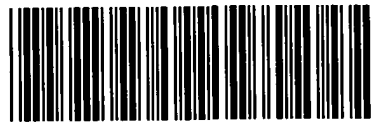


Company Registration No. 08804209 (England and Wales)

**UNILY GROUP LIMITED (FORMERLY  
BRIGHTSTARR GROUP LIMITED)**  
**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2022**

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# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## COMPANY INFORMATION

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<b>Directors</b>	W Saville C Jackman
<b>Company number</b>	08804209
<b>Registered office</b>	First Floor, The Granary Abbey Mill Business Park Lower Eashing Godalming Surrey GU7 2QW
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants One London Square Cross Lanes Guildford Surrey GU1 1UN

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# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### **Fair review of the business**

2022 continued to be an exciting year for Unily Group Limited (the 'company') and its subsidiaries (the 'group'), which incorporates the Unily brand. The group has seen continued growth, an engaged global customer base and further improvements to its industry leading product. In February 2022, the group was acquired by CVC Growth Partner II GP Limited and obtained new funding for its operations, which sits in a newly incorporated entity above the company.

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

2022 has seen turnover grow by 35.3% (2021: 26.5%) and EBITDA, excluding the share-based payment charge and costs associated with the acquisition, decrease to £2.2m (2021: £4.7m), as the group seeks to grow the business and control costs. The group continues to hold substantial cash balances at £13.3m (2021: £18.5m). The group has incurred a loss after tax of £8.2m (2021: £8.5m). This loss is stated after a share-based payment charge of £2.4m (2021: £9.4m). Following the acquisition of the group and exercise of the options, the share option scheme was closed. See note 6 for further detail.

#### **Principal risks and uncertainties**

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

##### *Foreign exchange risk*

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

The overseas subsidiaries operate separate bank accounts, which are used solely for that subsidiary, thus limiting the currency risk exposure. When currency is to be transferred between countries, this is planned in order to minimise the exposure to foreign exchange fluctuations. The group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling. The group does not hedge its net investments in overseas operations as the cost of doing so is disproportionate to the exposure.

##### *Credit risk*

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

#### **Future developments**

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

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

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

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### Key performance indicators

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

	2022	2021
	£	£
Turnover	44,685,415	33,033,983
Gross profit	28,805,833	21,878,983
Gross profit %	64.5%	66.2%
Operating loss	8,776,143	8,229,211
Adjusted EBITDA	2,239,777	4,734,832

The adjusted EBITDA figure is calculated as earnings before interest, taxation, depreciation, amortisation and excludes large one-off items such as share-based payment charges and cost associated with the acquisition that took place during the year.

On behalf of the board

*Christopher Jackman*  
.....

C Jackman  
Director

Date: 29/06/23 .....

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

On 12 April 2022, the company changed its name from Brightstarr Group Limited.

#### Principal activities

The principal activity of Unily Group Limited (the 'company') and its subsidiaries (the 'group') continued to be software and applications development.

#### Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid (2021: £Nil). The directors do not recommend payment of a further dividend.

#### Going concern

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

#### Directors

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

P M Daffern	(Resigned 1 February 2022)
T MacLean	(Resigned 1 February 2022)
R Paterson	(Resigned 1 February 2022)
J C Rosenberg	(Resigned 1 February 2022)
W Saville	
C Jackman	(Appointed 1 February 2022)

#### Auditor

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

#### Statement of disclosure to auditor

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

#### Disclosure of information in the strategic report

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

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### Research and development

Research in connection with developing new, and enhancing existing, products is carried out continuously through the year.

On behalf of the board

*Christopher Jackman*

.....  
C Jackman  
Director

Date: 29/06/23 .....

# **UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Company law requires the directors to prepare group and company 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 group and the company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)**

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## **Opinion**

We have audited the financial statements of Unily Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 group's and of the parent company's affairs as at 31 December 2022 and of the group's loss 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 group and parent 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 group's or the parent 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 our 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED) (CONTINUED)**

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### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 5, 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 group's and the parent 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 group or the parent 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 group audit engagement team:

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED) (CONTINUED)

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

The group audit engagement team identified the risk of management override of controls, and revenue cut-off 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 and testing revenue transactions either side of the year end.

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

### Use of our report

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



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

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	44,685,415	33,033,983
Cost of sales		(15,879,582)	(11,155,000)
<b>Gross profit</b>		28,805,833	21,878,983
Other administrative expenses		(35,230,990)	(20,664,113)
Share based payments charge		(2,350,986)	(9,444,081)
Administrative expenses		(37,581,976)	(30,108,194)
<b>Operating loss</b>	<b>7</b>	(8,776,143)	(8,229,211)
Interest receivable and similar income	<b>9</b>	17,138	858
Interest payable and similar expenses	<b>10</b>	(4,677)	(4,783)
<b>Loss before taxation</b>		(8,763,682)	(8,233,136)
Tax on loss	<b>11</b>	584,320	(305,718)
<b>Loss for the financial year</b>		(8,179,362)	(8,538,854)

Loss for the financial year is all attributable to the owners of the parent company.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

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	2022 £	2021 £
<b>Loss for the year</b>	(8,179,362)	(8,538,854)
<b>Other comprehensive income net of taxation</b>		
Currency translation differences	10,762	43,457
<b>Total comprehensive income for the year</b>	<u>(8,168,600)</u>	<u>(8,495,397)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

**UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		9,226,012		7,982,983
Tangible assets	13		768,392		709,107
			<u>9,994,404</u>		<u>8,692,090</u>
<b>Current assets</b>					
Debtors	16	16,175,350		8,940,262	
Cash at bank and in hand		13,265,199		18,518,745	
			<u>29,440,549</u>		<u>27,459,007</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(30,142,550)</u>		<u>(20,981,771)</u>	
<b>Net current (liabilities)/assets</b>			<u>(702,001)</u>		<u>6,477,236</u>
<b>Total assets less current liabilities</b>			<u>9,292,403</u>		<u>15,169,326</u>
<b>Creditors: amounts falling due after more than one year</b>	18		-		(58,632)
<b>Provisions for liabilities</b>	20		-		(1,133)
<b>Net assets</b>			<u>9,292,403</u>		<u>15,109,561</u>
<b>Capital and reserves</b>					
Called up share capital	22		1,508		1,232
Share premium account	23		16,520,559		16,520,380
Capital contribution reserve	23		362,759		-
Other reserves	23		159,902		149,140
Share-based payment reserve	23		-		9,444,081
Profit and loss reserves	23		<u>(7,752,325)</u>		<u>(11,005,272)</u>
<b>Total equity</b>			<u>9,292,403</u>		<u>15,109,561</u>

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

*Christopher Jackman*

C Jackman  
Director

**UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		9,226,012		7,982,983
Tangible assets	13		516,875		440,254
Investments	14		3,802,786		3,157,120
			<u>13,545,673</u>		<u>11,580,357</u>
<b>Current assets</b>					
Debtors	16	4,868,984		1,321,051	
Cash at bank and in hand		1,112,621		6,776,763	
			<u>5,981,605</u>		<u>8,097,814</u>
<b>Creditors: amounts falling due within one year</b>	17	(14,082,714)		(5,262,596)	
<b>Net current (liabilities)/assets</b>			<u>(8,101,109)</u>		<u>2,835,218</u>
<b>Total assets less current liabilities</b>			<u>5,444,564</u>		<u>14,415,575</u>
<b>Creditors: amounts falling due after more than one year</b>	18		-		(58,632)
<b>Net assets</b>			<u><u>5,444,564</u></u>		<u><u>14,356,943</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		1,508		1,232
Share premium account	23		16,520,609		16,520,430
Capital contribution reserve	23		251,995		-
Share-based payment reserve	23		-		9,444,081
Profit and loss reserves	23		(11,329,548)		(11,608,800)
<b>Total equity</b>			<u><u>5,444,564</u></u>		<u><u>14,356,943</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £11,153,057 (2021: £7,198,303 loss).

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

*Christopher Jackman*

C Jackman  
Director

**UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)**

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

	Share capital	Share premium account	Capital contribution reserve	Other reserves	Share based payment reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£	£	£
<b>Balance at 1 January 2021</b>	1,210	16,519,304	-	105,683	-	(2,466,418)	14,159,779
<b>Year ended 31 December 2021:</b>							
Loss for the year	-	-	-	-	-	(8,538,854)	(8,538,854)
Other comprehensive income net of taxation:							
Currency translation differences	-	-	-	43,457	-	-	43,457
Total comprehensive income for the year	-	-	-	43,457	-	(8,538,854)	(8,495,397)
Transactions with owners:							
Issue of share capital	22	1,076	-	-	-	-	1,098
Equity settled share-based payments	6	-	-	-	9,444,081	-	9,444,081
<b>Balance at 31 December 2021</b>	1,232	16,520,380	-	149,140	9,444,081	(11,005,272)	15,109,561

**UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Share capital £	Share premium account £	Capital contribution reserve £	Other reserves £	Share based payment reserve £	Profit and loss reserves £	Total £
<b>Year ended 31 December 2022:</b>								
Loss for the year		-	-	-	-	-	(8,179,362)	(8,179,362)
Other comprehensive income net of taxation:								
Currency translation differences		-	-	-	10,762	-	-	10,762
Total comprehensive income for the year		-	-	-	10,762	-	(8,179,362)	(8,168,600)
Transactions with owners:								
Issue of share capital	22	276	179	-	-	-	-	455
Capital contribution (share-based payments)	22	-	-	362,759	-	-	-	362,759
Equity settled share-based payments	6	-	-	-	-	1,988,228	-	1,988,228
Exercise of share options		-	-	-	-	(11,432,309)	11,432,309	-
<b>Balance at 31 December 2022</b>		<b>1,508</b>	<b>16,520,559</b>	<b>362,759</b>	<b>159,902</b>	<b>-</b>	<b>(7,752,325)</b>	<b>9,292,403</b>

**UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)**

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

	Notes	Share capital £	Share premium account £	Capital contribution reserve £	Share based payment reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2021</b>		1,210	16,519,354	-	-	(4,410,497)	12,110,067
<b>Year ended 31 December 2021:</b>							
Loss and total comprehensive income for the year		-	-	-	-	(7,198,303)	(7,198,303)
Transactions with owners:							
Issue of share capital	22	22	1,076	-	-	-	1,098
Equity settled share-based payments	6	-	-	-	9,444,081	-	9,444,081
<b>Balance at 31 December 2021</b>		1,232	16,520,430	-	9,444,081	(11,608,800)	14,356,943
<b>Year ended 31 December 2022:</b>							
Loss and total comprehensive income for the year		-	-	-	-	(11,153,057)	(11,153,057)
Transactions with owners:							
Issue of share capital	22	276	179	-	-	-	455
Capital contribution (share-based payments)	22	-	-	251,995	-	-	251,995
Equity settled share-based payments	6	-	-	-	1,988,228	-	1,988,228
Exercise of share options		-	-	-	(11,432,309)	11,432,309	-
<b>Balance at 31 December 2022</b>		1,508	16,520,609	251,995	-	(11,329,548)	5,444,564

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	25		(568,952)		6,762,721
Interest paid			(4,677)		(4,783)
Income taxes (paid)/refunded			(55,685)		1,587,388
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(629,314)</b>		<b>8,345,326</b>
<b>Investing activities</b>					
Purchase of intangible assets		(4,901,178)		(4,404,617)	
Purchase of tangible fixed assets		(336,826)		(194,572)	
Interest received		17,138		858	
<b>Net cash used in investing activities</b>			<b>(5,220,866)</b>		<b>(4,598,331)</b>
<b>Financing activities</b>					
Proceeds from issue of shares		455		1,098	
Payment of finance leases obligations		(9,368)		(67,208)	
<b>Net cash used in financing activities</b>			<b>(8,913)</b>		<b>(66,110)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(5,859,093)</b>		<b>3,680,885</b>
Cash and cash equivalents at beginning of year			18,518,745		14,860,851
Effect of foreign exchange rates			605,547		(22,991)
<b>Cash and cash equivalents at end of year</b>			<b>13,265,199</b>		<b>18,518,745</b>

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Company information

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

The group consists of Unily Group Limited (formerly Brightstarr Group Limited) and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the directors' report.

#### Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

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

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share-based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The results of the company are consolidated within these financial statements.

#### Company statement of comprehensive income

As permitted by Section 408 Companies Act 2006, the company has not presented its own statement of comprehensive income as it prepares group accounts and the consolidated statement of financial position shows the company's profit or loss for the financial year.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

#### **Basis of consolidation**

The consolidated financial statements incorporate those of Unily Group Limited (formerly Brightstarr Group Limited) and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **Going concern**

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

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

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

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

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

#### **Turnover**

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

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

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

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

#### Research and development expenditure

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

#### Intangible fixed assets other than goodwill

Expenditure on the research phase of projects to develop new software is recognised as an expense as incurred. The group has opted to recognise costs that are directly attributable to a project's development phase as intangible assets, provided they meet all of the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the group intends to and has sufficient resources to complete the project
- the group has the ability to use or sell the software
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred. All intangible assets with finite useful economic lives, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The following useful lives are applied:

Software development costs	4 years straight-line
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Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing. Amortisation has been included within administration expenses. Subsequent expenditures on the maintenance of computer software are expensed as incurred. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

#### 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 term of the lease
Plant and equipment	25% straight-line
Fixtures and fittings	25% straight-line
Computer equipment	25% straight-line
Motor vehicles	25% reducing balance method

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.

#### Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### **Impairment of fixed assets**

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

##### **Cash and cash equivalents**

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

##### **Financial instruments**

The group 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 group becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

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

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

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

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial assets***

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

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

#### ***Derecognition of financial liabilities***

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

#### ***Equity instruments***

Equity instruments issued by the group 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 group.

#### ***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.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### **Deferred tax**

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.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

##### **Employee benefits**

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

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

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

##### **Retirement benefits**

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

##### **Share-based payments**

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

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the company as equity-settled and shown as a capital contribution to the subsidiary by increasing the company's investment.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### Leases

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

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

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

#### 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.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### *Capitalised development costs*

Key accounting estimates in preparing the financial statements include the capitalisation of and amortisation period for capitalised development costs. Management has to make judgements as to whether development expenditure has met the criteria for capitalisation or whether it should be expensed in the year. Development expenditure is capitalised only after its reliable measurement, technical feasibility and commercial viability can be demonstrated. In determining the amortisation period the directors estimate the useful life of the developed asset by determining the period over which the group expects to consume the asset's future economic benefits, with reference to future revenues expected to be generated.

##### *Consultancy revenue*

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

##### *Share-based payments*

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

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

#### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Licenses	38,460,299	28,769,810
Consultancy	6,225,116	4,264,173
	<u>44,685,415</u>	<u>33,033,983</u>
	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
North America	27,530,843	20,207,284
West Europe	13,414,826	10,877,871
Middle East	738,378	353,464
Asia Pacific	1,891,047	1,545,535
Other	1,110,321	49,829
	<u>44,685,415</u>	<u>33,033,983</u>

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 4 Employees

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

	<b>Group 2022 Number</b>	<b>2021 Number</b>	<b>Company 2022 Number</b>	<b>2021 Number</b>
Administration	25	17	17	11
Development	48	50	48	48
Support and operations	141	121	49	52
Sales and marketing	66	45	24	12
<b>Total</b>	<b>280</b>	<b>233</b>	<b>138</b>	<b>123</b>

Their aggregate remuneration comprised:

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Wages and salaries	25,493,879	16,953,409	12,329,329	8,875,722
Social security costs	2,146,314	1,555,736	1,061,109	920,689
Pension costs	795,525	593,767	443,349	368,412
Share based payment charge	2,350,986	9,444,081	1,594,556	6,377,167
<b>Total</b>	<b>30,786,704</b>	<b>28,546,993</b>	<b>15,428,343</b>	<b>16,541,990</b>

### 5 Directors' remuneration

	<b>2022 £</b>	<b>2021 £</b>
Remuneration for qualifying services	435,670	423,680
Company pension contributions to defined contribution schemes	5,150	15,600
<b>Total</b>	<b>440,820</b>	<b>439,280</b>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2022 £</b>	<b>2021 £</b>
Remuneration for qualifying services	291,795	417,180
Company pension contributions to defined contribution schemes	1,250	15,600

The number of directors to whom retirement benefits are accruing under money purchase schemes during the year is 2 (2021: 1).

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6 Share-based payment transactions

Group	Number of share options		Exercise price	
	2022	2021	2022	2021
B Shares	Number	Number	£	£
Outstanding at 1 January 2022	8,503	8,503	814.57	814.57
Exercised	(8,503)	-	(814.57)	-
Outstanding at 31 December 2022	-	8,503	-	814.57
RSUs B Shares	Number	Number	£	£
Outstanding at 1 January 2022	6,158	6,158	814.57	814.57
Exercised	(6,158)	-	(814.57)	-
Outstanding at 31 December 2022	-	6,158	-	814.57
C Shares	Number	Number	£	£
Outstanding at 1 January 2022	8,869	8,869	0.01	0.01
Exercised	(8,869)	-	(0.01)	-
Outstanding at 31 December 2022	-	8,869	-	0.01
RSUs C Shares	Number	Number	£	£
Outstanding at 1 January 2022	6,158	6,158	0.01	0.01
Exercised	(6,158)	-	(0.01)	-
Outstanding at 31 December 2022	-	6,158	-	0.01
D Shares	Number	Number	£	£
Outstanding at 1 January 2022	366	-	0.50	-
Granted	-	366	-	0.50
Exercised	(366)	-	(0.50)	-
Outstanding at 31 December 2022	-	366	-	0.50

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6 Share-based payment transactions (Continued)

Company	Number of share options		Exercise price	
	Number of share options 2022	2021	2022	2021
B Shares	Number	Number	£	£
Outstanding at 1 January 2022	8,503	8,503	814.57	814.57
Exercised	(8,503)	-	(814.57)	-
Outstanding at 31 December 2022	-	8,503	-	814.57

Company	Number of share options		Exercise price	
	Number of share options 2022	2021	2022	2021
C Shares	Number	Number	£	£
Outstanding at 1 January 2022	8,869	8,869	0.01	0.01
Exercised	(8,869)	-	(0.01)	-
Outstanding at 31 December 2022	-	8,869	-	0.01

Company	Number of share options		Exercise price	
	Number of share options 2022	2021	2022	2021
D Shares	Number	Number	£	£
Outstanding at 1 January 2022	366	-	0.50	-
Granted	-	366	-	0.50
Exercised	(366)	-	(0.50)	-
Outstanding at 31 December 2022	-	366	-	0.50

Following the acquisition of the group, all share options were excised on 1 February 2022 and the share option scheme was closed.

The total charge in respect of the above share based payments was spread over the period from August 2021 to February 2022, with £1,988,227 being charged during the current year (2021: £9,444,081).

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6 Share-based payment transactions (Continued)

##### Growth share scheme

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

During the year, Elysian Topco Limited issued 403,309 shares, and 191,571 were allocated to employees of the wider group, 132,083 of which are employees within this group. This is considered to be an equity-settled share based payment scheme where the expense for employee services received is recognised over the vesting period. A charge of £362,759 has been recognised in the profit and loss account in respect of this.

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

#### 7 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging:		
Exchange differences	563,458	77,767
Non-capitalised research and development	-	1,273,570
Depreciation of owned tangible fixed assets	274,502	263,282
Depreciation of tangible fixed assets held under finance leases	23,247	25,416
(Profit)/loss on disposal of tangible fixed assets	-	43,900
Amortisation of intangible assets	3,658,149	3,187,364
Share-based payments	2,350,986	9,444,081
Operating lease charges	589,946	632,336
	<u>                    </u>	<u>                    </u>

#### 8 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	35,550	33,750
Audit of the financial statements of the company's subsidiaries	39,350	31,700
	<u>                    </u>	<u>                    </u>
	74,900	65,450
	<u>                    </u>	<u>                    </u>

#### 9 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Interest on bank deposits	17,138	858
	<u>                    </u>	<u>                    </u>

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Interest payable and similar expenses

2022  
£

2021  
£

Interest on finance leases and hire purchase contracts	4,677	4,783
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### 11 Taxation

2022  
£

2021  
£

#### Current tax

UK corporation tax on profits for the current period	(450,092)	-
Adjustments in respect of prior periods	-	49,356

Total UK current tax	(450,092)	49,356
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Foreign current tax on profits for the current period	(128,801)	336,500
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Total current tax	(578,893)	385,856
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#### Deferred tax

Origination and reversal of timing differences	(5,427)	(104,744)
Changes in tax rates	-	24,931
Adjustment in respect of prior periods	-	(325)

Total deferred tax	(5,427)	(80,138)
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Total tax (credit)/charge	(584,320)	305,718
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# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 11 Taxation (Continued)

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

	2022 £	2021 £
Loss before taxation	(8,763,682)	(8,233,136)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,665,100)	(1,564,296)
Tax effect of expenses that are not deductible in determining taxable profit	659,796	1,809,348
Adjustments in respect of prior years	-	49,356
Effect of change in corporation tax rate	-	20,679
Group relief	91,251	-
Permanent capital allowances in excess of depreciation	(16,341)	(4,262)
Research and development tax credit	(450,092)	(532,601)
Other non-reversing timing differences	-	10,704
Other permanent differences	(170,096)	62,621
Tax relief on share options	(965,685)	-
Effect of overseas tax rates	(11,042)	27,990
Deferred tax adjustments in respect of prior years	-	(325)
Remeasurement of deferred tax for changes in tax rates	(673,753)	-
Deferred tax not recognised	2,616,742	426,504
Taxation (credit)/charge	(584,320)	305,718

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

The group has trading losses of £14,775,809 (2021: £3,060,902) available to carry forward against future taxable profits. No deferred tax has been recognised in respect of these losses on the basis that they may not be recoverable within the foreseeable future.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 12 Intangible fixed assets

<b>Group and company</b>	<b>Software development costs £</b>
<b>Cost</b>	
At 1 January 2022	19,013,971
Additions - internally developed	4,901,178
	<hr/>
At 31 December 2022	23,915,149
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2022	11,030,988
Amortisation charged for the year	3,658,149
	<hr/>
At 31 December 2022	14,689,137
	<hr/>
<b>Carrying amount</b>	
At 31 December 2022	9,226,012
	<hr/> <hr/>
At 31 December 2021	7,982,983
	<hr/> <hr/>

The amortisation of software development costs is recognised within administrative expenses.

The development costs relate to the development of the group's software applications. Once the software applications have been completed and are ready for sale, the development costs are amortised from that point. The directors regularly review development costs for any impairment. The development costs capitalised above are amortised over a period of 4 years which represents the period over which the directors expect the group to consume the asset's future economic benefits.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 13 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2022	365,399	14,489	164,272	754,844	101,662	1,400,666
Additions	2,244	-	-	334,582	-	336,826
Exchange adjustments	20,415	-	13,910	16,908	-	51,233
At 31 December 2022	388,058	14,489	178,182	1,106,334	101,662	1,788,725
<b>Depreciation and impairment</b>						
At 1 January 2022	168,485	14,435	91,278	385,557	31,804	691,559
Depreciation charged in the year	54,650	54	26,856	190,823	25,366	297,749
Exchange adjustments	7,194	-	8,044	15,787	-	31,025
At 31 December 2022	230,329	14,489	126,178	592,167	57,170	1,020,333
<b>Carrying amount</b>						
At 31 December 2022	157,729	-	52,004	514,167	44,492	768,392
At 31 December 2021	196,914	54	72,994	369,287	69,858	709,107

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 13 Tangible fixed assets (Continued)

Company	Leasehold improvements	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	80,900	25,514	537,453	101,662	745,529
Additions	2,244	-	263,593	-	265,837
At 31 December 2022	83,144	25,514	801,046	101,662	1,011,366
<b>Depreciation and impairment</b>					
At 1 January 2022	20,287	13,651	239,533	31,804	305,275
Depreciation charged in the year	10,254	6,171	147,425	25,366	189,216
At 31 December 2022	30,541	19,822	386,958	57,170	494,491
<b>Carrying amount</b>					
At 31 December 2022	52,603	5,692	414,088	44,492	516,875
At 31 December 2021	60,613	11,863	297,920	69,858	440,254

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Motor vehicles	44,492	69,858	44,492	69,858

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	3,802,786	3,157,120

### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2022	3,157,120
Recharge of share-based payment expense	645,666
At 31 December 2022	3,802,786
<b>Carrying amount</b>	
At 31 December 2022	3,802,786
At 31 December 2021	3,157,120

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Unily Limited	First Floor The Granary Abbey Mill Business Park, Lower Eashing, Godalming, Surrey, England, GU7 2QW	Software development	Ordinary	100.00	-
Unily Inc	Appt. 2, 31 Bond Street, New York, NY 10012-7982, USA.	Software development	Ordinary	100.00	-
Unily Australia PTY Ltd	Suite 1701, Level 17, 44 Market Street, Sydney NSW 2000, Australia	Software development	Ordinary	100.00	-
Rockstarr Consulting SA	Costa Rica 5546 4 1, 1414 Buenos Aires, Argentina	Dormant	Ordinary	-	95.00

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Debtors

	Group		Company	
	2022	2021	2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	9,923,430	6,832,267	-	-
Amounts owed by group undertakings	3,958,573	-	3,981,601	-
Other debtors	519,422	1,098,222	76,450	601,716
Prepayments and accrued income	1,769,631	1,009,773	810,933	719,335
	<u>16,171,056</u>	<u>8,940,262</u>	<u>4,868,984</u>	<u>1,321,051</u>
Deferred tax asset (note 20)	4,294	-	-	-
	<u>16,175,350</u>	<u>8,940,262</u>	<u>4,868,984</u>	<u>1,321,051</u>

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

#### 17 Creditors: amounts falling due within one year

	Notes	Group		Company	
		2022	2021	2022	2021
		£	£	£	£
Obligations under finance leases	19	58,632	9,368	58,632	9,368
Trade creditors		1,232,256	1,183,881	1,145,511	1,111,409
Amounts owed to group undertakings		917,065	-	10,769,926	2,277,426
Corporation tax payable		29,545	192,603	54,340	-
Other taxation and social security		437,989	514,893	45,696	276,498
Other creditors		188,167	245,244	70,887	-
Accruals and deferred income		27,278,896	18,835,782	1,937,722	1,587,895
		<u>30,142,550</u>	<u>20,981,771</u>	<u>14,082,714</u>	<u>5,262,596</u>

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

#### 18 Creditors: amounts falling due after more than one year

	Notes	Group		Company	
		2022	2021	2022	2021
		£	£	£	£
Obligations under finance leases	19	-	58,632	-	58,632
		<u>-</u>	<u>58,632</u>	<u>-</u>	<u>58,632</u>

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 19 Finance lease obligations

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Future minimum lease payments due under finance leases:				
Less than one year	58,632	9,368	58,632	9,368
Between one and five years	-	58,632	-	58,632
	<u>58,632</u>	<u>68,000</u>	<u>58,632</u>	<u>68,000</u>

Finance lease payments represent rentals payable by the company and group for certain items of motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Net obligations under finance lease agreements are secured against their corresponding assets.

### 20 Provisions

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

	Liabilities 2022	Liabilities 2021	Assets 2022	Assets 2021
Group	£	£	£	£
Accelerated capital allowances	-	1,133	4,294	-
	<u>-</u>	<u>1,133</u>	<u>4,294</u>	<u>-</u>

The company has no deferred tax assets or liabilities.

	Group 2022	Company 2022
Movements in the year:	£	£
Liability at 1 January 2022	1,133	-
Credit to profit or loss	(5,427)	-
Asset at 31 December 2022	<u>(4,294)</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 21 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	795,525	593,767
	<u>795,525</u>	<u>593,767</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 22 Share capital

	Group and Company			
	2022 Number	2021 Number	2022 £	2021 £
<b>Issued and fully paid</b>				
Series A convertible preferred shares of 1p each	-	45,935	-	459
B ordinary shares of 1p each	-	68,906	-	689
C ordinary shares of 1p each	-	6,158	-	62
D1 ordinary shares of 1p each	-	2,196	-	22
Ordinary shares of 1p each	150,822	-	1,508	-
	<u>150,822</u>	<u>123,195</u>	<u>1,508</u>	<u>1,232</u>

In January 2022, 12,892 ordinary B shares with a nominal value of 1p each were issued at par and 45,935 Series A convertible preferred shares were re-designated as 45,935 ordinary B shares.

In February 2022, 5,500 ordinary B shares and 8,869 ordinary C shares with a nominal value of 1p each were issued at par and 366 ordinary D1 shares with a nominal value of 1p each were issued at 50p each, resulting in share premium of £179 being recognised.

In March 2022, all of the ordinary B, C, and D1 shares were re-designated as ordinary shares.

#### *Series A convertible preferred shares*

Each A share carries voting rights equal to the higher of: a) one vote per share on a converted basis; or b) the A shares proportion of the votes eligible per the written resolution or general meeting. A shares receive dividends in priority to other share classes. The A shares attract a fixed preferred dividend of 8% per annum which would only become payable in the event of a winding up of the company. The A shares have a right to receive a capital distribution in priority to other share classes.

#### *B ordinary shares*

Each B share carries the right to vote, to receive dividends subject to A shares and, on winding up, a capital distribution following satisfaction of the A shares.

#### *C ordinary shares*

Each C share does not carry a right to vote, but can receive dividends subject to A shares and, on winding up, a capital distribution following satisfaction of the A shares.

#### *D1 ordinary shares*

Each D1 share does not carry a right to vote, but can receive dividends subject to A shares and, on winding up, a capital distribution following satisfaction of the A shares.

#### *Ordinary shares*

Each ordinary share carries the right to vote, to receive dividends, and a capital distribution.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 23 Reserves

*Share capital*

Share capital represents the par value of ordinary shares issued by the company.

*Share premium account*

Consideration received for shares issued above their nominal value net of transaction costs.

*Capital contribution reserve*

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

*Other reserves*

Other reserves consist of the translation reserve and represents foreign exchange gains and losses on the retranslation of the group's results and net assets.

*Share-based payment reserve*

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

*Retained earnings*

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

#### 24 Operating lease commitments

**Lessee**

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	687,573	568,256	118,810	60,475
Between one and five years	1,777,795	2,100,931	226,491	241,900
In over five years	-	156,847	-	45,066
	<u>2,465,368</u>	<u>2,826,034</u>	<u>345,301</u>	<u>347,441</u>

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 25 Cash (absorbed by)/generated from group operations

	2022	2021
	£	£
Loss for the year after tax	(8,179,362)	(8,538,854)
<b>Adjustments for:</b>		
Taxation (credited)/charged	(584,320)	305,718
Finance costs	4,677	4,783
Investment income	(17,138)	(858)
(Gain)/loss on disposal of tangible fixed assets	-	43,900
Amortisation and impairment of intangible assets	3,658,149	3,187,364
Depreciation and impairment of tangible fixed assets	297,749	288,698
Equity settled share based payment expense	2,350,986	9,444,081
<b>Movements in working capital:</b>		
Decrease in stocks	-	191,065
Increase in debtors	(7,230,794)	(2,612,006)
Increase in creditors	9,131,101	4,448,830
<b>Cash (absorbed by)/generated from operations</b>	<b>(568,952)</b>	<b>6,762,721</b>

#### 26 Analysis of changes in net funds - group

	1 January 2022	Cash flows	Exchange rate movements	31 December 2022
	£	£	£	£
Cash at bank and in hand	18,518,745	(5,859,093)	605,547	13,265,199
Obligations under finance leases	(68,000)	9,368	-	(58,632)
	<u>18,450,745</u>	<u>(5,849,725)</u>	<u>605,547</u>	<u>13,206,567</u>

#### 27 Financial commitments, guarantees and contingent liabilities

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

#### 28 Related party transactions

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

Travel costs of £679 (2021: £9,511) and professional fees of £26,400 (2021: £72,850) were charged to the group in the year by a company related by virtue of common control and directorships.

# UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **29 Controlling party**

During the year, the group and company was purchased by Elysian BidCo Limited. The ultimate parent company became CVC Growth Partner II GP Limited, a company incorporated in Jersey, which the directors consider to be the ultimate controlling party.

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