

Company Registration No. 09594679 (England and Wales)

BITRISE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR



BITRISE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	6		32,330		57,378
Tangible assets	7		396,529		492,837
			<u>428,859</u>		<u>550,215</u>
Current assets					
Debtors	8	3,534,391		1,238,713	
Cash at bank and in hand		3,567,018		1,018,653	
			<u>7,101,409</u>		<u>2,257,366</u>
Creditors: amounts falling due within one year	9	(12,858,578)		(3,663,591)	
Net current liabilities			<u>(5,757,169)</u>		<u>(1,406,225)</u>
Total assets less current liabilities			<u>(5,328,310)</u>		<u>(856,010)</u>
Creditors: amounts falling due after more than one year	10		(17,839,268)		(10,346,303)
Net liabilities			<u>(23,167,578)</u>		<u>(11,202,313)</u>
Capital and reserves					
Called up share capital	11		1,655		1,655
Share premium account			123,203		123,203
Capital contribution reserve			192,742		-
Profit and loss reserve			<u>(23,485,178)</u>		<u>(11,327,171)</u>
Total equity			<u>(23,167,578)</u>		<u>(11,202,313)</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved and signed by the director and authorised for issue on 12/04/23

Barnabas Birmacher

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Director

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Bitrise Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 483 Green Lanes, London, England, N13 4BS.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

This 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:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- 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 Bitrise Inc. These consolidated financial statements are available from its registered office, 3500 South Dupont Highway, Dover, Delaware 19901, USA.

Going concern

In accordance with his responsibilities as director, the director has considered the appropriateness of the going concern basis for the preparation of the financial statements.

The company ended the year with net current liabilities of £5.8m and net liabilities of £23.2m.

In order to assess the going concern assumption, the members have considered detailed trading and cash flow projections for a period of at least 12 months from the date of approval of these financial statements with key considerations such as cash burn. Bitrise Limited has experienced increased turnover in 2022 and continues to project increasing revenues in future periods.

The company is reliant on support of the parent company. Amounts of £3.6m and £17.8m are included in creditors due within one year and creditors due after one year respectively. Bitrise Inc has formally confirmed their intention to support the company for a period of 12 months from the date of approval of these accounts, and on that basis the director considers it appropriate to adopt the going concern basis in preparing the financial statements.

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 consideration takes into account trade discounts, settlement discounts and volume rebates.

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Software	3 year straight line
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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 remaining life of the lease
Computers	33% straight line
Motor vehicles	33% 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.

Impairment of fixed assets

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

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

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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 and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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, other creditors, and amounts owed to group undertakings, 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.

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.

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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.

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.

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

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

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.

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Share based payments

The fair value of share-based payments is measured using the Black-Scholes model which inherently makes use of significant estimates and assumptions concerning the future. Such estimates and assumptions include the expected life of the options and the number of employees that will achieve the vesting conditions. Further details are included in the share based payments note.

Foreign currency

The utilises multiple currencies as part of its trading activities, most notably US Dollar (USD), Pound Sterling (GBP) and Hungarian Forint (HUF). Management have exercised their judgement in arriving at the functional currency of the entity, being GBP, given the following factors:

- Revenue is primarily earned in USD
- The cost base, including employees, is primarily GBP
- The country whose competitive forces and regulations determine the price of services has been determined as GBP

In accordance with FRS 102.30, where there is no obvious functional currency, priority is given to the primary indicators noted above. Therefore GBP has been decided as the functional currency.

3 Employees

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

	2021	2020
	Number	Number
Total	132	103

4 Director's remuneration

	2021	2020
	£	£
Remuneration paid to director	75,490	79,152

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Share-based payment transactions

Bitrise Limited has granted share options to its employees, under the groups 2016 Equity Incentive Plan. The Plan grants share options to its employees in the parent company, Bitrise Inc.

Share options are granted at the calculated tax market value at the time of the grant. Employees are entitled to exercise the share options in accordance with the plan and the terms of the award. If options remain unexercised after a period of 10 years from the date of the grant, the options expire. Furthermore, options lapse if the employee leaves the Company before they become entitled to exercise the share options.

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021	1,350,219	797,012	0.83	0.51
Granted	594,704	642,930	1.43	1.23
Forfeited	(143,633)	(70,338)	1.03	1.05
Exercised	(77,729)	(14,206)	0.41	0.30
Expired	(43,851)	(5,179)	0.75	0.75
Outstanding at 31 December 2021	<u>1,679,710</u>	<u>1,350,219</u>	<u>1.04</u>	<u>0.83</u>
Exercisable at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

A market value of \$2.39 per share was estimated following a valuation performed in February 2021. The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. A share based payment charge of £192,741 has been recorded in the financial statements, relating to the current year charge plus an additional amount to reflect historic share option awards, previously not accounted for given the impact of these was considered immaterial.

6 Intangible fixed assets

	Software £
Cost	
At 1 January 2021 and 31 December 2021	<u>76,919</u>
Amortisation and impairment	
At 1 January 2021	19,541
Amortisation charged for the year	<u>25,048</u>
At 31 December 2021	<u>44,589</u>
Carrying amount	
At 31 December 2021	<u>32,330</u>
At 31 December 2020	<u>57,378</u>

Amortisation of software is included in administrative expenses in the statement of comprehensive income.

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Tangible fixed assets

	Leasehold improvements	Assets under construction	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	334,875	101,655	421,082	17,413	875,025
Additions	-	-	98,103	-	98,103
Disposals	-	-	(29,606)	-	(29,606)
At 31 December 2021	334,875	101,655	489,579	17,413	943,522
Depreciation and impairment					
At 1 January 2021	161,346	-	208,830	12,012	382,188
Depreciation charged in the year	77,215	-	110,257	3,378	190,850
Eliminated in respect of disposals	-	-	(26,045)	-	(26,045)
At 31 December 2021	238,561	-	293,042	15,390	546,993
Carrying amount					
At 31 December 2021	96,314	101,655	196,537	2,023	396,529
At 31 December 2020	173,529	101,655	212,252	5,401	492,837

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,198,241	816,565
Corporation tax recoverable	50,945	-
Other debtors	1,285,205	375,082
	3,534,391	1,191,647
Amounts falling due after more than one year:		
Other debtors	-	47,066
Total debtors	3,534,391	1,238,713

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,821,922	359,653
Amounts owed to group undertakings	3,577,877	-
Corporation tax	-	55,158
Other taxation and social security	129,921	196,091
Other creditors	7,328,858	3,052,689
	<u>12,858,578</u>	<u>3,663,591</u>

10 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	<u>17,839,268</u>	<u>10,346,303</u>

Creditors due after one year is an amount owed to Bitrise Inc, its parent company. Interest is charged at 3.53% per annum, and agreed annually. The balance is due for repayment on 1 September 2028.

Creditors which fall due after five years are as follows:

	2021 £	2020 £
Payable other than by instalments	<u>17,839,268</u>	<u>10,346,303</u>

11 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	<u>8,000</u>	<u>8,000</u>	<u>80</u>	<u>80</u>
Preference share capital				
Issued and fully paid				
Preference shares EUR of €1 each	<u>2,000</u>	<u>2,000</u>	<u>1,575</u>	<u>1,575</u>
Preference shares classified as equity			<u>1,575</u>	<u>1,575</u>
Total equity share capital			<u>1,655</u>	<u>1,655</u>

Each ordinary share carries one vote per share and ranks equally in respect of dividends and other distributions. Each preference share carries one vote per share.

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 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:

	2021	2020
	£	£
Within one year	174,441	189,380
Between one and five years	43,610	236,725
	<u>218,051</u>	<u>426,105</u>

13 Parent company

The company's immediate parent company is Bitrise Inc a company incorporated in the USA. Its registered office is 3500 South Dupont Highway, Dover, Delaware 19901, USA.

Bitrise Inc is the smallest and largest company in which the accounts of Bitrise Limited are consolidated. All consolidated accounts are available from the USA address.

There is no overall controlling party.

BITRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Audit report information

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

Other matter - prior period financial statements not audited

The company was exempt from audit in the period ended 31 December 2020 and consequently the corresponding figures are unaudited.

The auditor's report was unqualified.

The senior statutory auditor was Dominic Finn ACA.

The auditor was RSM UK Audit LLP.