

**Bright HR Limited**  
**Filleted Financial Statements**  
**For the Year Ended**  
**31 March 2018**



**BEEVER AND STRUTHERS**  
Chartered accountant & statutory auditor  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

**Bright HR Limited**  
**Financial Statements**  
**Year Ended 31 March 2018**

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**Bright HR Limited**  
**Officers and Professional Advisers**

**The Board of Directors**

P E Done  
A Brown  
A Price  
P Swift

**Registered Office**

The Peninsula  
Victoria Place  
Manchester  
M4 4FB

**Auditor**

Beever and Struthers  
Chartered accountant & statutory auditor  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

**Bright HR Limited**  
**Directors' Responsibilities Statement**  
**Year Ended 31 March 2018**

The directors are responsible for preparing the 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

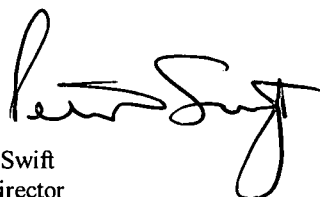
**Bright HR Limited**  
**Statement of Financial Position**  
**31 March 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	5	1,787,317	–
Tangible assets	6	133,987	151,479
		<u>1,921,304</u>	<u>151,479</u>
<b>Current assets</b>			
Debtors	7	720,941	363,688
Cash at bank and in hand		116,190	41,300
		<u>837,131</u>	<u>404,988</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>9,552,746</u>	<u>7,107,942</u>
<b>Net current liabilities</b>		<u>8,715,615</u>	<u>6,702,954</u>
<b>Total assets less current liabilities</b>		<u>(6,794,311)</u>	<u>(6,551,475)</u>
<b>Net liabilities</b>		<u>(6,794,311)</u>	<u>(6,551,475)</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		(6,794,411)	(6,551,575)
<b>Shareholders deficit</b>		<u>(6,794,311)</u>	<u>(6,551,475)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 1 August 2018, and are signed on behalf of the board by:



P Swift  
Director

Company registration number: 09283467

The notes on pages 4 to 9 form part of these financial statements.

**Bright HR Limited**  
**Notes to the Financial Statements**  
**Year Ended 31 March 2018**

**1. General Information**

Bright HR Limited is a company limited by share capital incorporated in Great Britain and registered in England and Wales. The address of its registered office is The Peninsula, Victoria Place, Manchester, M4 4FB.

**2. Statement of Compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

**3. Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going Concern**

The company has net liabilities of £6,794,311 at 31 March 2018.

The directors have received confirmation of the continued financial support from Rainy City Investments Limited group of companies and as a result of this they consider it appropriate to prepare these accounts on the going concern basis.

**Foreign Currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**Disclosure Exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Rainy City Investments Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been posted.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

# Bright HR Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2018

#### 3. Accounting Policies *(continued)*

##### **Judgements 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Significant judgements*

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible and intangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

##### *Key sources of estimation uncertainty*

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Intangible fixed assets are amortised and tangible fixed assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Revenue arises from the provision of services provided under contractual agreements ranging from one to five years, and services provided on an ad-hoc basis. In order to reflect time and costs incurred in servicing an agreement, the company accounts for sales with reference to the duration of the contract.
- Recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not considered to be fully recoverable. A provision of £5,122 (2017: £Nil) has been recognised against trade debtors.

##### **Revenue Recognition**

Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax.

# **Bright HR Limited**

## **Notes to the Financial Statements** *(continued)*

**Year Ended 31 March 2018**

### **3. Accounting Policies** *(continued)*

#### **Income Tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured as the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences.

#### **Foreign Currencies**

Foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date with any gains or losses being taken to the profit and loss account.

#### **Intangible Assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software development	-	25% per annum straight line
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If there is an indication that there has been a significant change in the useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Tangible Assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.



# Bright HR Limited

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2018

### 3. Accounting Policies *(continued)*

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 10% per annum straight line
Computer equipment	- 25% per annum straight line

#### Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

#### Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction in which case it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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 entity after deducting all of its financial liabilities.

#### Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period to which the employment related. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

### 4. Employee Numbers

The average number of persons employed by the company during the year amounted to 85 (2017: 83).

**Bright HR Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended 31 March 2018**

**5. Intangible Assets**

	Software development £
<b>Cost</b>	
Additions	–
Additions from internal developments	2,067,374
<b>At 31 March 2018</b>	<u>2,067,374</u>
<b>Amortisation</b>	
Charge for the year	280,057
<b>At 31 March 2018</b>	<u>280,057</u>
<b>Carrying amount</b>	
<b>At 31 March 2018</b>	<u>1,787,317</u>
At 31 March 2017	<u>–</u>

Internal costs directly attributable to the development of the company's software suite, which is forecast to generate future revenue flows, have been capitalised in the year.

**6. Tangible Assets**

	Fixtures and fittings £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 April 2017	133,145	59,825	192,970
Additions	12,729	4,292	17,021
<b>At 31 March 2018</b>	<u>145,874</u>	<u>64,117</u>	<u>209,991</u>
<b>Depreciation</b>			
At 1 April 2017	39,510	1,981	41,491
Charge for the year	14,671	19,842	34,513
<b>At 31 March 2018</b>	<u>54,181</u>	<u>21,823</u>	<u>76,004</u>
<b>Carrying amount</b>			
<b>At 31 March 2018</b>	<u>91,693</u>	<u>42,294</u>	<u>133,987</u>
At 31 March 2017	<u>93,635</u>	<u>57,844</u>	<u>151,479</u>

# Bright HR Limited

## Notes to the Financial Statements *(continued)*

Year Ended 31 March 2018

### 7. Debtors

	2018	2017
	£	£
Trade debtors	39,221	2,314
Amounts owed by group undertakings	49,709	–
Other debtors	632,011	361,374
	<u>720,941</u>	<u>363,688</u>

### 8. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	108,037	4,716
Amounts owed to group undertakings	8,982,563	6,810,643
Social security and other taxes	85,041	78,793
Other creditors	377,105	213,790
	<u>9,552,746</u>	<u>7,107,942</u>

### 9. Summary Audit Opinion

The auditor's report for the year dated 1 August 2018 was unqualified.

The senior statutory auditor was Richard Williams BSc FCA, for and on behalf of Beever and Struthers.

### 10. Related Party Transactions

The company is a wholly owned subsidiary of Peninsula Business Services Group Limited. The company has taken advantage of the exemption in FRS 102 Section 33.1A from disclosing transactions or balances with entities which form part of the group. The consolidated financial statement of Rainy City Investments Limited, within which the company is included, can be obtained from Companies House. No transactions with related parties were undertaken such as required to be disclosed under FRS 102.

### 11. Controlling Party

The company is a wholly owned subsidiary of Peninsula Business Services Group Limited which is incorporated in Great Britain and registered in England and Wales.

Peninsula Business Services Group Limited is a wholly owned subsidiary of Rainy City Investments Limited, which is incorporated in Great Britain and registered in England and Wales.

The largest group into which Bright HR Limited is consolidated is that headed by Rainy City Investments Limited. The smallest group into which Bright HR Limited is consolidated is that headed by Peninsula Business Services Group Limited.

The company is controlled by the Done family.