

Registered Number: 07561779

Halogen Software Limited
Directors' Report and Financial Statements
For the year ended December 31, 2017



Halogen Software Limited
Company Information

DIRECTORS

P Low
E Graham
S Laughton
M Stewart

REGISTERED NUMBER

07561779

REGISTERED OFFICE

Colingham House
6-12 Gladstone Road
Wimbledon
London
SW19 1QT

INDEPENDENT AUDITORS

Wilder Coe Ltd
Chartered Accountants & Statutory Auditors
1st Floor, Sackville House
143-149 Fenchurch Street
London
EC3M 6BL

Halogen Software Limited
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For the year ended December 31, 2017
(In British Pounds)

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Halogen Software Limited
Directors' Report

For the year ended December 31, 2017

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

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.

As explained in note 2a to the financial statements, the directors do not consider the going concern basis to be appropriate and these financial statements have therefore not been prepared on that basis.

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.

The company ceased trading at the end of the current financial year.

Charitable and political contributions

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

**Halogen Software Limited
Directors' Report**

For the year ended December 31, 2017

Directors

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

P Low
E Graham
S Laughton
M Stewart

Auditors

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 25, 2018 and signed on its behalf.


.....
S Laughton
Director

Halogen Software Limited Independent Auditors' Report

For the year ended December 31, 2017

OPINION

We have audited the financial statements of Halogen Software Limited (the 'company') for the year ended 31 December 2017, set out on pages 6 to 16, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

EMPHASIS OF MATTER RELATED TO GOING CONCERN

We draw attention to note 2a in the financial statements, which indicates that Vector Talent Holdings L.P., the Company's ultimate parent, has decided to reorganise their operations. As stated in note 2a, these events or conditions, along with the other matters as set forth in note 2a, indicate that the going concern basis is no longer appropriate. The 2017 financial statements have therefore been prepared on a break-up basis. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

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

Halogen Software Limited
Independent Auditors' Report

For the year ended December 31, 2017

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 1 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 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 company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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.

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 Auditors' Report.

**Halogen Software Limited
Independent Auditors' Report**

For the year ended December 31, 2017

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 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.

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
1st Floor, Sackville House
143-149 Fenchurch Street
London
EC3M 6BL

Date: 26 September 2018

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

As at December 31

	Note	2017 £	2016 £
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	-	32,789
CURRENT ASSETS			
Trade and other receivables	7	1,000	484,861
Cash and cash equivalents		-	252,475
		<u>1,000</u>	<u>737,336</u>
TOTAL ASSETS		<u>1,000</u>	<u>770,125</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	8	-	307,887
EQUITY			
Share capital	9	1,000	1,000
Accumulated funds		-	461,238
		<u>1,000</u>	<u>462,238</u>
TOTAL LIABILITIES AND EQUITY		<u>1,000</u>	<u>770,125</u>

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 ~~SEP 25, 2018~~..... and were signed on its behalf by:


 S. Laughton
 Director

Halogen Software Limited
Statement of Comprehensive Income
(British Pounds)

For the year ended December 31 2017

	Note	2017 £	2016 £
REVENUE		1,857,807	2,962,577
Expenses			
Depreciation		(30,531)	(66,335)
General and administrative		(1,827,086)	(2,709,674)
RESULTS FROM OPERATING ACTIVITIES		190	186,568
Foreign exchange gain		32,159	15,885
PROFIT BEFORE INCOME TAXES		32,349	202,453
Income taxes	5	(1,579)	(49,710)
TOTAL NET PROFIT AND COMPREHENSIVE PROFIT		30,770	152,743

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 December 31 2017

	Ordinary shares No.	Ordinary shares £	Accumulated funds £	Total £
Balance as at 1 January 2016	1,000	1,000	308,495	309,495
Total net profit and comprehensive profit	-	-	152,743	152,743
Balance as at 31 December 2016 and 1 January 2017	1,000	1,000	461,238	462,238
Total net profit and comprehensive profit	-	-	30,770	-
Dividends paid	-	-	(492,008)	-
Balance as at 31 December 2017	1,000	1,000	-	1,000

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 December 31 2017

CASH PROVIDED BY/(USED IN):	Note	2017	2016
		£	£
OPERATING ACTIVITIES			
Profit before taxation		32,349	202,453
Items not affecting cash:			
Tax	5	(1,579)	(49,710)
Depreciation	6	30,531	66,335
Net change in non-cash working capital balances related to operations	11	175,974	(181,075)
Cash (used in)/provided by operating activities		237,275	38,003
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(23,757)	(5,750)
Disposal of property, plant and equipment	6	26,015	-
Cash used in investing activities		2,258	(5,750)
FINANCING ACTIVITIES			
Payment of dividends		(492,008)	-
Cash used in financing activities		(492,008)	-
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(252,475)	32,253
Cash and cash equivalents at the beginning of the year		252,475	220,222
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		-	252,475

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 December 31 2017

NOTE 1: GENERAL

Halogen Software Limited (Company number: 07561779), having its principal place of business at The White House, 57-63 Church Road, Wimbledon Village, London, SW19 5SB, 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, 2017 financial year.

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. Break-up basis

The company has made the decision to cease trading and will transfer the remaining business to a fellow subsidiary company effective 31 December 2017. As a result, the directors consider it inappropriate to prepare the financial statements on the going concern basis but have prepared them on the break-up basis as set out above under the basis of preparation.

b. Presentational 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 presentational currency is the British Pound.

Accordingly, transactions in currencies other than USD are translated into USD at the exchange rate on the transaction date and monetary assets and liabilities in currencies other than USD are translated into USD at the exchange rate at the Statement of Financial Position date, in accordance with International Accounting Standard 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.

c. 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 recognises 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 December 31 2017

d. 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.

e. Income taxes

The company provides for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognised 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 realised in the foreseeable future.

f. 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>
Computer equipment	Straight-line	50%
Computer software	Straight-line	33%
Office equipment	Straight-line	20%
Leasehold improvements	Straight-line	Over the life of the lease

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.

g. Leases

Operating lease payments are recognised 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 December 31 2017

h. Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

NOTE 3: OPERATING PROFIT

	2017 £	2016 £
Depreciation of property and equipment:		
- Owned by the company	30,531	66,335
Operating lease rentals:		
- Other operating leases	117,473	113,455
Auditors' remuneration	7,000	6,750

During the year, no director received any emoluments.

NOTE 4: EMPLOYEE COSTS

	2017 £	2016 £
Wages and salaries	1,061,280	1,556,483
Social security costs	131,117	179,782
	1,192,397	1,736,265

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

	2017	2016
Directors	4	4
Sales and administration	15	23
	19	27

Halogen Software Limited
Notes to Financial Statements
 (British Pounds)

For the year ended December 31 2017

NOTE 5: INCOME TAXES

	2017 £	2016 £
UK corporation tax expense on profit for the year	-	49,710

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

	2017 £	2016 £
Accounting profit	32,349	202,453
At statutory tax rate of 19% (2016: 20%)	6,146	40,490
Effects of:		
Capital allowances for the period (in excess of)/less than depreciation	(6,310)	9,220
Expenses not deductible for tax purposes	1,722	-
Change in tax rate	21	
Current tax expense for the year	1,579	49,710

Factors that may affect future tax expenses

There are no factors that may affect future tax expenses.

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the year ended December 31 2017

NOTE 6: PROPERTY AND EQUIPMENT

	Computer equipment £	Computer software £	Office equipment £	Leasehold improvements £	Total £
Cost					
At 1 January 2017	91,609	5,633	85,939	134,147	317,328
Additions	23,757	-	-	-	23,757
Disposals	(115,366)	(5,633)	(85,939)	(134,147)	(341,085)
At 31 December 2017	-	-	-	-	-
Depreciation					
At 1 January 2017	90,646	5,633	62,280	125,980	284,539
Charge for the year	4,333	-	18,031	8,167	30,531
Depreciation on disposals	(94,979)	(5,633)	(80,311)	(134,147)	(315,070)
At 31 December 2017	-	-	-	-	-
Net book value					
At 31 December 2017	-	-	-	-	-
At 31 December 2016	963	-	23,659	8,167	32,789

NOTE 7: TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Due within one year		
Other receivables	1,000	40,060
Prepaid expenses	-	36,745
Receivables from related parties	-	408,056
	1,000	484,861

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the year ended December 31 2017

NOTE 8: TRADE AND OTHER PAYABLES

	<u>2017</u>	<u>2016</u>
	£	£
Amounts falling due within one year		
Trade payables	-	32,569
Accrued expenses	-	176,460
Other payables	-	98,858
	<u>-</u>	<u>307,887</u>

NOTE 9: SHARE CAPITAL

Share capital comprises 1,000 Ordinary shares of £1 each authorised and issued at 31 December 2017. 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 2017 the company had commitments under non-cancellable operating leases as follows:

	<u>2017</u>	<u>2016</u>
	£	£
Expiry date:		
Within 1 year	-	43,497
Within 2-5 years	-	-
	<u>-</u>	<u>43,497</u>

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the year ended December 31 2017

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:

	2017	2016
	£	£
Trade and other receivables	483,861	(124,249)
Trade and other payables	(307,887)	(56,826)
	<u>175,974</u>	<u>(181,075)</u>

NOTE 12: RELATED PARTY TRANSACTIONS

Included within receivables from related parties are amounts due from Halogen Software Inc. of £Nil (2016: £210,263).

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

Included within receivables from related parties are amounts due from Halogen Software Nederlands BV of £Nil (2016: £197,793), a company related by virtue of common control.

NOTE 13: IMMEDIATE PARENT UNDERTAKING

As at 31 December 2017 and 31 December 2016, 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 2017 the ultimate parent undertaking of the company was Vector Talent Holdings, L.P.

As at 31 December 2016 the ultimate parent undertaking of the company was Halogen Software Inc.

NOTE 15: ULTIMATE CONTROLLING PARTY

As at 31 December 2017 and 31 December 2016, there was no single ultimate controlling party.