

Registered Number 07561779

Halogen Software Limited

Report and Financial Statements

For the period March 11, 2011 to December 31, 2011

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Halogen Software Limited
Financial Statements
For the period March 11, 2011 to December 31, 2011
(In British Pounds)

	Index
	Page
Directors' Report	2 - 3
Independent Auditor's Report	4 - 5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 16

Halogen Software Limited

Directors' Report

For the period March 11, 2011 to December 31, 2011

The directors present their report together with the audited financial statements for the period ended 31 December 2011

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 those 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.

Provision 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 period is that of marketing the talent management software products of Halogen Software Inc.

The company was incorporated on 11 March 2011 and commenced trading on that date.

Halogen Software Limited Directors' Report

For the period March 11, 2011 to December 31, 2011

Charitable and political contributions

During the period the company made no charitable or political contributions

Directors

The directors of the company during the period were as follows

M Slaunwhite (appointed 11 March 2011)
P Loucks (appointed 11 March 2011)
P Low (appointed 11 March 2011)

Auditors

The auditors, Wilder Coe LLP, 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 Nov 14, 2012 and signed on its behalf



P Low
Director

Halogen Software Limited Independent Auditor's Report

For the period March 11, 2011 to December 31, 2011

We have audited the financial statements of Halogen Software Limited for the period ended 31 December 2011, 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 Statement of Directors' Responsibilities, 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 2011 and of the company's loss for the period 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 Auditor's Report

For the period March 11, 2011 to December 31, 2011

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 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, 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 LLP

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

Date 23 November 2012

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

As at 31 December

	Note	2011 £
ASSETS		
NON - CURRENT ASSETS		
Property and equipment	6	28,551
CURRENT ASSETS		
Trade and other receivables	7	14,124
Cash and Cash Equivalents		164,961
		<u>179,085</u>
Total assets		<u>207,636</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	8	207,512
		<u>207,512</u>
EQUITY		
Share capital	9	1,000
Accumulated deficit		(876)
		<u>124</u>
Total liabilities and equity		<u>207,636</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 ~~14 November 2011~~ and were signed on its behalf by



P Low
Director

Halogen Software Limited
Statement of Comprehensive Income
(British Pounds)

For the period ended 31 December

	Note	2011 £
REVENUE		169,198
Expenses		
Depreciation		(5,330)
General and administrative		(164,755)
RESULTS FROM OPERATING ACTIVITIES		(887)
Interest income		11
LOSS BEFORE INCOME TAXES		(876)
Income taxes	5	-
TOTAL NET LOSS AND COMPREHENSIVE LOSS		(876)

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

Halogen Software Limited
Statements of Changes in Equity
 (British Pounds)
 For the period ended 31 December 2011

	Ordinary shares No	Ordinary shares £	Retained earnings £	Total £
Balance as at 11 March 2011	-	-	-	-
Shares issued on incorporation	1,000	1,000		1,000
Total net loss and comprehensive loss	-	-	(876)	(876)
Balance as at 31 December 2011	1,000	1,000	(876)	124

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

Halogen Software Limited
Statements of Cash Flows
 (British Pounds)
 For the period ended 31 December

	Note	2011 £
CASH PROVIDED BY/(USED IN)		
OPERATING ACTIVITIES		
Operating loss		(887)
Items not affecting cash		
Depreciation		5,330
Net change in non-cash working capital balances related to operations	11	193,388
Cash provided by/(used in) operating activities		<u>197,831</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(33,881)
Interest income		11
Cash provided by/(used in) investing activities		<u>(33,870)</u>
FINANCING ACTIVITIES		
Issuance of share capital on incorporation		1,000
Cash provided by/(used in) financing activities		<u>1,000</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		164,961
Cash and cash equivalents at the beginning of the period		-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>164,961</u>

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 period ended 31 December 2011

NOTE 1. GENERAL

Halogen Software Limited (Company number 07561779), having its principal place of business at 4th Floor, 17 Hanover Square, London, W1S 1HU 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 period March 11, 2011 to December 31, 2011 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 British Pound is the currency of the primary economic environment in which the Company operates, and thus is the presentation currency for the financial statements

Accordingly, transactions in currencies other than the British Pound are translated into British Pound at the exchange rate on the transaction date and monetary assets and liabilities in currencies other than the British Pound are translated into British Pound at the exchange rate at the balance sheet date, in accordance with International Accounting Standard No 21, "The Effects of Changes in Foreign Exchange Rates". All translation differences are reflected in the consolidated statements of income as financial income or expenses, as appropriate

b Revenue recognition

The Company provides sales and marketing services to its parent company Halogen Software Inc. The Company recognizes revenue as the services are provided when the revenues and costs can be measured reliably and the collection is reasonably assured

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 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

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the period ended 31 December 2011

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%

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 recognised as an expense on a straight-line basis over the lease term.

Halogen Software Limited
Notes to Financial Statements
 (British Pounds)

For the period ended 31 December 2011

NOTE 3 OPERATING LOSS

	<u>2011</u> <u>£</u>
Depreciation of property and equipment	
- Owned by the company	5,330
Operating lease rentals	
- Other operating leases	8,897
Auditors remuneration	5,000

During the period, no director received any emoluments

NOTE 4 EMPLOYEE COSTS

	<u>2011</u> <u>£</u>
Wages and salaries	64,183
Social security costs	6,563
	<u>70,746</u>

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

	<u>2011</u>
Directors	3
Sales and administration	2
	<u>5</u>

Halogen Software Limited
Notes to Financial Statements
 (British Pounds)

For the period ended 31 December 2011

NOTE 5 INCOME TAXES

	2011 £
UK corporation tax expense on profit for the period	-

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

	2011 £
Accounting loss	(876)
At statutory tax rate of 20%	(175)
Effects of	
Expenses not deductible for tax purposes	2,848
Capital allowances for the period in excess of depreciation	(5,710)
Creation of tax losses	3,037
Current tax expense for the period	-

Factors that may affect future tax expenses

At the year end the company has taxable trading losses of £15,188 available to offset against future trading profits

Halogen Software Limited
Notes to Financial Statements
 (British Pounds)

For the period ended 31 December 2011

NOTE 6. PROPERTY AND EQUIPMENT

	<u>Office Equipment £</u>
Cost	
At 11 March 2011	-
Additions	33,881
At 31 December 2011	<u>33,881</u>
Depreciation	
At 11 March 2011	-
Charge for the period	5,330
At 31 December 2011	<u>5,330</u>
Net book value	
At 31 December 2011	<u>28,551</u>

NOTE 7. TRADE AND OTHER RECEIVABLES

	<u>2011 £</u>
Due within one year	
Other receivables	5,560
Prepaid expenses	8,564
	<u>14,124</u>

NOTE 8. TRADE AND OTHER PAYABLES

	<u>2011 £</u>
Amounts falling due within one year	
Payables to related parties	200,355
Accrued expenses	7,157
	<u>207,512</u>

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the period ended 31 December 2011

NOTE 9 SHARE CAPITAL

Share capital comprises 1,000 Ordinary shares of £1 each authorized, issued and outstanding at 31 December 2011. 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 2011 the company had commitments under non-cancellable operating leases as follows:

	<u>2011</u> <u>£</u>
Expiry date	
Within 1 year	<u>20,000</u>

NOTE 11 SUPPLEMENTARY STATEMENT OF CASH FLOW STATEMENT

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

	<u>2011</u> <u>£</u>
Trade and other receivables	(14,124)
Trade and other payables	207,512
	<u>193,388</u>

NOTE 12 RELATED PARTY TRANSACTIONS

Included within trade and other payables are amounts due to Halogen Software Inc. of £200,355. Halogen Software Inc. is the immediate parent undertaking of the company.

Halogen Software Limited
Notes to Financial Statements
(British Pounds)

For the period ended 31 December 2011

NOTE 13 IMMEDIATE PARENT UNDERTAKING

As at 31 December 2011, 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 500, Ottawa
Ontario
Canada, K2K 3G1

NOTE 14: ULTIMATE PARENT UNDERTAKING

As at 31 December 2011, the ultimate parent undertaking of the Company was Halogen Software Inc

NOTE 15 ULTIMATE CONTROLLING PARTY

As at 31 December 2011, there was no single ultimate controlling party