Company Registration No. 05654147 (England and Wales)

UNILY LIMITED (FORMERLY BRIGHT STARR LTD)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

UNILY LIMITED (FORMERLY BRIGHT STARR LTD)

COMPANY INFORMATION

Directors	C Jackman W Saville
Secretary	L Saville
Company number	05654147
Registered office	First Floor, The Granary Abbey Mill Business Park Lower Eashing Godalming Surrey GU7 2QW
Auditor	RSM UK Audit LLP Chartered Accountants One London Square Cross Lanes Guildford Surrey GU1 1UN

UNILY LIMITED (FORMERLY BRIGHT STARR LTD)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business
2022 continued to be an exciting year for Unily Limited (the 'company'). The company has seen continued growth, an engaged global customer base and further improvements to its industry leading product.

The Unily product has the potential to disrupt the global digital experience marketplace. It is recognised by global brands as providing answers to some of the toughest questions for multi-nationals around productivity, employee engagement and organisational culture.

2022 has seen turnover grow by 37.7% (2021: 14.5%) and EBITDA increased to of £2.6m (2021: £0.9m), as the company seeks to grow the business and control costs. The company continues to hold substantial cash balances at £7.0m (2021: £5.7m). The company has incurred a profit after tax of £2.6m (2021: £0.8m).

Principal risks and uncertainties
The company's activities expose it to a number of financial risks, including foreign exchange risk, and credit risk.

Foreign exchange risk
The foreign exchange risk arises because the company has operations in various parts of the world whose functional currency is not the same as the functional currency in which the company is operating.

When currency is to be transferred between countries, this is planned in order to minimise the exposure to foreign exchange fluctuations. The company's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling. The company does not hedge its net investments in overseas operations as the cost of doing so is disproportionate to the exposure.

Credit risk
Credit risk is the risk of financial loss to the company if a customer to a financial asset fails to meet its contractual obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. The company actively manages its credit exposures by ensuring it engages with reputable and established customers, and through the utilisation experienced credit control personnel. When increased exposure is detected, action is taken to mitigate the risks. All outstanding receivables have been considered for credit risk and are considered to be recoverable.

Key performance indicators
The directors use a number of performance indicators, both financial and non-financial. Of primary importance to the successful management of the business is daily monitoring of sales and gross margins by customer.

	2022	2021
	£	£
Turnover	15,396,156	11,180,107
Gross profit	9,923,466	7,404,780
Gross profit %	64.5%	66.2%
EBITDA	2,554,715	855,367

EBITDA is calculated as earnings before interest, taxation, depreciation and amortisation.

Future developments

Despite the current global pandemic and resultant economic downturn, the directors consider the business to be in a strong position to negotiate the inevitably challenging times that lie ahead.

The company is re-investing retained profits to continue to progress its research and development work, its 'Go To Market' approach and its operational functions, to ensure the business is able to scale at the expected pace.

As winners of globally recognised industry awards, the group looks forward to continued growth in the coming years.

On behalf of the board

Christopher Jackman

....

C Jackman

Director

Date: 29/06/23

UNILY LIMITED (FORMERLY BRIGHT STARR LTD)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

On 23 May 2022, the company changed its name from Bright Starr Ltd.

Principal activities
The principal activity of the company continued to be software and applications development.

Results and dividends
The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Jackman	(Appointed 1 February 2022)
R Paterson	(Resigned 1 February 2022)
W Saville	

Auditor
The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information in strategic report
The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and the financial and operational risk management of the company.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Christopher Jackman
....
C Jackman
Director

Date: 29/06/23

UNILY LIMITED (FORMERLY BRIGHT STARR LTD)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNILY LIMITED (FORMERLY BRIGHT STARR LTD)

Opinion

We have audited the financial statements of Unily Limited (formerly Bright Starr Ltd) (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of *the financial statements section of our report. We are independent of the company in accordance with the ethical* requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls, and revenue cut-off as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and testing revenue transactions either side of the year end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities.This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Jonathan Da Costa FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
One London Square
Cross Lanes
Guildford
Surrey, GU1 1UN
29/06/23

UNILY LIMITED (FORMERLY BRIGHT STARR LTD)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	15,396,156	11,180,107
Cost of sales		(5,472,690)	(3,775,327)
Gross profit		9,923,466	7,404,780
Administrative expenses		(7,375,389)	(6,573,950)
Operating profit	6	2,548,077	830,830
Interest receivable and similar income	7	5,933	338
Profit before taxation		2,554,010	831,168
Tax on profit	8	5,427	1,328
Profit for the financial year		2,559,437	832,496

UNILY LIMITED (FORMERLY BRIGHT STARR LTD)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**9**		5,044		11,682
Current assets					
Debtors	**10**	8,019,049		3,468,374	
Cash at bank and in hand		6,984,138		5,688,746	
		15,003,187		9,157,120	
Creditors: amounts falling due within one year	**11**	(10,060,639)		(6,823,820)	
Net current assets			4,942,548		2,333,300
Total assets less current liabilities			4,947,592		2,344,982
Provisions for liabilities	**12**		-		(1,133)
Net assets			4,947,592		2,343,849
Capital and reserves					
Called up share capital	**15**		1,000		1,000
Capital contribution reserve	**16**		44,306		-
Profit and loss reserves	**16**		4,902,286		2,342,849
Total equity			4,947,592		2,343,849

The financial statements were approved by the board of directors and authorised for issue on 29/06/23 and are signed on its behalf by:

Christopher Jackman

C Jackman
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Capital contribution reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	1,000	-	1,510,353	1,511,353
Year ended 31 December 2021:				
Profit and total comprehensive income for the year	-	-	832,496	832,496
Balance at 31 December 2021	1,000	-	2,342,849	2,343,849
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	2,559,437	2,559,437
Capital contribution (share based payments)	-	44,306	-	44,306
Balance at 31 December 2022	1,000	44,306	4,902,286	4,947,592

1 Accounting policies

Company information

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

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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" 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 £1.

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 Basic Financial Instruments' and Section 12 Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Unily Group Limited. These consolidated financial statements are available from Companies House.

1 Accounting policies (Continued)

Going concern

The directors have prepared and reviewed group cashflow forecasts for the next 12 months from the date of signing of the financial statements and based on these, the directors are satisfied the Group is expected to have sufficient available cash resource to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

A more senior entity in the group, Elysian Topco Limited, has provided a letter of support confirming that it will provide financial support to the Company such that it will continue to be able to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

The Group continues to monitor the impacts of inflation and the current cost of living crises. The longevity and impact of these issues on the Group are difficult to predict and will be largely dependent on the UK Government's response, the details of which are changing frequently. Increases to overheads have been built into forecasts and the Group's cost base is reviewed.

During the financial year the wider group took out an additional debt facility, comprising of a $95m debt facility and £10m revolving credit facility ("RCF"). The Group has drawn down the entirety of the debt facility, however the revolving credit facility is available for working capital and cash flows.

Furthermore, Elysian Topco Limited entered an arrangement regarding preference shares in the financial year. These shares are redeemable at par value by 1 February 2032 with unpaid interest accumulating on these annually.

Turnover

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

Turnover from subscriptions to software services is normally invoiced a year in advance. The turnover is then deferred and recognised on a straight line monthly basis over the year. This recognition of software subscription turnover reflects the availability of the service to the customer and is recognised to the extent that receipt of payment is reasonably certain.

Turnover from consultancy services is generally invoiced 50% in advance and 50% during the service performance or in line with contracted time related milestones. Turnover is deferred and recognised over the period the consultancy service is performed. Turnover is recognised based on an estimate of the stage of completion. Where an estimate cannot be reliably made, turnover is recognised only to the extent that the related expenses are recoverable.

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.

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 equipment	25% straight-line
Fixtures and fittings	25% straight-line
Computer equipment	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 Accounting policies (Continued)

Impairment of fixed assets
At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks.

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 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 trade and other debtors, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 trade and other creditors, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

1 Accounting policies (Continued)

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

The group operates equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

A corresponding capital contribution is recognised from the parent company due to the options being settled by the parent company.

Leases

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 leases asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 *Judgements and key sources of estimation uncertainty*

In the application of the company'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.

Consultancy revenue
Key accounting estimates are required for determining the stage of completion for consultancy projects that straddle the year end. In determining how much revenue should be recognised management assess the delivery of performance obligations and the estimated cost to complete. This is assessed for each open project at the year end.

Share-based payments
The share-based payment charge has been calculated using a Black-Scholes model. Estimates in preparing the valuation include the date in which the exit event become probable, the valuation of the business at the date of issue, the expected vesting period at the date of issue, volatility and other key inputs.

There were no other estimates and assumptions considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Licenses	13,322,617	10,390,166
Consultancy	2,073,539	789,941
	15,396,156	11,180,107

	2022	2021
	£	£
Turnover analysed by geographical market		
Asia Pacific	1,068,605	-
Middle East	738,378	353,464
North America	341,207	323,721
Europe	13,247,966	10,502,922
	15,396,156	11,180,107

4 Employees

	2022	2021
	Number	Number
Administration	4	4
Development	26	19
Support and operations	19	13
Total	49	36

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	3,885,910	2,375,257
Social security costs	462,048	245,034
Pension costs	107,575	67,533
Share based payment charge	44,306	-
	4,499,839	2,687,824

During the current and prior year the directors were remunerated by other group entities and it is not practicable to apportion this amount between individual group entities.

5 Share-based payment transactions

The company's group operates a Management Incentive Plan ("MIP") for employees of the company whereby certain members of management hold growth shares, and benefit from the increase in the value of these shares in the event of an exit. In the event of an exit, the proceeds are distributable in a ranked order, firstly by repayment of the group's third party debt, secondly the repayment of the preference shares plus the fixed coupon, and thirdly the balance of any additional value obtained goes to the Ordinary Shares. The employees must remain in employment throughout the vesting period.

During the year, Elysian Topco Limited issued 403,309 shares, and 191,571 were allocated to employees of the group, 16,132 of which were to employees of this company. This is considered to be an equity-settled share based payment scheme where the expense for employee services received is recognised over the vesting period. A charge of £44,306 has been recognised in the profit and loss account in respect of this.

The estimated fair value of each share granted was £15.05. This was calculated using the Black Scholes pricing model. The model inputs were expected volatility of 33.5%, vesting period of 5 years, dividend yield of 0.00%, expected life of five years, employee attrition of 100%, and a risk-free interest of 1.1%.

6 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange differences	(120,338)	61,917
Fees payable to the company's auditor for the audit of the company's financial statements	19,675	16,350
Depreciation of owned tangible fixed assets	6,638	24,537
Share-based payments	44,306	-
Operating lease charges	150,000	150,000

7 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	5,933	338

8 Taxation

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	(5,427)	(1,993)
Changes in tax rates	-	271
Adjustment in respect of prior periods	-	394
Total deferred tax	(5,427)	(1,328)

8 Taxation (Continued)

The total tax credit for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	2,554,010	831,168
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	485,262	157,922
Tax effect of expenses that are not deductible in determining taxable profit	16,251	330
Effect of change in corporation tax rate	-	271
Group relief	(514,248)	(162,722)
Permanent capital allowances in excess of depreciation	192	2,477
Other permanent differences	8,418	-
Deferred tax adjustments in respect of prior years	-	394
Remeasurement of deferred tax for changes in tax rates	(1,302)	-
Taxation credit for the year	(5,427)	(1,328)

Changes to the UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. As this change was substantively enacted at the balance sheet date, where deferred tax is recognised, it is at a rate of 25% in the current year.

9 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2022 and 31 December 2022	96,040	12,860	8,847	35,999	153,746
Depreciation and impairment					
At 1 January 2022	95,981	10,821	8,331	26,931	142,064
Depreciation charged in the year	59	1,366	516	4,697	6,638
At 31 December 2022	96,040	12,187	8,847	31,628	148,702
Carrying amount					
At 31 December 2022	-	673	-	4,371	5,044
At 31 December 2021	59	2,039	516	9,068	11,682

10 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	2,482,354	1,745,909
Amounts owed by group undertakings	5,068,941	1,525,819
Other debtors	209,451	97,928
Prepayments and accrued income	254,009	98,718
	8,014,755	3,468,374
Deferred tax asset (note 13)	4,294	-
	8,019,049	3,468,374

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

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	47,189	33,524
Amounts owed to group undertakings	584,477	-
Corporation tax	468	-
Other taxation and social security	131,818	72,349
Other creditors	19,294	69
Accruals and deferred income	9,277,393	6,717,878
	10,060,639	6,823,820

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

12 Provisions for liabilities

	Notes	2022 £	2021 £
Deferred tax liabilities	13	-	1,133

13 Deferred taxation

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

Balances:	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Accelerated capital allowances	-	1,133	4,294	-

13 Deferred taxation (Continued)

Movements in the year:	**2022** **£**
Liability at 1 January 2022	1,133
Credit to profit or loss	(5,427)
Asset at 31 December 2022	(4,294)

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

14 Retirement benefit schemes

Defined contribution schemes	**2022** **£**	**2021** **£**
Charge to profit or loss in respect of defined contribution schemes	107,575	67,533

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end, the company owed £19,295 (2021: £369) to the pension scheme.

15 Share capital

	2022 **£**	**2021** **£**
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

16 Reserves

Profit and loss reserves

Share capital
Share capital represents the par value of ordinary shares issued by the company. Each ordinary share carries the right to vote, to receive dividends, and a capital distribution.

Capital contribution reserve
The capital contribution reserve represents the cumulative share-based payment expense for the group's share option schemes.

Retained earnings
Retained earnings represent the cumulative profit and loss net of distributions to owners.

17 Financial commitments, guarantees and contingent liabilities

The company has cross guaranteed a bank loan facility of £83,735,157 held by the parent undertaking Elysian Finco Limited. The guarantee is secured by way of fixed and floating charge over the assets of the company.

18 Operating lease commitments

Lessee

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:

	2022	2021
	£	£
Within one year	150,000	150,000
Between one and five years	561,780	600,000
In over five years	-	111,781
	711,780	861,781

19 Related party transactions

The company has taken advantage of the exemptions provided by Section 33 under FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaken which is party to the transaction is wholly owned by a member of that group.

20 Ultimate controlling party

The immediate parent company is Unily Group Limited (formerly Brightstarr Group Limited) by virtue of its 100% shareholding. The ultimate parent company is CVC Growth Partner II GP Limited, a company incorporated in Jersey. The directors also consider this company to be the ultimate controlling party.

The group consolidated financial statements of Unily Group Limited (formerly Brightstarr Group Limited), 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. The financial statements are available from Companies House.

Elysian Midco Limited is the parent of the largest group in which the results of the company are consolidated. A copy of the financial statements are available from its registered office, 2nd Floor 107 Cheapside, London, England, EC2V 6DN.