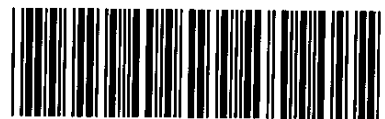


Company Registration No. 09310389 (England and Wales)

BRAINSTORM INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

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BRAINSTORM INVESTMENTS LIMITED

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BRAINSTORM INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	GJ Corbett SK Leahy
Company number	09310389
Registered office	12 th Floor Lyndon House 58-62 Hagley Road Birmingham B16 8PE
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Business address	Brainstorm Mobile Solutions Unit 311 Highgate Studios London NW5 1TL

BRAINSTORM INVESTMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2019

The directors present their strategic report together with the audited financial statements for the year ended 31 May 2019.

Business model

The group is a global technology provider of mobile, data-driven customer engagement solutions providing solutions for and working with mobile operators, retailers, financial institutions, marketing agencies and enterprise to drive positive engagement with consumers and corporates using highly targeted, relevant and contextual marketing and business content.

The group continues to build its business in the UK and Ireland and across international markets such as North and South America and Asia. The group continues to provide services to customers around the world.

The group's head office is based in the UK with operating subsidiaries in Ireland, Singapore and Brazil and operates under the trade name Engage Hub.

Strategy

During the year the group continued to build on its electronic and mobile messaging heritage. Engage Hub provides cross channel campaign management (CCCM) solutions for SMS, email, web, voice, push notifications, and Facebook Messenger. Its Synapse engine further addresses real-time interactive management (RTIM) requirements, with a range of Enterprise customers implementing the Engage Hub solution to better effect internal data orchestration and improve individual consumer engagement via a range of digital channels. B2C marketers can leverage Engage Hub's customer interaction capabilities — either as a standalone CCCM solution or to complement other enterprise marketing, services, or operational technologies.

The programme of migration of acquired customers onto the Synapse platform continues, allowing them full suite of engagement capabilities and further upsell opportunities for the group.

As noted in the Directors' report, in June 2019, the Group began the process of winding down its Singapore subsidiary, Brainstorm Mobile Solutions (Singapore) PTE. Limited. This was a result of the loss of a specific customer in that country but does not impact the strategy of the Group which is to continue to grow its UK and international customer base.

Financial review

The group had a productive year consolidating its revenue growth and customer wins in the prior year while expanding into newer geographies. Turnover remained steady at £14.5m (2018: £14.4m). Turnover in the UK decreased to £6m (2018: £7.2m) however this was offset by increased sales in Ireland, Latin America and Asia.

Group gross profit increased to £10m (2018: £8.9m) while gross margin of 62% (2018: 62%) was maintained.

Operating profits decreased from £1.1m to £0.2m due to increased spend investing in the next phase of the group's development as well as certain exceptional costs relating to costs incurred on a proposed management buyout of the business.

BRAINSTORM INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2019

Financial review (continued)

Cash balances increased to £2.8m (2018: £2.2m), while debtors decreased to £3.2m (2018: £4.5m) and Creditors also increasing to £2.3m (2018: £3.1m).

Key performance indicators

	2019	2018
Revenue (£'000)	14,524	14,425
Gross Profit (£'000)	9,065	8,919
Gross Profit as a % of revenue	62%	62%
Average monthly number of employees	64	65
Staff costs as a % of revenue	40%	38%

The Gross Profit as a % revenue of 62% in 2019 is consistent with 2018 indicating that the company has maintained the same gross profit despite changes to customer pricing or cost of sales during the year.

Staff costs as a % of revenue has increased from 38% in 2018 to 40% in 2019 reflecting certain restructuring costs that were incurred in the current year.

Principal risks and uncertainties

The group provides services and solutions to an internationally spread of customers which gives rise to commercial, credit, liquidity and foreign exchange risks.

The group looks to mitigate these risks by working closely in partnership with its key customers to ensure that the group delivers and exceeds the customers' expectations. The group attempts to limit its exposure to credit risk by carrying out credit checks on its customers and working with well established brands and well-established telecommunications companies. The group limits its exposure to foreign currency fluctuations where possible by aligning costs with its income and accepting that its foreign denominated income and bank balances are exposed to foreign exchanges fluctuations.

The group has a high proportion of recurring revenues from a contracted client base giving the directors confidence that short-term targets will be met and further investments in service improvement can be maintained.

Approval

This Strategic Report was approved by order of the Board on 20 September 2019



GJ Corbett
Director

BRAINSTORM INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2019

The directors present their report together with the audited financial statements for the year ended 31 May 2019.

Directors

The directors of the company during the year were:

G Corbett
S Leahy

Dividends

The directors do not recommend a final ordinary dividend (2018 - None).

Financial instruments

Financial risk management objectives and policies

The company's risk management framework includes a process for identifying, assessing and responding to risk and supporting the company's strategy, business objectives and financial exposure.

Risk management operates at all levels throughout the business. The Board takes overall responsibility, determining the nature and extent of principal risks it is willing to take to achieve the company's strategic objectives, and maintaining the company's risk governance and appropriate internal control framework.

The directors have an overall responsibility for the group's risk management with risks managed and reviewed by the Board.

Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales. The majority of credit sales are with large well-established companies. Each new customer is analysed individually for creditworthiness before entering into business with the customer.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. This is mitigated by banking with well-established and respected banking institutions.

Liquidity risk

The group has no borrowing and maintains appropriate cash balances. The Board regularly reviews its forward-looking cash flow projections to ensure both working capital and investment capital are sufficient for the twelve months ahead.

Foreign exchange risk

Foreign exchange risk arises when the company enters into transactions denominated in a currency other than their functional currency. The company is predominantly exposed to currency risk on sales in Euros, US and Singapore Dollars and Brazilian Reals.

Matters covered in the strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report on pages 2-3. These matters relate to the principal activity, exposure to certain risks and future developments in the business.

BRAINSTORM INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2019

Post balance sheet events

On 6 June 2019, the Company issued 500,000 Convertible Loan Notes of £1 each in exchange for £500,000 from Experience Technology UK Limited. In addition, the Company entered into an Investment and Option Agreement with Experience Technology UK Limited on 6 June 2019 that provides Experience Technology UK Limited the option to acquire a majority shareholding in the Company on or before 6 December 2019.

In June 2019, the Group began the process of winding down its Singapore subsidiary, Brainstorm Mobile Solutions (Singapore) PTE. Limited. It is expected that this process will be completed by the end of 2019.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company 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 company and of the profit of the group for that year.

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 will continue in business.

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

Qualifying third party indemnity provisions

The Directors have the benefit of the indemnity provisions contained in the Company's Articles of Association ('Articles'), and the Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third-party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

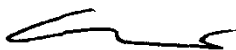
BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

BRAINSTORM INVESTMENTS LIMITED

**DIRECTORS' REPORT (*CONTINUED*)
FOR THE YEAR ENDED 31 MAY 2019**

Approval

This Directors' Report was approved by order of the Board on 20 September 2019



**GJ Corbett
Director**

BRAINSTORM INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BRAINSTORM INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Brainstorm Investments Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 May 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Consolidated Cash Flow Statement, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 May 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we

BRAINSTORM INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BRAINSTORM INVESTMENTS LIMITED (CONTINUED)

conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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, 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.

BRAINSTORM INVESTMENTS LIMITED

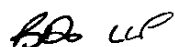
**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BRAINSTORM
INVESTMENTS LIMITED (CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located at 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

28 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BRAINSTORM INVESTMENTS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2019**

	Notes	2019 £'000	2018 £'000
Turnover	2	14,524	14,425
Cost of sales		(5,459)	(5,506)
Gross profit		9,065	8,919
Administration expenses		(8,846)	(7,817)
Operating profit	3	219	1,102
Interest receivable	5	3	2
Profit on ordinary activities before taxation		222	1,104
Tax on profit on ordinary activities	6	(89)	(157)
Profit for the financial year		133	947
Other comprehensive income:			
Currency translation differences		(20)	(63)
Total comprehensive income for the year		113	884
Profit for the financial year attributable to:			
- Owners of the parent		130	922
- Non-controlling interests		3	25
		133	947
Total comprehensive income attributable to:			
- Owners of the parent		110	860
- Non-controlling interests		3	24
		113	884

The notes on pages 16 to 33 form part of these financial statements.

BRAINSTORM INVESTMENTS LIMITED

**CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2019**

	Notes	£'000	2019 £'000	£'000	2018 £'000
Fixed assets					
Intangible fixed assets	7		77		99
Negative goodwill	8		(64)		(89)
Tangible fixed assets	9		468		520
			481		530
Current assets					
Debtors	12	3,198		4,480	
Cash at bank and in hand		2,808		2,229	
		6,006		6,709	
Creditors: amounts falling due within one year	13	(2,280)		(3,124)	
Net current assets			3,726		3,585
Total assets less current liabilities			4,207		4,115
Provisions for liabilities	14		-		(21)
Net assets			4,207		4,094
Capital and reserves					
Called up share capital	15		2		2
Merger reserve			238		238
Profit and loss reserves			3,939		3,809
Foreign exchange reserves			(67)		(47)
Other reserves			-		-
Equity attributable to owners of the parent company			4,112		4,002
Non-controlling interest			95		92
			4,207		4,094

The financial statements were approved by the Board of Directors and authorised for issue on 20 September 2019.


GJ Corbett
Director

Company Reg. No. 09310389

The notes on pages 16 to 33 form part of these financial statements.

BRAINSTORM INVESTMENTS LIMITED

**COMPANY BALANCE SHEET
AS AT 31 MAY 2019**

	Notes	2019 £'000	2018 £'000
Fixed assets			
Investments	10	2	2
Total assets less current liabilities		2	2
Net assets		2	2
Capital and reserves			
Called up share capital	15	2	2
Other reserves		-	-
Shareholders' funds		2	2

In accordance with the provisions of the Section 408 of the Companies Act 2006, the Company has not presented a profit and loss account. There was no profit or loss relating to the Company for the current or prior year.

The financial statements were approved by the Board of Directors and authorised for issue on 20 September 2019.



GJ Corbett
Director

Company Reg. No. 09310389

The notes on pages 16 to 33 form part of these financial statements.

BRAINSTORM INVESTMENTS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MAY 2019**

	Called up share capital £'000	Merger reserve £'000	Profit & loss reserves £'000	Foreign exchange reserves £'000	Other reserve £'000	Total Shareholders' equity £'000	Non- controlling interest £'000	Total £'000
Year ended 31 May 2018								
Balance at 1 June 2017	2	238	2,856	14	-	3,110	100	3,210
Profit for the financial year	-	-	922	-	-	922	25	947
Other comprehensive income for the year	-	-	-	(61)	-	(61)	(2)	(63)
Total comprehensive income	-	-	922	(61)	-	861	23	884
Transfer of released non-controlling interest (Note)	-	-	31	-	-	31	(31)	-
Balance at 31 May 2018	2	238	3,809	(47)	-	4,002	92	4,094
Year ended 31 May 2019								
Balance at 1 June 2018	2	238	3,809	(47)	-	4,002	92	4,094
Profit for the financial year	-	-	130	-	-	130	3	133
Other comprehensive loss for the year	-	-	-	(20)	-	(20)	-	(20)
Total comprehensive income	-	-	130	(20)	-	110	3	113
Balance at 31 May 2019	2	238	3,939	(67)	-	4,112	95	4,207

Note: On 15 January 2018, a further 162 shares were acquired by Brainstorm Holdings Limited in Brainstorm Mobile Solutions Limited. This reduced the non-controlling interest shareholding from 3.1% to 2.3%. The non-controlling interest attributable to this fall in percentage holding has therefore been transferred from non-controlling interest to retained earnings.

Amounts in the Consolidated Statement of changes in equity are rounded to the nearest thousand £. Other reserves amount to £93 (2018: £93).
The notes on pages 16 to 33 form part of these financial statements.

BRAINSTORM INVESTMENTS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 MAY 2019**

	Called up share capital	Other reserves (Note)	Total
	£	£	£
Year ended 31 May 2018			
Balance at 1 June 2017	2	-	2
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2018	2	-	2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Year ended 31 May 2019			
Balance at 1 June 2018	2	-	2
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2019	2	-	2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note: Amounts in the Company Statement of changes in equity are rounded to the nearest thousand £.
Other reserves amount to £93 (2018: £93).

The notes on pages 16 to 33 form part of these financial statements.

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies (continued)

1.5 Intangible assets and amortisation

Intangible assets are stated at cost less amortisation and accumulated impairment losses. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Customer Database	- 20% straight line method
Intellectual Property	- 20% straight line method

Amortisation is charged to administration expenses in the Statement of Comprehensive Income.

Negative goodwill is similarly included in the balance sheet and is credited to the Statement of Comprehensive Income in periods over which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the Statement of Comprehensive Income in the periods expected to benefit.

The negative goodwill arose on the acquisition of Oxygen8 Communications Ireland Limited on 31 December 2016 and the Directors estimate this benefit period to be 5 years from the date of acquisition of the business.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	- Straight line over the lease term
Computer equipment	- 25% - 33% straight line method
Fixtures and fittings	- 25% straight line method

1.7 Research and development costs

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the assets will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administration expenses' on a straight-line basis over the expected useful life.

1.8 Employee termination benefits

Termination benefits provided as a result of terminating employment are recognised when the company has communicated its plan of termination to the affected employees and the plan meets specified criteria, unless the involuntary termination benefits are provided in exchange for employees' future services (i.e. in substance they are a 'stay bonus'). In such cases, the liability for those benefits are recognised over the period of the future service. Termination benefits to encourage employees to leave service voluntarily are recognised when employees accept the company's offer of those benefits.

1.9 Valuation of investments

In the company's individual accounts, investments in subsidiaries are measured at cost less

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (*CONTINUED*)

1 Accounting policies (continued)

1.9 Valuation of investments (continued)

accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

1.10 Impairment

The carrying values of intangible and tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Leased assets: Lessee

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

1.13 Foreign currency translation

The Group's presentational currency is sterling whilst the individual entities have presented in their respective functional currencies. On consolidation, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the

BRAINSTORM INVESTMENTS LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2019**

	Notes	2019 £'000	2018 £'000
Cash inflow from operating activities	16	952	1,519
Taxation paid		(153)	(103)
Net cash inflow from operating activities		799	1,416
Investing activities			
Purchase of tangible fixed assets		(211)	(295)
Purchase of intangible assets		(12)	-
Interest received		3	2
Net cash used in investing activities		(220)	(293)
Increase in cash		579	1,123
Cash and cash equivalents at beginning of year		2,229	1,106
Cash and cash equivalents at end of year		2,808	2,229

The notes on pages 16 to 33 form part of these financial statements.

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

Company information

Brainstorm Investments Limited ("the Company") is a private company limited by shares, incorporated in England and Wales. The registered office is 12th Floor Lyndon House, 58-62 Hagley Road, Birmingham, B16 8PE.

The Group has adopted the accounting policies set out below in preparation of the financial statements. All of these policies have been applied consistently throughout the year unless otherwise stated.

1.1 Accounting convention

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

The financial statements have been prepared in sterling. Monetary amounts in these financial statements are rounded to the nearest thousand £. The financial statements have been prepared under the historical cost convention.

Brainstorm Investments Limited acquired the entire share capital of Brainstorm Holdings Limited on 22 December 2014 as part of a demerger through a share-for-share exchange. The previous ultimate holders of the share capital of Brainstorm Holdings Limited were issued one share in Brainstorm Investments Limited for each share held in the parent company of Brainstorm Holdings Limited. Merger relief was applied to the shares issued, and so Brainstorm Investments Limited recorded its investment in Brainstorm Holdings Limited at the nominal value of the shares issued.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The directors have based their assessment on cashflow projections for a period of at least twelve months from the date of the approval of the financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

The consolidated financial statements incorporate the accounts of the Company and its subsidiary undertakings and have been prepared by using the principle of acquisition accounting, which includes the results of the subsidiaries from their dates of acquisition. Intra-group sales, profits, dividends and balances are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for services and solutions net of VAT and trade discounts. Revenue is recognised when the services have been delivered. Where services are contracted over multi-year contracts revenue is recognised as services are delivered.

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (*CONTINUED*)

1 Accounting policies (continued)

1.13 Foreign currency translation (continued)

period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

1.14 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's consolidated balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the consolidated 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.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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. The impairment loss is recognised in profit or loss.

1.15 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)

1 Accounting policies (continued)

1.15 Financial liabilities (continued)

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.16 Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates, and for management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are:

Impairment of investments:

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset. Both external and internal sources of information are considered when concluding if there is any indication an asset may be impaired.

Customer Database and Intellectual Property:

The directors have considered that the benefits will accrue to the Group over five years.

Negative Goodwill:

At acquisition of Oxygen8 Communications Ireland Limited on 31 December 2016, it was considered that the benefit accruing to the parent company would have a useful economic life of five years based on the average economic lives of the underlying assets in the acquired subsidiary. This was mainly due to the company having a five year profit and revenue forecast. It was the management's assessment that based on the forecasts, and since two years into the forecast, it was reasonable to amortise the negative goodwill over the forecasted period. On acquisition, the fair values of the assets and liabilities were also reviewed based on this model. This is reviewed annually by the Parent company, Brainstorm Mobile Solutions Limited.

Related Party Debt:

The Directors consider this debt to be recoverable based on previous experience and a trading relationship with these entities.

2 Segmental analysis

Turnover

	2019 £'000	2018 £'000
United Kingdom	6,020	7,151
Ireland	5,839	5,079
Rest of the World	2,665	2,195
	<u>14,524</u>	<u>14,425</u>

BRAINSTORM INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)**

3	Operating profit		
	Group	2019	2018
		£'000	£'000
	The operating profit is stated after charging:		
	Amortisation of intangible fixed assets	9	7
	Depreciation on tangible fixed assets	264	216
	Operating lease rentals	202	236
	Foreign exchange losses	5	29
	Loss on sale of tangible fixed assets	-	1
	Exceptional item	273	43

The exceptional item relates to costs incurred on a proposed management buyout of the business.

Group	2019	2018
	£'000	£'000
Fees payable to the Company's auditor for the audit of the parent Company and the Group's consolidated financial statements	7	7
Fees payable to the Company's auditor For other services:		
- The audit of the Company's subsidiaries	43	44
- Tax advisory services	2	3
- Tax compliance services	8	3
- Other services	4	-
Total fees payable to the Company's auditor	64	57

4	Employees		
	Group	2019	2018
		£'000	£'000
	Wages and salaries	5,218	4,970
	Social security costs	512	504
	Pensions	90	82
		5,820	5,556

Payments to the company's defined contribution pension schemes are charged to the profit and loss account as they become payable. At the year end, the pension liability was £23,000 (2018: £32,000).

BRAINSTORM INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)**

4 Employees (continued)**Number of employees**

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

	2019 Number	2018 Number
Sales and administration	64	65

Group**Directors' and key management personnel**

	2019 £'000	2018 £'000
Directors' remuneration consists of:		
Remuneration for qualifying services	511	511
Company contributions to Money Purchase Scheme	24	23
Compensation for loss of office	94	-
	629	534

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

	2019 £'000	2018 £'000
Emoluments for the highest paid director	238	279
Pension contributions to the highest paid director	8	15
Compensation for loss of office to the highest paid director	94	-
	340	294

The Company did not incur any employee or director costs during the year.

5 Other interest receivable and similar income**Group**

	2019 £'000	2018 £'000
Bank interest	3	2

BRAINSTORM INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)**

6	Taxation Group	2019 £'000	2018 £'000
	<i>UK corporation tax</i>		
	Current tax on profits for the year	-	30
	Adjustment in respect of previous periods	11	-
		<u>11</u>	<u>30</u>
	<i>Foreign tax</i>		
	Current tax on foreign income for the year	121	120
	Adjustment in respect of previous periods	(6)	-
		<u>126</u>	<u>150</u>
	<i>Deferred tax</i>		
	Origination and reversal of timing differences	(37)	7
		<u>(37)</u>	<u>7</u>
	Taxation on profit on ordinary activities	<u>89</u>	<u>157</u>

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>222</u>	<u>1,104</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19 % (2018 – 19%)	42	210
Effects of:		
Expenses not deductible for tax purposes	51	-
Other permanent differences	2	-
Intangible amortisation on goodwill acquired after 8 July 2015	6	6
Adjustments to tax charge in respect of previous periods	5	(1)
Enhanced R&D relief	-	(4)
Effect of tax rate change on opening balance	4	(1)
Difference in tax rates on overseas earnings	(44)	32
Deferred tax not recognised	23	(85)
Total tax charge for the year	<u>89</u>	<u>157</u>

For further information on deferred tax balances see note 14.

BRAINSTORM INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)**

7 Intangible fixed assets			
Group			
	Customer database £'000	Intellectual property £'000	Total £'000
Cost			
At 1 June 2018	160	-	160
Additions	-	12	12
At 31 May 2019	160	12	172
Amortisation			
At 1 June 2018	61	-	61
Charge for the year	32	2	34
At 31 May 2019	93	2	95
Net book values			
At 31 May 2019	67	10	77
At 31 May 2018	99	-	99

The company does not have any intangible fixed assets (2018: £nil).

BRAINSTORM INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)****8 Negative Goodwill
Group**

	Total £'000
Cost	
At 1 June 2018	(125)
	<hr/>
At 31 May 2019	(125)
	<hr/>
Amortisation	
At 1 June 2018	(36)
Charge for the year	(25)
	<hr/>
At 31 May 2019	(61)
	<hr/>
Net book values	
At 31 May 2019	(64)
	<hr/>
At 31 May 2018	(89)
	<hr/>

The company does not have any negative goodwill (2018: £nil).

BRAINSTORM INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)**

9	Tangible fixed assets Group	Computer equipment £'000	Leasehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
	Cost				
	At 1 June 2018	2,014	25	99	2,138
	Additions	122	-	89	211
	Foreign exchange adjustment	19	-	-	19
	At 31 May 2019	2,155	25	188	2,368
	Depreciation				
	At 1 June 2018	1,528	24	66	1,618
	Charge for the year	247	1	16	264
	Foreign exchange adjustment	18	-	-	18
	At 31 May 2019	1,793	25	82	1,900
	Net book value				
	At 31 May 2019	362	-	106	468
	At 31 May 2018	486	1	33	520

The company does not have any tangible fixed assets (2018: £nil).

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)

10 Fixed asset investments Company

Shares in subsidiary
undertakings
£'000

At 1 June 2018 and 31 May 2019

2

The Company's subsidiary undertakings and investment holdings at 31 May 2019 are as follows:

Name	Country of incorporation and Registered office	Principal activity during the year	Percentage of equity capital
<i>Held directly:</i>			
Brainstorm Holdings Ltd	Studio 311, Highgate Studios, 53-79 Highgate Road, London, NW5 1TL, England	Holding company	100%
<i>Held indirectly:</i>			
Brainstorm Holdings Limited is the owner of:			
Brainstorm Mobile Solutions Ltd	Studio 311, Highgate Studios, 53-79 Highgate Road, London, NW5 1TL, England	UK Subsidiary	97.7%
In turn, Brainstorm Mobile Solutions Ltd is the owner of the following companies:			
Brainstorm Mobile Solutions (Singapore) PTE. Ltd	8 Shenton Way, #05-02 AXA Tower, Singapore 068811	Trading	100%
Brainstorm Brazil Solucoes EM Telefonía Movel EIRELI	Cidade de São Paulo, Estado de São Paulo, na Alameda Santos, número 200, conjunto 62, Edifício Victoria Plaza, CEP 014418-000, Brazil	Trading	100%
Brainstorm Marketing Solutions Ltd	Studio 311, Highgate Studios, 53-79 Highgate Road, London, NW5 1TL, England	Dormant	100%
Oxygen8 Communications Ireland Ltd	21-22 Grafton Street, Dublin 2, Ireland	Trading	100%
Engage Hub Ltd	Studio 311, Highgate Studios, 53-79 Highgate Road, London, NW5 1TL, England	Dormant	100%

On 9 August 2018, Brainstorm Mobile Solutions Limited acquired 100% of the share capital of Engage Hub Ltd for £12,500 cash consideration and incurred £67 of related acquisition costs. At the time of acquisition, Engage Hub Ltd owned certain Intellectual Property assets that were immediately transferred to Brainstorm Mobile Solutions Limited. No value had been assigned to these assets in the books of Engage Hub Ltd. As a result, Brainstorm Mobile Solutions Limited treated £12,566 of the cost of acquisition as Intellectual Property additions and the remaining £1 as subsidiary undertakings additions. Since then Engage Hub Ltd has not traded and is now a dormant company.

On 7 June 2018, Brainstorm Mobile Solutions Limited acquired the remaining 0.004% of the share capital of Brainstorm Brazil Solucoes EM Telefonía Movel EIRELI for no consideration resulting in Brainstorm Mobile Solutions Limited owning 100% of the share capital of that subsidiary at the year-end.

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)

10 Fixed asset investments (continued)

Brainstorm Holdings Limited is exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act.

The aggregate net equity and the profit/(loss) for the year of the subsidiaries noted above were as follows:

Name	Net equity for	Profit/(loss) year
	£'000	£'000
Brainstorm Holdings Limited	-	-
Brainstorm Mobile Solutions Limited	3,320	413
Brainstorm Mobile Solutions (Singapore) PTE. Limited	(5)	(103)
Brainstorm Brazil Solucoes EM Telefonia Movel EIRELI	168	162
Brainstorm Marketing Solutions Limited	-	-
Oxygen8 Communications Ireland Limited	1,230	549
Engage Hub Limited	-	-

11 Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	5,856	6,541	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	1,873	2,308	-	-

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, accrued income and amounts owed by related parties. Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to related parties.

Information regarding the company's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' Report.

BRAINSTORM INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)****12 Debtors**

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	1,940	3,273	-	-
Other debtors	51	40	-	-
Amount owed by related parties	158	240	-	-
Prepayments and accrued income	1,033	927	-	-
Deferred tax asset (note 14)	16	-	-	-
	<u>3,198</u>	<u>4,480</u>	<u>-</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year, except:

- Deferred tax asset in respect of tax losses carried forward and
- Rent deposits of £39,000 (2018: £39,000)

13 Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade creditors	774	868	-	-
Corporation tax	55	82	-	-
Other taxes and social security	288	365	-	-
Amounts due to related parties	92	371	-	-
Other creditors	164	157	-	-
Accruals and deferred income	907	1,281	-	-
	<u>2,280</u>	<u>3,124</u>	<u>-</u>	<u>-</u>

**14 Provisions for liabilities
Deferred tax**

The following are the deferred tax liabilities recognised by the Group and the Company, and movements thereon:

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Accelerated capital allowances	30	32	-	-
Short-term timing differences	(15)	(11)	-	-
Tax losses carried forward	(31)	-	-	-
	<u>(16)</u>	<u>21</u>	<u>-</u>	<u>-</u>

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)

14 Provisions for liabilities (continued)

	Group £'000	Company £'000
Movements in the year:		
Liability at 1 June 2018	21	-
Credited to profit or loss	(37)	-
(Asset) at 31 May 2019	<u>(16)</u>	<u>-</u>

15 Share capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid:		
156,307 'A' Ordinary shares of £0.01 each	<u>2</u>	<u>2</u>

Shares relate to 'A' Ordinary shares and are entitled to profits available and resolved to be distributed by the board of directors in any financial year at such rates as decided by the board from time to time. The board is entitled to make a distribution to one class of share without making a distribution to any other classes of shares.

Each holder of 'A' Ordinary shares is entitled to one vote per share.

16 Reconciliation of operating profit to net cash inflow from operating activities

	Note	2019 £'000	2018 £'000
Profit for the year after tax		133	947
Net interest income	5	(3)	(2)
Tax on profit on ordinary activities	6	89	157
Amortisation of intangible fixed assets	7	34	32
Amortisation on negative goodwill	8	(25)	(25)
Depreciation of tangible assets	9	264	215
Loss on disposal of tangible assets		-	1
Other non-cash movements		(26)	(58)
Increase in debtors		1,326	(176)
Increase in creditors		(840)	428
Net cash inflow from operating activities		<u>952</u>	<u>1,519</u>

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)

17 Reserves

The Group's reserves are as follows:

- Called up share capital reserve represents the nominal value of shares issued.
- Merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.
- Other reserves represent the nominal value of own shares that have been acquired by the company and subsequently cancelled.
- Profit and loss reserve represents the cumulative profits or losses, net of any dividends paid and other adjustments.
- Foreign exchange reserve reflects all current and prior period translation differences arising on translation to the presentation currency.

18 Financial commitments

At 31 May 2019, the group was committed to making the following payments under non-cancellable operating leases:

	Land and buildings	
	2019	2018
	£'000	
£'000		
Within one year	203	227
Two to five years	676	716
Over five years	105	255
	<u>984</u>	<u>1,198</u>

The Company had no commitments under non-cancellable operating leases as at the balance sheet date (2018: £nil).

19 Share based payments

During the prior year, the Company set up an equity settled share option scheme, under which options were granted to a director of a subsidiary, Brainstorm Mobile Solutions Limited. The directors assessed the fair value of the options as at 31 May 2018 and considered the matter to be immaterial. As a result, no charge was recognised in the profit or loss.

During the current year, the director resigned and as a result the options lapsed. The share option scheme was then closed.

20 Related party transactions Group and Company

The Company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)

20 Related party transactions (continued)

During the year, Brainstorm Investments Limited (and its subsidiaries), traded with other companies, related due to common directorships / shareholdings. Details of the transactions and balances are as follows:

During the year ended 31 May 2019, sales of £538,000 (2018: £1,344,000) were made to and purchases of £996,000 (2018: £1,735,000) were made from Dynamic Mobile Billing Limited (UK). As at the year end, included within related party debtors is an amount of £126,000 (2018: £183,000) due from them and included in related party creditors is an amount of £18,000 (2018: £294,000) due to them.

During the year ended 31 May 2019, sales of £108,000 (2018: £82,000) were made to and purchases of £582,000 (2018: £507,000) were made from Oxygen8 M Limited. Group recharges of £Nil (2018: £5,000) were also made during the year. As at the year end, included within related party debtors is an amount of £11,000 (2018: £12,000) due from them and included in related party creditors is an amount of £38,000 (2018: £54,000) due to them.

During the year ended 31 May 2019, purchases of £197,000 (2018: £119,000) were made from Tola Mobile Limited. As at the year end, included within related party creditors is an amount of £36,000 (2018: £18,000) due to them.

During the year ended 31 May 2019, sales of £17,000 (2018: £Nil) were made to Engage Australia Pty Ltd. As at the year end, included within related party debtors is an amount of £20,000 (2018: £Nil) due from them.

During the year ended 31 May 2019, sales of £Nil (2018: £1,000) were made to Oxygen8 Communications (Australia) Pty Ltd.

During the year ended 31 May 2019, purchases of £Nil (2018: £25,000) were made from Oxygen8 Communications Inc. As at the year end, included within related party creditors is an amount of £Nil (2018: £4,000) due to them.

As at the year-end of 31 May 2019, included within debtors was a loan of £Nil (2018: £33,000) with Tola Mobile DMCC.

As at the year-end of 31 May 2019, included within related party debtors is an amount of £Nil (2018: £9,000) due from Oxygen8 Communications (East Africa) Limited. Also included within debtors is a loan amount of £Nil (2018: £2,000) due from them.

During the year ended 31 May 2019, sales of £Nil (2018: £7,000) were made to Oxygen8 Gaming Limited.

During the year ended 31 May 2019, purchases of £5,000 (2018: £1,000) were made from Oxygen8 M Limited.

The remaining shareholding in Brainstorm Brazil Solucoes EM Telefonias Movel EIRELI was acquired on 7 June 2018. Related party transactions have been reported until that date.

BRAINSTORM INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019 (CONTINUED)

20 Related party transactions (continued)

Brainstorm Brazil Solucoes EM Telefonias Movel EIRELI.

Sales to £nil (2018 - £11,000)

Dividends received of £nil (2018 - £491,000)

Trade debtor balance of £40,609 (2018 - £11,000)

There were no transactions undertaken with key management personnel with the exception of emoluments as disclosed in note 4 and share options in note 19.

21 Post balance sheet events

On 6 June 2019, the Company issued 500,000 Convertible Loan Notes of £1 each in exchange for £500,000 from Experience Technology UK Limited. In addition, the Company entered into an Investment and Option Agreement with Experience Technology UK Limited on 6 June 2019 that provides Experience Technology UK Limited the option to acquire a majority shareholding in the Company on or before 6 December 2019.

In June 2019, the Group began the process of winding down its Singapore subsidiary, Brainstorm Mobile Solutions (Singapore) PTE. Limited. It is expected that this process will be completed by the end of 2019.

22 Control

The immediate and ultimate controlling party is considered to be Gary Corbett.