Abbey Mill Business Park, Lower Eashing, Godalming, Surrey GU7 2QW, includes the results of this company.

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