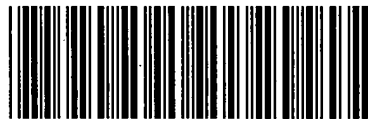


Registered Number: 07561779

Halogen Software Limited
Directors' Report and Financial Statements
For the year ended December 31, 2015

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Halogen Software Limited
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For the year ended December 31, 2015
(In British Pounds)

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Halogen Software Limited Directors' Report

For the year ended December 31, 2015

The directors present their report together with the audited financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS").

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

Principal activity

The principal activity of the company during the year was that of sales and marketing the talent management software products of Halogen Software Inc.

Charitable and political contributions

During the year the company made no charitable or political contributions.

Directors

The directors of the company during the year were as follows:

M Slaunwhite (resigned on 21 September 2015)
P Loucks (resigned on 21 September 2015)
P Low
E Graham (appointed on 21 September 2015)
S Laughton (appointed on 21 September 2015)
D Stewart (appointed on 21 September 2015)

Halogen Software Limited
Directors' Report

For the year ended December 31, 2015

Auditors

Wilder Coe LLP transferred their business to a new limited company called Wilder Coe Ltd in an agreement dated 31 July 2016. As part of this restructuring arrangement, Wilder Coe LLP resigned as auditors and, in accordance with the Companies Act 2006, Wilder Coe Ltd were subsequently appointed as auditors with effect from 1 August 2016.

The auditors, Wilder Coe Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on Sept 8, 2016 and signed on its behalf.


S. Laughton
Director

**Halogen Software Limited
Independent Auditors' Report**

For the year ended December 31, 2015

We have audited the financial statements of Halogen Software Limited for the year ended 31 December 2015, set out on pages 6 to 16. These financial statements have been prepared under the accounting policies set out therein.

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 Auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of the company's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS"); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Halogen Software Limited
Independent Auditors' Report**

For the year ended December 31, 2015

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.

Bee-Lean Chew MSc BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of

Wilder Coe Ltd

Wilder Coe Ltd
Chartered Accountants & Statutory Auditors
233-237 Old Marylebone Road
London
NW1 5QT

Date: 09 September 2016

Halogen Software Limited
Registered Number: 07561779
Statement of Financial Position
(British Pounds)

As at 31 December

	Note	2015 £	2014 £
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	93,374	138,742
CURRENT ASSETS			
Trade and other receivables	7	360,612	135,369
Cash and cash equivalents		220,222	170,162
		580,834	305,531
Total assets		674,208	444,273
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	8	355,647	244,302
NON-CURRENT LIABILITIES			
Operating leasehold inducements	8	9,066	19,993
		364,713	264,295
EQUITY			
Share capital	9	1,000	1,000
Accumulated funds		308,495	178,978
		309,495	179,978
Total liabilities and equity		674,208	444,273

The accompanying notes on pages 10 to 16 are an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on ~~Sept 2, 2016~~ and were signed on its behalf by:


 St. Laughton
 Director

Halogen Software Limited
Statement of Comprehensive Income
 (British Pounds)

For the year ended 31 December

	Note	2015 £	2014 £
REVENUE		3,369,911	2,206,799
Expenses			
Depreciation		(56,703)	(64,683)
General and administrative		(3,120,489)	(2,036,360)
RESULTS FROM OPERATING ACTIVITIES		192,719	105,756
Interest income		-	-
Foreign exchange loss		(23,676)	(285)
PROFIT BEFORE INCOME TAXES		169,043	105,471
Income taxes	5	(39,526)	(20,038)
TOTAL NET PROFIT AND COMPREHENSIVE PROFIT		129,517	85,433

The accompanying notes on pages 10 to 16 are an integral part of the financial statements.

Halogen Software Limited
Statement of Changes in Equity
(British Pounds)
For the year ended 31 December 2015

	Ordinary shares No.	Ordinary shares £	Accumulated funds £	Total £
Balance as at 1 January 2015	1,000	1,000	178,978	179,978
Total net profit and comprehensive profit	-	-	129,517	129,517
Balance as at 31 December 2015	1,000	1,000	308,495	309,495

The accompanying notes on pages 10 to 16 are an integral part of the financial statements.

Halogen Software Limited			
Statement of Cash Flows			
(British Pounds)			
For the year ended 31 December 2015			
CASH PROVIDED BY/(USED IN):	Note	2015	2014
		£	£
OPERATING ACTIVITIES			
Profit before taxation		169,043	105,471
Less interest income		-	-
Items not affecting cash:			
Tax	5	(39,526)	(20,038)
Depreciation	6	56,703	64,683
Net change in non-cash working capital balances related to operations	11	(124,825)	(276,382)
Cash provided/(used in) by operating activities		61,395	(126,266)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(11,335)	(50,427)
Cash used in investing activities		(11,335)	(50,427)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		50,060	(176,693)
Cash and cash equivalents at the beginning of the year		170,162	346,855
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		220,222	170,162

The accompanying notes on pages 10 to 16 are an integral part of the financial statements.

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the year ended 31 December 2015

NOTE 1: GENERAL

Halogen Software Limited (Company number 07561779), having its principal place of business at 125 Old Broad Street, London, EC2N 1AR was incorporated as a private limited company on 11 March 2011 in the United Kingdom. Halogen Software Limited is a wholly owned subsidiary of Halogen Software Inc., 495 March Road, Suite 500, Ottawa, Ontario, Canada, K2K 3G1.

These financial statements are prepared for the December 31, 2015 financial year.

The company provides sales and marketing services to Halogen Software Inc.

NOTE 2: SPECIFIC POLICIES

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. The significant accounting policies applied in the financial statements, on a consistent basis, are as follows:

a. Presentation currency:

The Company has determined that the functional currency for Halogen Software Limited, is the United States dollar ("USD") as it is the currency of the primary economic environment in which it operates; however the presentation currency is the British Pound.

Accordingly, transactions in currencies other than the USD are translated into USD at the exchange rate on the transaction date and the monetary assets and liabilities in currencies other than the USD are translated into USD at the exchange rate at the statement of financial position date, in accordance with International Accounting Standard No. 21, "The Effects of Changes in Foreign Exchange Rates". All translation differences are reflected in the Statement of Comprehensive Income as financial income or expenses, as appropriate.

Since the company uses the British Pound as its reporting currency but maintains its records in USD, the company translates its financial statements by converting all income and expenses at the exchange rates at the dates of the transactions and converts its monetary assets and liabilities at the closing rate at the date of that statement of financial position. The company records all resulting exchange differences in other income/expenditure.

b. Revenue recognition

The company provides sales and marketing services on a cost plus basis to its parent company Halogen Software Inc at a commercial mark up. The company recognizes revenue as the services are provided when the revenues and costs can be measured reliably and the collection is reasonably assured.

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the year ended 31 December 2015

c. Use of estimates

The preparation of the company's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Estimates and assumptions are used for, but not limited to, the determination of the allowance for doubtful accounts, estimate of useful life of assets, valuation allowance and provision for income taxes. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the results for the periods presented. Actual results and outcomes could differ from these estimates.

d. Income taxes:

The company provides for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to reverse. A valuation allowance is provided against deferred income tax assets to the extent that it is more likely than not, in the opinion of management, that the deferred income tax assets will not be realized in the foreseeable future.

e. Property and equipment

Property and equipment are recorded at cost and depreciated on the basis and at the rates set out below. It is expected that these policies will charge operations with the total cost of the assets less estimated salvage value over the useful life of the assets. The company claims depreciation on a monthly basis commencing with the month that the asset is put into operation.

<u>Property and equipment</u>	<u>Depreciation basis</u>	<u>Rate</u>
Office equipment	Straight-line	20%
Leasehold improvements	Straight-line	Over the life of the lease
Computer equipment	Straight-line	50%
Computer software	Straight-line	33%

The company reviews all long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable, the company will estimate the future cash flows from the use of the assets and their eventual disposition and record an impairment loss if required.

f. Leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the year ended 31 December 2015

NOTE 3: OPERATING PROFIT

	2015	2014
	£	£
Depreciation of property and equipment:		
- Owned by the company	56,703	64,683
Operating lease rentals:		
- Other operating leases	102,982	100,571
Auditors remuneration	6,500	6,250

During the year, no director received any emoluments.

NOTE 4: EMPLOYEE COSTS

	2015	2014
	£	£
Wages and salaries	1,591,359	1,130,579
Social security costs	177,256	114,863
	1,768,615	1,245,442

The average monthly number of employees, including the directors, during the year was as follows:

	2015	2014
Directors	3	3
Sales and administration	24	17
	27	20

Halogen Software Limited
Notes to Financial Statements
 (British Pounds)

For the year ended 31 December 2015

NOTE 5: INCOME TAXES

	2015	2014
	£	£
UK corporation tax expense on profit for the year	39,526	20,038

Reconciliation between the theoretical tax expense assuming all income/(loss) is taxed at the statutory tax rate applicable to income/(loss) of the company and the actual tax expense/(income) as reported in the Statement of Comprehensive Income is as follows:

	2015	2014
	£	£
Accounting profit	169,043	105,471
At statutory tax rate of 20%	33,809	21,094
Effects of:		
Expenses not deductible for tax purposes	32	401
Depreciation for the period (less than)/in excess of capital allowances	5,540	(1,457)
Difference arising from changes in tax rates	486	-
Marginal relief	(341)	-
Current tax expense for the year	39,526	20,038

Factors that may affect future tax expenses

There are no factors which may affect future tax expenses.

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the year ended 31 December 2015

NOTE 6: PROPERTY AND EQUIPMENT

	Computer Equipment £	Computer Software £	Office Equipment £	Leasehold improvements £	Total £
Cost					
At 1 January 2015	85,859	5,633	74,604	134,147	300,243
Additions	-	-	11,335	-	11,335
At 31 December 2015	85,859	5,633	85,939	134,147	311,578
Depreciation					
At 1 January 2015	74,022	5,620	21,860	59,999	161,501
Charge for the period	8,913	13	17,830	29,947	56,703
At 31 December 2015	82,935	5,633	39,690	89,946	218,204
Net book value					
At 31 December 2015	2,924	0	46,249	44,201	93,374
At 31 December 2014	11,837	13	52,744	74,148	138,742

NOTE 7: TRADE AND OTHER RECEIVABLES

	2015 £	2014 £
Due within one year		
Other receivables	55,130	65,146
Prepaid expenses	33,347	31,566
Receivables from related parties	272,135	38,657
	360,612	135,369

Halogen Software Limited
Notes to Financial Statements
 (British Pounds)

For the year ended 31 December 2015

NOTE 8: TRADE AND OTHER PAYABLES

	2015 £	2014 £
Amounts falling due within one year		
Trade Payables	160,255	65,482
Payables to related parties	-	88,472
Accrued expenses	138,625	76,948
Other creditors	56,767	13,400
	355,647	244,302
	2015 £	2014 £
Amounts falling due after one year		
Other creditors due after one year	9,066	19,993
	9,066	19,993

NOTE 9: SHARE CAPITAL

Share capital comprises 1,000 Ordinary shares of £1 each authorised and issued at 31 December 2015. All the shares are fully paid.

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

NOTE 10: LEASE LIABILITIES

As at 31 December 2015 the company had commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	57,996	38,664
Within 2-5 years	43,497	-
	101,493	38,664

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the year ended 31 December 2015

NOTE 11: SUPPLEMENTARY STATEMENT OF CASH FLOW STATEMENT

The changes in the company's non-cash operating working capital balances relating to operations resulted in cash being provided by operating activities as follows:

	2015	2014
	£	£
Trade and other receivables	(225,243)	(58,571)
Trade and other payables	100,418	(217,811)
	<u>(124,825)</u>	<u>(276,382)</u>

NOTE 12: RELATED PARTY TRANSACTIONS

Included within receivables from related parties are amounts due from Halogen Software Inc. of £124,480 (2014: payables of £88,472).

Halogen Software Inc. is the immediate and ultimate parent undertaking of the company.

Included within receivables from related parties are amounts due from Halogen Software Nederlands BV of £147,655 (2014: £38,657), a company related by virtue of common control.

NOTE 13: IMMEDIATE PARENT UNDERTAKING

As at 31 December 2015 and 31 December 2014, the immediate parent undertaking of the largest and smallest group of which the company was a member, was Halogen Software Inc., a company incorporated in Canada.

The group in which the results of the company are consolidated is that headed by Halogen Software Inc. The consolidated accounts can be obtained from the following address:

495 March Road
Suite 100, Ottawa
Ontario
Canada, K2K 3G1

NOTE 14: ULTIMATE PARENT UNDERTAKING

As at 31 December 2015 and 31 December 2014, the ultimate parent undertaking of the company was Halogen Software Inc.

NOTE 15: ULTIMATE CONTROLLING PARTY

As at 31 December 2015 and 31 December 2014, there was no single ultimate controlling party.