

Company Registration No. 08804209 (England and Wales)

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**



UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

COMPANY INFORMATION

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

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

2021 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.

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.

2021 has seen turnover grow by 26.5% (2020: 28.7%) and EBITDA, excluding the share-based payment charge, increase to £4.7m (2020: £1.6m), as the group seeks to grow the business and control costs. The group continues to hold substantial cash balances at £18.5m (2020: £14.9m). The group has incurred a loss after tax of £8.4m (2020: £0.5m loss). This loss is after a share-based payment charge of £9.4m (2020: £Nil). 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 2021

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.

	2021	2020
	£	£
Turnover	33,033,983	26,116,848
Gross profit	21,878,983	17,471,412
Gross profit %	66.2%	66.9%
Adjusted EBITDA	4,732,362	1,607,517

The adjusted EBITDA figure is calculated as earnings before interest, taxation, depreciation, amortisation and excludes large one-off items such as share-based payments charges.

On behalf of the board

C Jackman

.....
C Jackman
Director

Date: 28/09/22
.....

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

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 (2020: £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	(Appointed 19 January 2021 and 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

RSM UK Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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 Group has chosen, in accordance with Section 414C (11) of the Companies Act 2006, to present information regarding its financial risk management and future developments in the strategic report.

Research and development

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

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board

C Jackman

.....

C Jackman

Director

Date: 28/09/22

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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)

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 2021 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 2021 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)

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)

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.

RSM UK Audit LLP

Jonathan Da Costa FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
One London Square
Cross Lanes
Guildford
Surrey, GU1 1UN
29/09/22.....

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	33,033,983	26,116,848
Cost of sales		(11,155,000)	(8,645,436)
Gross profit		21,878,983	17,471,412
Other administrative expenses		(20,664,113)	(18,804,037)
Share based payments charge		(9,444,081)	-
Administrative expenses		(30,108,194)	(18,804,037)
Operating loss	7	(8,229,211)	(1,332,625)
Interest receivable and similar income	9	858	32,652
Interest payable and similar expenses	10	(4,783)	(2,695)
Loss before taxation		(8,233,136)	(1,302,668)
Tax on loss	11	(305,718)	785,938
Loss for the financial year		(8,538,854)	(516,730)

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 2021

	2021 £	2020 £
Loss for the year	(8,538,854)	(516,730)
Other comprehensive income net of taxation		
Currency translation differences	43,457	15,174
Total comprehensive income for the year	<u>(8,495,397)</u>	<u>(501,556)</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 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	12		7,982,983		6,765,730
Tangible assets	13		709,107		844,460
			<u>8,692,090</u>		<u>7,610,190</u>
Current assets					
Stocks	16	-		191,065	
Debtors	17	8,940,262		8,108,897	
Cash at bank and in hand		18,518,745		14,860,851	
			<u>27,459,007</u>	<u>23,160,813</u>	
Creditors: amounts falling due within one year	18	(20,981,771)		(16,461,563)	
Net current assets			<u>6,477,236</u>		<u>6,699,250</u>
Total assets less current liabilities			<u>15,169,326</u>		<u>14,309,440</u>
Creditors: amounts falling due after more than one year	19		(58,632)		(68,390)
Provisions for liabilities	21		(1,133)		(81,271)
Net assets			<u>15,109,561</u>		<u>14,159,779</u>
Capital and reserves					
Called up share capital	23		1,232		1,210
Share premium account	24		16,520,380		16,519,304
Other reserves	24		149,140		105,683
Share-based payment reserve	24		9,444,081		-
Profit and loss reserves	24		(11,005,272)		(2,466,418)
Total equity			<u>15,109,561</u>		<u>14,159,779</u>

The financial statements were approved by the board of directors and authorised for issue on 28/09/22 and are signed on its behalf by:

C Jackman

.....
C Jackman
Director

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	12		7,982,983		6,765,730
Tangible assets	13		440,254		490,935
Investments	14		3,157,120		90,206
			<u>11,580,357</u>		<u>7,346,871</u>
Current assets					
Debtors	17	1,321,051		2,289,665	
Cash at bank and in hand		6,776,763		6,802,012	
			<u>8,097,814</u>		<u>9,091,677</u>
Creditors: amounts falling due within one year	18	(5,262,596)		(4,181,281)	
Net current assets			<u>2,835,218</u>		<u>4,910,396</u>
Total assets less current liabilities			<u>14,415,575</u>		<u>12,257,267</u>
Creditors: amounts falling due after more than one year	19		(58,632)		(68,390)
Provisions for liabilities	21		-		(78,810)
Net assets			<u>14,356,943</u>		<u>12,110,067</u>
Capital and reserves					
Called up share capital	23		1,232		1,210
Share premium account	24		16,520,430		16,519,354
Share-based payment reserve			9,444,081		-
Profit and loss reserves	24		(11,608,800)		(4,410,497)
Total equity			<u>14,356,943</u>		<u>12,110,067</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 £7,198,303 (2020: £2,151,428 loss).

The financial statements were approved by the board of directors and authorised for issue on 28/09/22 and are signed on its behalf by:

C Jackman

.....
C Jackman
Director

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Share premium account	Other reserves	Share based payment reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 January 2020	1,210	16,519,304	90,509	-	(1,949,688)	14,661,335
Year ended 31 December 2020:						
Loss for the year	-	-	-	-	(516,730)	(516,730)
Other comprehensive income net of taxation:						
Currency translation differences	-	-	15,174	-	-	15,174
Total comprehensive income for the year	-	-	15,174	-	(516,730)	(501,556)
Balance at 31 December 2020	1,210	16,519,304	105,683	-	(2,466,418)	14,159,779
Year ended 31 December 2021:						
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	23	1,076	-	-	-	1,098
Equity settled share-based payments	-	-	-	9,444,081	-	9,444,081
Balance at 31 December 2021	1,232	16,520,380	149,140	9,444,081	(11,005,272)	15,109,561

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Share based payment reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020		1,210	16,519,354	-	(2,259,069)	14,261,495
Year ended 31 December 2020:						
Loss and total comprehensive income for the year		-	-	-	(2,151,428)	(2,151,428)
Balance at 31 December 2020		1,210	16,519,354	-	(4,410,497)	12,110,067
Year ended 31 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(7,198,303)	(7,198,303)
Transactions with owners:						
Issue of share capital	23	22	1,076	-	-	1,098
Equity settled share-based payments		-	-	9,444,081	-	9,444,081
Balance at 31 December 2021		1,232	16,520,430	9,444,081	(11,608,800)	14,356,943

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26	6,762,721		3,972,137	
Interest paid		(4,783)		(2,695)	
Income taxes refunded		1,587,388		136,315	
Net cash inflow from operating activities		8,345,326		4,105,757	
Investing activities					
Purchase of intangible assets		(4,404,617)		(3,953,084)	
Purchase of tangible fixed assets		(194,572)		(484,526)	
Proceeds on disposal of tangible fixed assets		-		13,474	
Interest received		858		32,652	
Net cash used in investing activities		(4,598,331)		(4,391,484)	
Financing activities					
Proceeds from issue of shares		1,098		-	
Payment of finance leases obligations		(67,208)		(31,213)	
Net cash used in financing activities		(66,110)		(31,213)	
Net increase/(decrease) in cash and cash equivalents		3,680,885		(316,940)	
Cash and cash equivalents at beginning of year		14,860,851		15,149,137	
Effect of foreign exchange rates		(22,991)		28,654	
Cash and cash equivalents at end of year		18,518,745		14,860,851	

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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 2021. 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 cashflow forecasts for the next 12 months from the date of signing of the financial statements. Based on these forecasts the directors are satisfied that the company and the group have adequate resources to continue for a period of at least 12 months from the date of signing of these financial statements. As a result the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

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.

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.

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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
----------------------------	-----------------------

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.

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.

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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.

Stocks

Stocks comprises unbilled work-in-progress being the direct costs associated with the provision of customisation options within our consultancy service offering to customers, and these are stated at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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 2021

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 2021

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.

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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.

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.

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Foreign exchange

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

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

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

2 Judgements and key sources of estimation uncertainty

In the application of the 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.

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Software licences	28,769,810	23,583,202
Software consultancy	4,264,173	2,533,646
	<u>33,033,983</u>	<u>26,116,848</u>
	2021 £	2020 £
Turnover analysed by geographical market		
North America	20,207,284	15,423,050
West Europe	10,877,871	9,157,278
Middle East	353,464	309,381
Asia Pacific	1,545,535	1,156,145
Other	49,829	70,994
	<u>33,033,983</u>	<u>26,116,848</u>

4 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Administration	17	14	11	6
Development	50	41	48	39
Support and operations	121	89	52	41
Sales and marketing	45	48	12	16
Total	<u>233</u>	<u>192</u>	<u>123</u>	<u>102</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	16,953,409	13,805,611	8,875,722	7,375,524
Social security costs	1,555,736	1,383,543	920,689	776,521
Pension costs	593,767	423,183	368,412	258,945
Share based payment charge	9,444,081	-	6,377,167	-
	<u>28,546,993</u>	<u>15,612,337</u>	<u>16,541,990</u>	<u>8,410,990</u>

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	423,680	917,598
Company pension contributions to defined contribution schemes	15,600	14,000
	<u>439,280</u>	<u>931,598</u>

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

	2021 £	2020 £
Remuneration for qualifying services	417,180	512,521
Company pension contributions to defined contribution schemes	15,600	14,000
	<u>432,780</u>	<u>526,521</u>

The number of directors to whom retirement benefits are accruing under money purchase schemes during the year is one (2020: one).

6 Share-based payment transactions

Group	Number of share options		Exercise price	
	2021 Number	2020 Number	2021 £	2020 £
B Shares				
Outstanding at 1 January 2021 and 31 December 2021	<u>8,503</u>	<u>8,503</u>	<u>814.57</u>	<u>814.57</u>
RSUs B Shares				
Outstanding at 1 January 2021 and 31 December 2021	<u>6,158</u>	<u>6,158</u>	<u>814.57</u>	<u>814.57</u>
C Shares				
Outstanding at 1 January 2021 and 31 December 2021	<u>8,869</u>	<u>8,869</u>	<u>0.01</u>	<u>0.01</u>

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Share-based payment transactions (Continued)

RSUs C Shares	Number of share options		Exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021 and 31 December 2021	6,158	6,158	0.01	0.01

D Shares	Number of share options		Exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021	-	-	-	-
Granted	366	-	0.50	-
Outstanding at 31 December 2021	366	-	0.50	-

Company B Shares	Number of share options		Exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021 and 31 December 2021	8,503	8,503	814.57	814.57

C Shares	Number of share options		Exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021 and 31 December 2021	8,869	8,869	0.01	0.01

D Shares	Number of share options		Exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 January 2021	-	-	-	-
Granted	366	-	0.50	-
Outstanding at 31 December 2021	366	-	0.50	-

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Share-based payment transactions (Continued)

Previously no option charge has been recognised as a capital event was not considered probable.

During the year an exit event was being actively worked towards and management subsequently changed their assessment of the likelihood of a capital event to probable in August 2021. The capital event occurred after the year end on 1 February 2022 (see note 30).

In addition, the company also issued 2,196 D1 ordinary shares in the year on 30 April 2021. These shares participate in the capital distribution at the time of a capital event and are therefore treated as growth shares.

Management have assessed that the fair value of the B, C & D options at the date of issue totalled £11,432,309. The charge is being spread from August 2021 to February 2022 with £9,444,081 being charged in the current year.

7 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	77,767	146,127
Non-capitalised research and development	1,273,570	1,551,583
Depreciation of owned tangible fixed assets	263,282	193,622
Depreciation of tangible fixed assets held under finance leases	25,416	21,227
Loss on disposal of tangible fixed assets	43,900	-
Amortisation of intangible assets	3,187,364	2,725,293
Share-based payments	9,444,081	-
Operating lease charges	632,336	150,000
	<u> </u>	<u> </u>

8 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	33,750	25,000
Audit of the financial statements of the company's subsidiaries	31,700	30,000
	<u>65,450</u>	<u>55,000</u>

9 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	858	32,652
	<u>858</u>	<u>32,652</u>

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Interest payable and similar expenses

	2021	2020
	£	£
Other interest on financial liabilities	-	183
Interest on finance leases and hire purchase contracts	4,783	2,512
Total finance costs	<u>4,783</u>	<u>2,695</u>

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(744,076)
Adjustments in respect of prior periods	49,356	(239,616)
Total UK current tax	<u>49,356</u>	<u>(983,692)</u>
Foreign current tax on profits for the current period	336,500	116,483
Total current tax	<u>385,856</u>	<u>(867,209)</u>
Deferred tax		
Origination and reversal of timing differences	(104,744)	81,271
Changes in tax rates	24,931	-
Adjustment in respect of prior periods	(325)	-
Total deferred tax	<u>(80,138)</u>	<u>81,271</u>
Total tax charge/(credit)	<u>305,718</u>	<u>(785,938)</u>

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Taxation (Continued)

The total tax charge/(credit) 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:

	2021 £	2020 £
Loss before taxation	(8,233,136)	(1,302,668)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(1,564,296)	(247,507)
Tax effect of expenses that are not deductible in determining taxable profit	1,809,348	100,767
Tax effect of income not taxable in determining taxable profit	-	(136,315)
Adjustments in respect of prior years	49,356	(239,616)
Effect of change in corporation tax rate	20,679	11,619
Permanent capital allowances in excess of depreciation	(4,262)	1,151
Research and development tax credit	(532,601)	(700,000)
Other non-reversing timing differences	10,704	-
Other permanent differences	62,621	(20,067)
Effect of overseas tax rates	27,990	-
Deferred tax adjustments in respect of prior years	(325)	-
Deferred tax not recognised	426,504	444,030
Taxation charge/(credit)	305,718	(785,938)

12 Intangible fixed assets

Group and company	Software development costs £
Cost	
At 1 January 2021	14,609,354
Additions - internally developed	4,404,617
At 31 December 2021	19,013,971
Amortisation and impairment	
At 1 January 2021	7,843,624
Amortisation charged for the year	3,187,364
At 31 December 2021	11,030,988
Carrying amount	
At 31 December 2021	7,982,983
At 31 December 2020	6,765,730

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Intangible fixed assets (Continued)

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.

13 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	352,290	14,489	158,340	586,704	202,835	1,314,658
Additions	22,052	-	4,745	167,775	-	194,572
Disposals	(10,648)	-	-	-	(101,173)	(111,821)
Exchange adjustments	1,705	-	1,187	365	-	3,257
At 31 December 2021	365,399	14,489	164,272	754,844	101,662	1,400,666
Depreciation and impairment						
At 1 January 2021	116,576	11,210	43,581	235,784	63,047	470,198
Depreciation charged in the year	60,190	3,225	47,589	149,534	28,160	288,698
Eliminated in respect of disposals	(8,518)	-	-	-	(59,403)	(67,921)
Exchange adjustments	237	-	108	239	-	584
At 31 December 2021	168,485	14,435	91,278	385,557	31,804	691,559
Carrying amount						
At 31 December 2021	196,914	54	72,994	369,287	69,858	709,107
At 31 December 2020	235,714	3,279	114,759	350,920	139,788	844,460

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets (Continued)

Company	Leasehold improvements	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	80,900	25,514	390,437	202,835	699,686
Additions	-	-	147,016	-	147,016
Disposals	-	-	-	(101,173)	(101,173)
At 31 December 2021	80,900	25,514	537,453	101,662	745,529
Depreciation and impairment					
At 1 January 2021	9,635	7,272	128,797	63,047	208,751
Depreciation charged in the year	10,652	6,379	110,736	28,160	155,927
Eliminated in respect of disposals	-	-	-	(59,403)	(59,403)
At 31 December 2021	20,287	13,651	239,533	31,804	305,275
Carrying amount					
At 31 December 2021	60,613	11,863	297,920	69,858	440,254
At 31 December 2020	71,265	18,242	261,640	139,788	490,935

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Motor vehicles	69,858	139,788	69,858	139,788

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

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

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	3,157,120	90,206

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 January 2021	90,206
Recharge of share-based payment expense	3,066,914
At 31 December 2021	3,157,120
Carrying amount	
At 31 December 2021	3,157,120
At 31 December 2020	90,206

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Unily Limited (formerly Bright Starr Ltd)	First Floor The Granary Abbey Mill Business Park, Lower Eashing, Godalming, Surrey, England, GU7 2QW	Software development	Ordinary	100.00
Unily Inc (formerly Brightstarr US, Inc)	Appt. 2, 31 Bond Street, New York, NY 10012-7982, USA.	Software development	Ordinary	100.00
Unily Australia PTY Ltd (formerly Brightstarr Australia PTY Ltd)	Suite 1701, Level 17, 44 Market Street, Sydney NSW 2000, Australia	Software development	Ordinary	100.00
Bright Starr Ltd (formerly Unily Ltd)	First Floor The Granary Abbey Mill Business Park, Lower Eashing, Godalming, Surrey, England, GU7 2QW	Dormant	Ordinary	100.00

16 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Work in progress	-	191,065	-	-

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	6,832,267	5,297,318	-	-
Corporation tax recoverable	-	1,780,641	-	1,656,267
Other debtors	1,098,222	323,780	601,716	50,140
Prepayments and accrued income	1,009,773	707,158	719,335	583,258
	<u>8,940,262</u>	<u>8,108,897</u>	<u>1,321,051</u>	<u>2,289,665</u>

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

18 Creditors: amounts falling due within one year

	Group 2021	2020	Company 2021	2020
Notes	£	£	£	£
Obligations under finance leases	20 9,368	66,818	9,368	66,818
Trade creditors	1,183,881	878,909	1,111,409	806,210
Amounts owed to group undertakings	-	-	2,277,426	1,877,565
Corporation tax payable	192,603	-	-	-
Other taxation and social security	514,893	938,081	276,498	630,554
Other creditors	245,244	80,894	-	2,344
Accruals and deferred income	18,835,782	14,496,861	1,587,895	797,790
	<u>20,981,771</u>	<u>16,461,563</u>	<u>5,262,596</u>	<u>4,181,281</u>

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

19 Creditors: amounts falling due after more than one year

	Group 2021	2020	Company 2021	2020
Notes	£	£	£	£
Obligations under finance leases	20 58,632	68,390	58,632	68,390
	<u>58,632</u>	<u>68,390</u>	<u>58,632</u>	<u>68,390</u>

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Less than one year	9,368	66,818	9,368	66,818
Between one and five years	58,632	68,390	58,632	68,390
	<u>68,000</u>	<u>135,208</u>	<u>68,000</u>	<u>135,208</u>

Finance lease payments represent rentals payable by the company and group for certain items of plant and machinery. 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.

21 Provisions

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

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	1,133	81,271
	<u>1,133</u>	<u>81,271</u>

Company	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	-	78,810
	<u>-</u>	<u>78,810</u>

Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 January 2021	81,271	78,810
Credit to profit or loss	(80,138)	(78,810)
	<u>1,133</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.

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	593,767	423,183
	<u>593,767</u>	<u>423,183</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.

23 Share capital

	Group and Company			
	2021	2020	2021	2020
	Number	Number	£	£
Issued and fully paid				
Series A convertible preferred shares of 1p each	45,935	45,935	459	459
B ordinary shares of 1p each	68,906	68,906	689	689
C ordinary shares of 1p each	6,158	6,158	62	62
D1 ordinary shares of 1p each	2,196	-	22	-
	<u>123,195</u>	<u>120,999</u>	<u>1,232</u>	<u>1,210</u>

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.

On 30 April 2021, 2,196 D1 ordinary shares of 1p each were issued at a premium of 49p per share.

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 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.

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.

25 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:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	568,256	632,336	60,475	132,465
Between one and five years	2,100,931	2,316,790	241,900	317,305
In over five years	156,847	455,799	45,066	105,831
	<u>2,826,034</u>	<u>3,404,925</u>	<u>347,441</u>	<u>555,601</u>

UNILY GROUP LIMITED (FORMERLY BRIGHTSTARR GROUP LIMITED)

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

26 Cash generated from group operations	2021	2020
	£	£
Loss for the year after tax	(8,538,854)	(516,730)
Adjustments for:		
Taxation charged/(credited)	305,718	(785,938)
Finance costs	4,783	2,695
Investment income	(858)	(32,652)
Loss on disposal of tangible fixed assets	43,900	-
Amortisation and impairment of intangible assets	3,187,364	2,725,293
Depreciation and impairment of tangible fixed assets	288,698	214,849
Equity settled share based payment expense	9,444,081	-
Movements in working capital:		
Decrease in stocks	191,065	101,729
Increase in debtors	(2,612,006)	(1,194,478)
Increase in creditors	4,448,830	3,457,369
Cash generated from operations	6,762,721	3,972,137

27 Analysis of changes in net funds - group	1 January	Cash flows	Exchange rate	31 December
	2021	movements	movements	2021
	£	£	£	£
Cash at bank and in hand	14,860,851	3,680,885	(22,991)	18,518,745
Obligations under finance leases	(135,208)	67,208	-	(68,000)
	<u>14,725,643</u>	<u>3,748,093</u>	<u>(22,991)</u>	<u>18,450,745</u>

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 £9,511 and professional fees of £72,850 were charged to the group in the year by a company related by virtue of common control and directorships.

29 Controlling party

The directors consider that there is no ultimate controlling party.

30 Post balance sheet events

Subsequent to the year end, Unily Group Limited was purchased by Elysian BidCo Limited. The ultimate parent company became CVC Growth Partner II GP Limited, a company incorporated in Jersey.