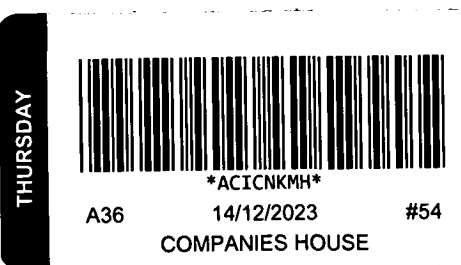


**REGISTERED NUMBER: 09283467 (England and Wales)**

Strategic Report, Directors' Report and  
Audited Financial Statements For The Year Ended 31 March 2023  
for  
BRIGHT HR LIMITED



**BRIGHT HR LIMITED**

**Contents of the Financial Statements**  
**For The Year Ended 31 March 2023**

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**BRIGHT HR LIMITED**

**Company Information**  
**For The Year Ended 31 March 2023**

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**DIRECTORS:**

A D Brown  
P E Done  
A Price  
J J Foster  
A T Watson

**SECRETARY:**

K D Simmons

**REGISTERED OFFICE:**

The Peninsula  
Victoria Place  
Manchester  
M4 4FB

**REGISTERED NUMBER:**

09283467 (England and Wales)

**INDEPENDENT AUDITORS:**

RSM UK LLP  
Chartered accountants & statutory auditor  
Ninth Floor, Landmark  
St Peter's Square  
1 Oxford Street  
Manchester  
M1 4PB

## BRIGHT HR LIMITED

### Strategic Report For The Year Ended 31 March 2023

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#### **ABOUT BRIGHT HR LIMITED**

Bright HR Limited ('BrightHR' or the 'Company') provides People Management, Human Resource ('HR'), Health & Safety ('H&S') and compliance software to businesses through the UK and, via subsidiaries, extends this service to clients across Australia, New Zealand and Canada. The easy to use, customisable cloud-based tools help businesses record and monitor a breadth of people management, HR and H&S matters and with additional new features and services being continually added. In addition the Company offers 24/7 wraparound access to specialist employment law and H&S advisers.

BrightHR is a subsidiary of Peninsula Business Services Group Limited and part of the Peninsula Group of companies (the 'Group').

#### **Values**

In spring 2023 the Group, including the Company, re-launched its global values, underpinning everything the Group does and uniting all Group companies with the common goal of empowering businesses and their teams to thrive by investing in knowledge, people and technology.

#### We Care



We are a people business. Our passion, commitment and dedication comes from our genuine care to help others build great businesses.

#### We Take Action



The market moves quickly and so do we. Accountable, agile and adaptable-our professional excellence stems from being action-oriented and offering value at every interaction.

#### We Innovate



Putting the customer-first, we purposefully innovate. We listen, understand and turn data into insight to offer meaningful services and systems to our customers.

#### We Inform



We ensure peace of mind. With our legal expertise and years of experience, as specialists, we're different because we never rest. Our ambition to be the best drives us forward.

#### We Do The Right Thing



Integrity is at our core. We always act in the best interest of our customers, communities and each other. We work collaboratively as a team putting others first. We keep our promises and treat everyone with the respect they deserve. That's what earns trust.

# BRIGHT HR LIMITED

## Strategic Report For The Year Ended 31 March 2023

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### **REVIEW OF BUSINESS**

The directors are pleased to report that the Company delivered another strong set of financial results for the year ended March 2023 building upon the continued success experienced over recent years. This performance achieved through the year was despite the uncertain UK macro-economic backdrop that prevailed through much of the year caused by ongoing post Brexit challenges, the Russia-Ukraine war, rising energy costs, high inflation, the impact of the mini budget and interest rates hikes. During the year, revenue increased 41% to £25.1m (2022: £17.8m), EBITDA increased 33% to £5.4m (2022: £4.1m), and profit before tax increased 79% to £2.8m (2022: £1.5m).

Revenue growth was driven through a combined focus on identifying new business opportunities and ensuring the existing client base receive exceptional service. During the year the Company saw a significant growth in client base and the number of their employees using the software and its growing list of features. This included both the direct client base of BrightHR and those that the Company supports through the integrated offering it provides to the clients of other Group companies. Furthermore, the new subsidiaries established in Australia and Canada, which occurred during the prior year (such subsidiaries results are not consolidated within the results herein) also grew at pace, demonstrating the global potential of the BrightHR proposition, leveraging the investment made in the platform and brand profile and directly benefitting the Company through the licence arrangements in place with those subsidiaries.

As clients typically are signed on multi-year subscription agreements with high levels of recurring revenue and contract renewals, the revenue achieved in the financial year was underpinned by agreements signed in prior years. In addition, the Company launched a range of retention initiatives during the year with the aim of further improving the Company's already strong track record of retaining and renewing clients. These initiatives not only benefitted revenue achieved in the year, but are also expected to support that of future years.

As well as investing in sales and marketing activity, the Company also increased headcount within administrative functions and across each of the service delivery teams to support the software feature enrichment, advice offerings and ongoing high levels of support and service standards the Company consistently aims to deliver. Increasing salary costs, higher costs associated with increased sales activity and general inflationary pressures meant overall costs increased 37% to £22.3m (2022: £16.3m).

During year under review BrightHR continued to introduce a range of new and exciting additional features and functionality within the platform as well as enhancing the wider advice and service offerings to increase the benefits to clients both in the UK and internationally. Alongside expensed cost, capitalised investment of the software during the year increased by over 15% to £2.8m to support this. This product and features development included Bright Exchange, a platform which enables clients and other businesses to promote their offerings and provide an array of discounts and offers to the BrightHR user community. Not only is this feature valued by users but provides and further means to increase brand awareness. Examples of other products/features added included the Turbo Talent Navigator, E-Learning and enhanced document management functionality.

In summary, the directors consider the financial year ended March 2023 to be a strong year for the Company not only in financial performance terms, but also in cementing the foundations for future growth.

The directors recognise that the key to the Company's success is its team members and their dedication to continuously innovating new and improved product features that help clients run their businesses.

### **Outlook**

Whilst broader market conditions remain challenging, with the potential for above target inflation to persist for some time and with interest rates anticipated to remain high in the near term, the directors believe that demand for the Company's services will remain robust and that the Company will continue to further enhance its position within its chosen markets. The directors are not complacent, however and the Company continues to seek opportunities for further enhancement to the services provided, retention of existing clients and recruitment of new ones.

## BRIGHT HR LIMITED

### Strategic Report For The Year Ended 31 March 2023

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

##### **Financial Risk Management Objectives and Policies**

The directors recognise that the success of the Company relies on delivering high levels of service and advice to its client base. The Company operates a proactive strategy of monitoring the systems, advice and service levels provided by all client-facing staff.

##### **Reduction in Business Activity from Economic Uncertainty**

The Company, like any other business, is exposed to the risk of economic downturn impacting the sectors in which the Company operates.

Whilst a more challenging economic backdrop inevitably creates greater financial pressure on businesses, the directors believe demand for the Company's products and services will remain resilient through economic cycles. The Company benefits from the majority of clients being on multi-year contracts with high levels of recurring revenue, further insulating the Company from short term economic changes and providing good visibility to future cash flows. Furthermore, the Company believes during more difficult economic times, this itself can be a catalyst for demand from prospective clients as they look to more effectively manage their costs and staff base.

Whilst the directors do not anticipate any significant future deterioration to performance resulting from the challenging economic environment, the Company continues to look to mitigate any risk through continued investment in growth, service, and products.

The directors continue proactively in assess risks and continually monitor performance for evidence of impact. Their in-depth knowledge and involvement in the day to day running of the business is a key to mitigating any such risks.

##### **Credit Risk**

Credit risk arises from clients defaulting on their contractual financial obligations. This can arise for a variety of reasons including financial difficulties faced by clients as a resulting from difficult economic trading conditions. This could lead to the requirement to write-off overdue amounts.

Credit risk is managed through rigorous payment collection processes and ongoing monitoring of trade debtors to identify any bad debt exposures and minimise the impact of such exposures. It is further mitigated by the high level of customers paying by direct debit or standing order. In addition, the Company benefits from having a diversified client base with no single customer concentration or undue weighting to any specific industry.

Trade debtors are stated net of provision for doubtful debts. Provision is made where the directors consider there to be a risk that the full amount of the outstanding receivable will not be recoverable.

##### **Operational Risk**

Operational risk includes the failure to attract and retain suitably qualified personnel, as well as a failure of, or an external attack on, the Company's IT systems. This could adversely impact the quality of service to clients, potentially leading to complains, loss of clients, or, in more severe cases, reputational and/or claims activity. Failure to prevent a cyber-attack or other data breach could lead to GDPR breaches and potential fines.

The Company mitigates these risks through a variety of measures. The Company aims to provide employees with appropriate training, fair remuneration packages, appealing working environments which foster collaboration and career pathways for progression.

The IT infrastructure undergoes regular resilience testing with ongoing investment in hardware and continuous cyber risk prevention and detection measures in place. Regular training is provided to all staff on risks associated with internal and external cyber-attacks and the importance of data integrity and correct data handling. The Company, alongside the UK Group, has secured accreditation ISO 27001:2013 - Information Security and is currently working to receiving 2022 standard. Cyber Essentials certification remains in place following recent completion of the annual Cyber Essentials Plus audit. Stringent controls are in place in line with best practice, maintained and monitored by a dedicated Infosec team.

## BRIGHT HR LIMITED

### Strategic Report For The Year Ended 31 March 2023


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#### **Legislative Risk**

The Company's offerings are weighted to the provision of software and services in connection with legislation. Changes in legislation or standards in the areas of Employment Law and Health and Safety, increase the potential risk of providing incorrect advice, documentation, or other information to clients.

To mitigate this, the Company provides staff with relevant induction programmes, continued professional development opportunities and training, alongside providing a variety of guidance tools and routes to escalation for complex matters. All staff are appropriately qualified for the advice or service being provided. Guidance, literature, documentation and online tools and content is regularly reviewed and updated to reflect current legislation and standards. The Company has established processes and specialist in-house teams who continually research, review, interpret and disseminate external changes in law or standards.

Approved by the board of directors on 30 November 2023 and signed on its behalf:

  
.....  
J J Foster - Director

## **BRIGHT HR LIMITED**

### **Directors' Report** **For The Year Ended 31 March 2023**

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Bright HR Limited is a 98% 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 (the 'Parent') which is incorporated in Great Britain and registered in England and Wales. The Parent and its subsidiaries together being the 'Group'.

#### **DIVIDENDS**

No dividends have been paid in the year.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

A D Brown  
P E Done  
A Price

#### **Changes in directors' holdings office during the financial year are as follows:**

J J Foster – appointed 20 July 2022  
A T Watson – appointed 16 December 2022  
P N Swift – resigned 31 July 2022

#### **Changes in company secretary during the financial year are as follows:**

K D Simmons - appointed 1 November 2022  
P N Swift - resigned 1 November 2022

#### **INDEMNITY PROVISION FOR DIRECTORS**

During the year, the Group had third party indemnity insurance for all directors and officers. The insurance remains in force as at the date of approving the Directors' Report.

#### **POLITICAL DONATIONS AND EXPENDITURE**

No political contributions/donations/expenditures were made during the year by the Company.

#### **CHARITABLE DONATIONS AND EXPENDITURE**

During the year, the Company contributed towards the Group's £0.6m in donations to the Royal Manchester Children's Hospital.

#### **EQUALITY, DIVERSITY AND EMPLOYMENT OF DISABLED PERSONS**

The Company does not discriminate between employees or potential employees on the grounds of colour, race, ethnic or national origin, sex, sexual orientation, marital status, age, disability, pregnancy and maternity or religious beliefs. The Company is committed to building a culture of respect and understanding and a zero-tolerance stance is made against discrimination. This includes protecting staff against direct and indirect discrimination, victimisation, or harassment due to belonging to any protected characteristic outlined in The Equality Act 2010.

It is the Company's policy to encourage the employment, training and career development of disabled persons. If individuals become disabled during employment and they are unable to perform their jobs, consideration is given to retraining for alternative roles.



## BRIGHT HR LIMITED

### Directors' Report For The Year Ended 31 March 2023

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#### **ENGAGEMENT WITH EMPLOYEES**

The Company places considerable value on the involvement of its employees and keeps them informed on matters relevant to them through regular townhall style meetings and internal communications. This includes the Group intranet, which is continually updated for relevant news and information, alongside regular email distributions. These also include regular Q&A sessions with the Group directors.

Continued professional development and career progression opportunities are important to the Company with staff having the opportunity to further develop their expertise via accredited courses where appropriate. Documented career pathways are published and communicated internally providing frameworks to measure success as part of regular performance and salary reviews. Examples of progression are evident throughout the business and at all levels, including appointments to the leadership team.

The Company does not subscribe to the use of zero-hour contracts. Part time and fixed term employees are given the same pro-rata entitlements as full time and permanent employees. The Company regularly reviews staff benefits. During the financial year, the Company introduced a new health cash plan available to all staff. Pay is regularly reviewed linking into performance reviews and the career frameworks and with the Company adopting the Real Living Wage as set by the Living Wage Foundation.

The Company also incentivises employees with a profit share framework. This is open to the majority of employees and considers factors including financial performance and client retention.

The wellbeing of staff is also of paramount importance, and the Company seeks to support its employees' mental, physical, emotional and financial wellbeing. Access to Employee Assistance Programme with a third party provider are in place which offer confidential support and counselling. The Company has also signed up to the Menopause Workplace Pledge to make sure staff going through the menopause are protected.

The Company, as part of the Group, is accredited for ISO 45001, which is the recognised standard for occupational health and safety. This demonstrates the commitment to staff safety by creating safer working conditions and reducing workplace risks. The Company looks to continually improve the working environment of its staff.

#### **DISCLOSURE IN THE STRATEGIC REPORT**

Information regarding future developments and principal risks and uncertainties has been included in the Strategic Report.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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**

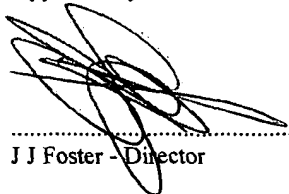
**Directors' Report**  
**For The Year Ended 31 March 2023**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the board of directors on 30 November 2023 and signed on its behalf:

A handwritten signature in black ink, appearing to be 'J J Foster', is written over a horizontal dotted line.

J J Foster - Director

Report of the Independent Auditors to the Members of  
Bright HR Limited

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**Opinion**

We have audited the financial statements of Bright HR Limited (the 'Company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 March 2023 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.

## Report of the Independent Auditors to the Members of Bright HR Limited

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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 7, 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 frameworks that the Company operates in and how the Company is complying with the legal and regulatory frameworks;
- 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, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

Report of the Independent Auditors to the Members of  
Bright HR Limited

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The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations including a review of board minutes and requested sight of any relevant correspondence.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas 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, assessing whether the judgements made in making accounting estimates are indicative of potential bias.
- Challenging judgement and estimates applied in the valuation of accrued income on contracts and testing a sample of revenue items to underlying contract. We tested a sample of revenue transactions recognised either side of the reporting date to determine whether revenue was recorded in the correct period.
- We also performed analytical procedures on revenue by reviewing the overall reconciliation between revenue, cash and accrued income and receivables.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

*Ian Taylor*

Ian Taylor FCA (Senior Statutory Auditor)  
for and on behalf of RSM UK LLP  
Chartered accountants & statutory auditor  
Ninth Floor, Landmark  
St Peter's Square  
1 Oxford Street  
Manchester  
M1 4PB

Date: 30/11/23 .....

**BRIGHT HR LIMITED**

**Statement of Comprehensive  
Income  
For The Year Ended 31 March 2023**

	Notes	2023 £'000	2022 £'000
<b>REVENUE</b>	4	25,081	17,799
Cost of sales		<u>(2,619)</u>	<u>(1,799)</u>
<b>GROSS PROFIT</b>		22,462	16,000
Distribution costs		(9,860)	(7,061)
Administrative expenses		<u>(9,841)</u>	<u>(7,398)</u>
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>	7	2,761	1,541
Tax on profit	9	<u>(540)</u>	<u>(329)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,221	1,212
<b>OTHER COMPREHENSIVE INCOME</b>			
Foreign currency retranslation		12	(10)
		<u>          </u>	<u>          </u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>2,233</u>	<u>1,202</u>

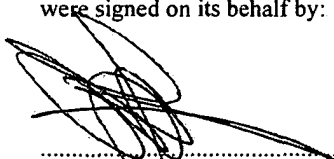
The notes on pages 15 to 25 form part of these financial statements

**BRIGHT HR LIMITED**

**Statement of Financial Position**  
**31 March 2023**

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>FIXED ASSETS</b>			
Intangible assets	10	4,908	4,677
Tangible assets	11	480	528
Investments	12	-	-
		<u>5,388</u>	<u>5,205</u>
<b>CURRENT ASSETS</b>			
Debtors	13	6,911	5,451
Cash and cash equivalents		<u>586</u>	<u>230</u>
		7,497	5,681
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(13,250)</u>	<u>(13,481)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(5,753)</u>	<u>(7,800)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(365)	(2,595)
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(84)</u>	<u>(87)</u>
<b>NET LIABILITIES</b>		<u>(449)</u>	<u>(2,682)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	-	-
Retained earnings	18	<u>(449)</u>	<u>(2,682)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(449)</u>	<u>(2,682)</u>

The financial statements were approved by the board of directors and authorised for issue on 30 November 2023 and were signed on its behalf by:

  
.....  
J J Foster - Director  
Company registration number: 09283467

**BRIGHT HR LIMITED**

**Statement of Changes in Equity**  
**For The Year Ended 31 March 2023**

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	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 April 2021</b>	-	(3,884)	(3,884)
<b>Changes in equity</b>			
Total Comprehensive Income	<u>-</u>	<u>1,202</u>	<u>1,202</u>
<b>Balance at 31 March 2022</b>	<u>-</u>	<u>(2,682)</u>	<u>(2,682)</u>
<b>Changes in equity</b>			
Total Comprehensive Income	<u>-</u>	<u>2,233</u>	<u>2,233</u>
<b>Balance at 31 March 2023</b>	<u><u>-</u></u>	<u><u>(449)</u></u>	<u><u>(449)</u></u>

The notes on pages 15 to 25 form part of these financial statements



## BRIGHT HR LIMITED

### Notes to the Financial Statements For The Year Ended 31 March 2023

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#### 1. STATUTORY INFORMATION

Bright HR Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

#### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

#### 3. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

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 Company.

##### **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 its parent Peninsula Business Services Group Limited and ultimate parent 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 presented.
- (b) No cash flow statement has been presented for the Company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

##### **Preparation of consolidated financial statements**

The financial statements contain information about Bright HR Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Peninsula Business Services Limited, and ultimate parent, Rainy City Investments Limited, which can be obtained from Companies House.

##### **Significant judgements and estimates**

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 intangible and tangible fixed assets. Factors taken into consideration in recognising impairment triggers include the economic viability and expected future financial performance of each individual class of asset.

## BRIGHT HR LIMITED

### Notes to the Financial Statements - continued For The Year Ended 31 March 2023

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#### 3. ACCOUNTING POLICIES – continued

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

Accounting estimates and assumptions are made concerning the future and, by their nature, they 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 £0.6m (2022: £0.3m) has been recognised against trade debtors.

##### **Revenue**

Revenue represents amounts receivable for products and services provided, stated net of discounts and of Value Added Tax.

The Company provides a range of products and services. For contractual agreements spanning across multiple years the revenue arising from the provision of services is recognised evenly across the contractual term. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised are likely to be recovered. Commissions are recognised when the right to receive payment is established. Ad hoc or non-contractual revenue is recognised at the point the product or services are provided to the customer.

##### **Intangible assets**

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

On disposal the difference between the net disposal proceeds and the carrying amount of the intangible fixed asset is recognised in the Statement of Comprehensive Income.

##### **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 fixed assets**

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

On disposal the difference between the net disposal proceeds and the carrying amount of the tangible fixed asset is recognised in the Statement of Comprehensive Income.

## BRIGHT HR LIMITED

### Notes to the Financial Statements - continued For The Year Ended 31 March 2023

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#### 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.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

##### **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. If the arrangement constitutes a financing transaction, 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 exceeding 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.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in the Statement of Changes in Equity.

Current or deferred taxation assets and liabilities are not discounted.

##### **Current tax**

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

## **BRIGHT HR LIMITED**

### **Notes to the Financial Statements - continued** **For The Year Ended 31 March 2023**

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#### **3. ACCOUNTING POLICIES - continued**

##### **Deferred tax - continued**

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

All assets and liabilities that are stated in a functional currency other than Sterling (£) are translated at the Statement of Financial Position date. Exchange difference arising on such translations are recognised in other Comprehensive Income.

##### **Pension costs and other post-retirement benefits**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event when it is probable that the entity will be required to transfer economic benefits in settlement, and when the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Statement of Financial Position.

Provisions are initially measured as the best estimate of the amount required to settle the obligation at the reporting date and are subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

##### **Going concern**

As at 31 March 2023 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Company meets its day to day working capital requirement from its cash reserves held, its ability to generate net cash inflows from operational activities and access to funding if required from the Group. The Company benefits from clients on multi-year contractual agreements, offering good visibility of future cash flows and healthy cash generation. The Group, of which the Company is a part of, prepares cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These indicate that the Group is projected to meet its identified working capital commitments and remain compliant with the existing Revolving Credit Facility ('RCF') financial covenants of the Parent. The Parent's RCF facility was successfully refinanced and extended in March 2023 with an earliest maturity of March 2026.

Because of the Company's net liabilities position, the Company has received a letter of support from the Parent confirming that it will support the Company to meet its working capital requirements for a period of at least 12 months from the date of approval of these financial statements.

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

# **BRIGHT HR LIMITED**

## **Notes to the Financial Statements - continued** **For The Year Ended 31 March 2023**

### **4. REVENUE**

The revenue and profit before taxation are attributable to the one principal activity of the Company.

An analysis of revenue by class of business is given below:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Provision of services	<b><u>25,081</u></b>	<b><u>17,799</u></b>
	<b><u>25,081</u></b>	<b><u>17,799</u></b>

An analysis of revenue by geographical market is given below:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom	<b>19,258</b>	<b>14,985</b>
Overseas	<b><u>5,823</u></b>	<b><u>2,814</u></b>
	<b><u>25,081</u></b>	<b><u>17,799</u></b>

### **5. EMPLOYEES AND DIRECTORS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>8,739</b>	<b>6,635</b>
Social security costs	<b>1,035</b>	<b>751</b>
Other pension costs	<b><u>201</u></b>	<b><u>140</u></b>
	<b><u>9,975</u></b>	<b><u>7,526</u></b>

The average number of employees during the year was as follows:

	<b>2023</b>	<b>2022</b>
Sales & Marketing	<b>92</b>	<b>83</b>
Direct	<b>71</b>	<b>54</b>
Administration	<b><u>93</u></b>	<b><u>76</u></b>
	<b><u>255</u></b>	<b><u>213</u></b>

### **6. DIRECTORS' EMOLUMENTS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Directors' remuneration	<b>446</b>	<b>351</b>
Directors' pension contributions to money purchase schemes	<b><u>10</u></b>	<b><u>8</u></b>

The number of directors to whom retirement benefits were accruing was as follows:

	<b>4</b>	<b>1</b>
Money purchase schemes	<b><u>4</u></b>	<b><u>1</u></b>

## BRIGHT HR LIMITED

### Notes to the Financial Statements - continued For The Year Ended 31 March 2023

#### 6. DIRECTORS' EMOLUMENTS - continued

Information regarding the highest paid director is as follows:

	2023	2022
	£'000	£'000
Emoluments etc	182	264
Pension contributions to money purchase schemes	<u>5</u>	<u>-</u>

Where the directors of the Company are also directors of other Group companies, the directors' emoluments are allocated across the relevant Group companies.

#### 7. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£'000	£'000
Operating leases	-	565
Depreciation	136	104
Amortisation	2,543	2,434
Foreign exchange differences	(59)	35
Impairment of trade debtors	<u>290</u>	<u>474</u>

Whilst the above stated operating lease charges were borne directly by the Company, Peninsula Business Services Limited, another Group company, has the contractual obligation in respect of such operating leases.

#### 8. AUDITORS' REMUNERATION

	2023	2022
	£'000	£'000
Fees payable to the Company's auditors for the audit of the Company's financial statements	21	11
Auditors' remuneration for non audit work	<u>-</u>	<u>1</u>

#### 9. TAXATION

##### Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2023	2022
	£'000	£'000
Current tax:		
UK corporation tax	549	182
Adjustments in respect of prior periods	<u>(6)</u>	<u>28</u>
Total current tax	543	210
Deferred tax:		
Origination and reversal of timing differences	<u>(3)</u>	<u>119</u>
Tax on profit	<u>540</u>	<u>329</u>

**BRIGHT HR LIMITED**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2023**

**9. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss.**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	<u><b>2,761</b></u>	<u><b>1,541</b></u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	<b>525</b>	<b>293</b>
Effects of:		
Expenses not deductible for tax purposes	-	1
Depreciation in excess of capital allowances	<b>(5)</b>	<b>55</b>
Adjustments to tax charge in respect of previous periods	<b>(6)</b>	<b>28</b>
Other timing differences	<u><b>26</b></u>	<u><b>(48)</b></u>
Total tax charge	<u><b>540</b></u>	<u><b>329</b></u>

There are no tax effects relating to other comprehensive income in both the current and previous accounting period.

The standard rate of tax applied to reported profit on ordinary activities is 19% (2022: - 19%). The Finance Act 2021, which was substantively enacted on 24 May 2021, created a 25% main rate, 19% small profits rate and a marginal rate which is effective from 1 April 2023. Deferred tax has been calculated at 25% which is the rate that the deferred tax liabilities and assets are expected to crystallise.

**10. INTANGIBLE FIXED ASSETS**

	<b>Software development £'000</b>
<b>COST</b>	
At 1 April 2022	<b>11,968</b>
Additions	<u><b>2,774</b></u>
At 31 March 2023	<u><b>14,742</b></u>
<b>AMORTISATION</b>	
At 1 April 2022	<b>7,291</b>
Amortisation for year	<u><b>2,543</b></u>
At 31 March 2023	<u><b>9,834</b></u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u><b>4,908</b></u>
At 31 March 2022	<u><b>4,677</b></u>

# BRIGHT HR LIMITED

## Notes to the Financial Statements - continued For The Year Ended 31 March 2023

### 11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>			
At 1 April 2022	477	379	856
Additions	<u>16</u>	<u>72</u>	<u>88</u>
At 31 March 2023	<u>493</u>	<u>451</u>	<u>944</u>
<b>DEPRECIATION</b>			
At 1 April 2022	133	195	328
Charge for year	<u>48</u>	<u>88</u>	<u>136</u>
At 31 March 2023	<u>181</u>	<u>283</u>	<u>464</u>
<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>312</u>	<u>168</u>	<u>480</u>
At 31 March 2022	<u>344</u>	<u>184</u>	<u>528</u>

### 12. FIXED ASSET INVESTMENTS

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

#### **Bright HR Limited**

Registered office: 1800-1631, Dickson Avenue, Kelowna, BC V1Y 0B5. Canada

Nature of business: Provision of HCM software

	%
Class of shares:	holding
Ordinary	100.00

#### **BrightHR Pty Ltd**

Registered office: Level 6, 180 Thomas Street, Haymarket, SW 2000. Australia.

Nature of business: Provision of HCM software

	%
Class of shares:	holding
Ordinary	100.00

#### **Bright HR Software Limited**

Registered office: Eastpoint Bus. Park, Alfie Byrne Road, Dublin, DO3 Y564. Ireland

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

#### **Peninsula Online Services Limited**

Registered office: The Peninsula, Victoria Place, Manchester, M4 4FB. United Kingdom

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00



# BRIGHT HR LIMITED

## Notes to the Financial Statements - continued For The Year Ended 31 March 2023

### 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£'000	£'000
Trade debtors	457	103
Amounts owed by Group undertakings	4,102	3,931
Corporation tax	40	31
Prepayments and accrued income	<u>2,312</u>	<u>1,386</u>
	<u><b>6,911</b></u>	<u><b>5,451</b></u>

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

Included within Prepayments and accrued income is £0.2m (2022: £0.02m) accrued from related parties (note 21).

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£'000	£'000
Trade creditors	257	349
Amounts owed to Group undertakings	8,696	10,608
Social security and other taxes	645	467
Other creditors	222	165
Accruals and deferred income	<u>3,430</u>	<u>1,892</u>
	<u><b>13,250</b></u>	<u><b>13,481</b></u>

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

Included within Trade creditors is £0.06m (2022: £Nil) owed to related parties (note 21)

### 15. DEFERRED TAX

The deferred tax included in the Statement of Financial Position is as follows:

	2023	2022
	£'000	£'000
Included in Provisions for liabilities (note 16)	<u><b>84</b></u>	<u><b>87</b></u>

The below deferred tax (asset)/liability consists of the effect of timing differences in respect of:

	Accelerated capital allowances	Other	Total
	£'000	£'000	£'000
Balance at 1 April 2022	87	-	87
Credit to Statement of Comprehensive Income during year	<u>(3)</u>	<u>-</u>	<u>(3)</u>
<b>Balance at 31 March 2023</b>	<u><b>84</b></u>	<u><b>-</b></u>	<u><b>84</b></u>

Of the deferred tax timing differences £0.08m stated above, £0.01m is estimated to reverse within 12 months and relate to; Accelerated capital allowances.

## BRIGHT HR LIMITED

### Notes to the Financial Statements - continued For The Year Ended 31 March 2023

#### 16. PROVISIONS FOR LIABILITIES

	Deferred tax £'000
Balance at 1 April 2022	87
Movement in year (note 15)	<u>(3)</u>
Balance at 31 March 2023	<u>84</u>

#### 17. CALLED UP SHARE CAPITAL

##### Allotted, issued, and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
93	Ordinary shares	£1	93	93
5	Ordinary 'A' shares	£1	5	5
2	Ordinary 'B' share	£1	<u>2</u>	<u>2</u>
			<u>100</u>	<u>100</u>

#### 18. RESERVES

Retained earnings - This reserve records retained earnings and accumulated losses.

#### 19. PENSION COMMITMENTS

Defined contribution plans

The amount recognised in Statement of Comprehensive Income in relation to defined contribution plans was £0.2m (2022: £0.1m).

At 31 March 2023 no amounts were outstanding (2022: £Nil).

#### 20. CONTINGENT LIABILITIES

On 17 March 2023, on refinancing of the Parent's RCF, the previous unlimited intercompany guarantee with National Westminster Bank Plc and Lloyds Bank Plc was replaced with a revised unlimited intercompany guarantee to National Westminster Bank Plc, Lloyds Bank Plc and Barclays Bank Plc, which includes the Company as well as the following Group companies: Rainy City Investments Limited, Peninsula Business Services Group Limited, Peninsula Business Services Limited, Peninsula Business Services (Ireland) Limited, Peninsula Legal Services Limited, Croner Group Limited, Croner i Limited, Health Assured Limited, Bright HR Limited (Canada), BrightHR Pty Ltd, Peninsula Employment Services Limited, Employsure Pty Limited and Employsure Law Pty Limited.

At 31 March 2023 the maximum exposure across the Group was £91.5m (2022: £118.0m).

## **BRIGHT HR LIMITED**

### **Notes to the Financial Statements - continued** **For The Year Ended 31 March 2023**

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#### **21. RELATED PARTY DISCLOSURES**

The Company is a 98% 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 statements of both Peninsula Business Services Group Limited and Rainy City Investments Limited, can be obtained from Companies House.

P E Done is a director of Irwell Insurance Company Limited ('Irwell'). Irwell underwrites policies taken out by clients of the Company. Insurance policies were collected by the Company on behalf of Irwell. During the year, the Company received a profit share of £0.2m (2022: £0.02m). At 31 March 2023, the Company was owed £0.2m from Irwell, which is included in debtors and owed £0.06m (2022: £0.02m) to Irwell which is included in creditors.

Portfolio Payroll Limited is a related party due to the Done family relationship. Portfolio Payroll Limited makes placements of permanent and temporary staff. During the year, Portfolio Payroll Limited sold services to the Company totalling £0.3m (2022: £0.1m). At 31 March 2023 the Company owed £Nil (2022: £0.01m) to Portfolio Payroll Limited which is included within creditors.

#### **22. ULTIMATE CONTROLLING PARTY**

The Company is a 98% 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.