

Parent for: 10654381

Registration number: 10084917

# Job And Talent Holding Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2019



## **Job And Talent Holding Limited**

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## **Job And Talent Holding Limited**

### **Company Information**

<b>Directors</b>	J Urdiales Sanchez-Robles
	J Torremocha
	F Navio Garcia
	N Wass
	J L Mendoza
<b>Registered office</b>	Sovereign House 212-224 Shaftesbury Avenue London WC2H 8HQ United Kingdom
<b>Auditor</b>	Bourner Bullock Statutory Auditor 212 - 224 Shaftesbury Avenue London WC2H 8HQ United Kingdom

## Job And Talent Holding Limited

### Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019. This report has been prepared for Job and Talent Holding Limited (the Group) as a whole and therefore gives a greater emphasis to those matters which are significant to Job and Talent Holding Limited and its subsidiary undertakings when viewed as a whole.

#### Fair review of the business

The financial year 2019 has shown a continuation of the rapid growth trajectory experienced in the previous years. The Group is leveraging its technology platform which allows companies to hire quality workers faster and with more flexibility, and for workers to have the potential to get access to improved job positions with an expectation of potentially higher job security. This has resulted in a high growth of business with existing as well as new customers.

#### We are putting workers first

##### Job finding

###### The job finally comes to you:

- ✓ Immediate digital interaction via app
- ✓ Instant matching with optimal job
- ✓ Quickly vetted
- ✓ Instant notification of job offer

Results in significantly faster time to employment via traditional routes and a faster process for each worker

##### Job security & fairness

###### Better outcome for our workers

- ✓ More than one contract per annum on average
- ✓ Guaranteed minimum living wage
- ✓ Holiday pay
- ✓ Faster payroll cycle
- ✓ Insurance
- ✓ Work-life balance & flexibility
- ✓ Ongoing management supervision and feedback

This translates in an unmatched experience for our workers in our industry

##### Contributing to our communities

###### Jobandtalent is a responsible stakeholder to the communities in which operates

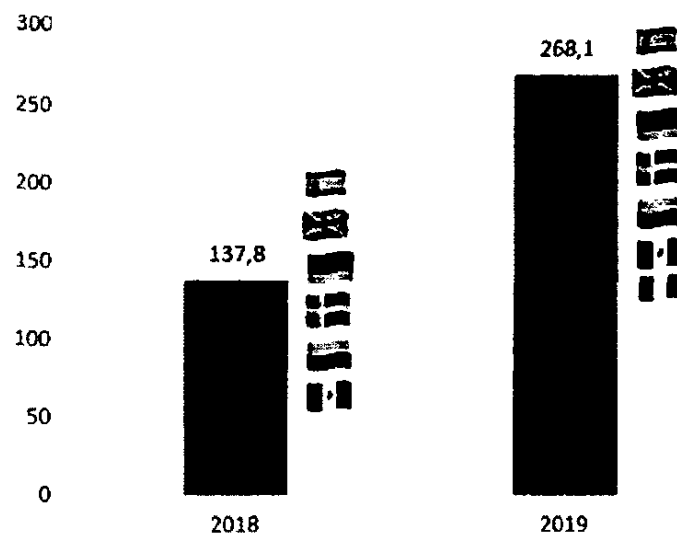
- ✓ Contributing more than €50mm of social security and social contributions globally
- ✓ Paying corporate income tax in 7 jurisdictions
- ✓ Bringing qualified employment solutions to workers with substantial operations in regions with higher unemployment, including traditional white collar benefits and perks

## Job And Talent Holding Limited

### Strategic Report for the Year Ended 31 December 2019

We have successfully increased our marketplace liquidity in our markets and have achieved a Revenue increase of 94.5% year over year.

#### Revenue in 2019 vs 2018 (m€)



In addition, the Group has kept investing in its worker-centric platform resulting in enhanced employment and re-employment opportunities for blue collar workers in Europe and Latin America and improved satisfaction levels from workers and customers alike.

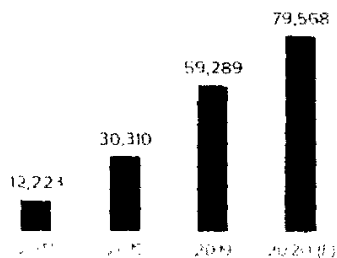
The Group has a proven track record of offering a viable solution for the current labour market dynamics and responds to an increasing demand of workers left behind in a potentially more challenging job security situation by the current gig-flexible economy.

## Job And Talent Holding Limited

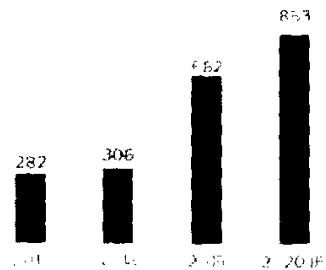
### Strategic Report for the Year Ended 31 December 2019

In this way, during the year 2019, the Group has increased its turnover with respect to 2018, reaching €268.1m during the year (2018: €137.8m). This growth has been driven by both an increase of repeat business with its existing customer base as well as additional customers leveraging the Group's platform for their employment needs.

YoY Evolution on # Workers

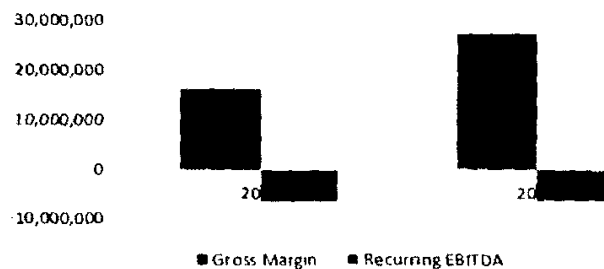


YoY Evolution on # Companies



Consequently, the gross profit has significantly increased from €16.3m to €27.3m in 2019, mainly linked to a significant revenue growth (94.5% increase year over year). The Group has been able to significantly scale operations along with a healthy associated *Gross profit margin of 10.2% in 2019*. In addition, the Group has made substantial investments in technology and internal resources to support even further its operational scalability and the planned growth for the next 5 years.

Gross Margin and Recurring EBITDA  
Evolution (€mm)



## **Job And Talent Holding Limited**

### **Strategic Report for the Year Ended 31 December 2019**

The profit and loss for closed monthly periods in 2020 show that the Group has reached a positive EBITDA since June-20, which represents a significant achievement taking into account that the Group has continued its Revenue growth trajectory.

Current assets of €129.0m reflect that the company has sufficient resources to enable operation of the business in a sustainable way. Furthermore, in 2020, the largest working capital facility has been renewed and increased and new financing has been closed for approximately €18m which will allow continued rapid expansion of the Group in 2020 and 2021. The Group also improved its net cash outflow generated by operations as it continues to move through the growth stage of the lifecycle.

During the 2019 financial year, the group has met and even exceeded the financial objectives proposed in the Business Plans.

From a Net Equity standpoint, and after closing the financing round in 2019 and incorporating Net Loss of the year, the Group's Equity has improved €39.2m year over year. Also, the Net Current Assets position has been improved accordingly.

#### **KPI's**

The Group's key financial and other performance indicators, as explained on the previous page, during the year were as follows:

- Revenue grew to €268.1m in 2019 from €137.8m in 2018.
- Gross profit increased to €27.3m in 2019, from €16.3m in 2018.
- Improvement in equity position mainly associated to the financing round of approximately €75m.
- In December 2019, the Group had 24,680 workers in temporary placements (2018: 12,967) reflecting the larger scale of the business. Permanent employees have grown from 284 in December 2018 to 743 in December 2019, aligning and creating the right employee foundation to help the business to scale and in order to achieve upcoming business objectives.
- In December 2019 the Group served 682 client companies (2018: 346), reflecting the larger scale of the business.

## **Job And Talent Holding Limited**

### **Strategic Report for the Year Ended 31 December 2019**

#### **Principal risks and uncertainties**

New competitors are entering the market and there is increased activity from existing competitors.

- The Group continues to ensure it offers what we believe is the best customer proposition, and the Directors believe that the Group's offering is unique in the market thanks to the end to end technology platform that we have developed. This technology is based in the following pillars that in our view make it different from anything that exist in the market:
- Matching technology using algorithms and Machine Learning to match in real time jobs with candidates through an APP
- A vetting and scoring system to rate workers and so to ensure that better quality staff are made available
- A hiring tool that makes bureaucracy simpler through ensuring that hires are made correctly with respect to compliance: from signing the contract in the APP to uploading key documents as for the right to work, criminal background, etc.
- A payroll and payments suite that helps both companies and workers to gain transparency in the payroll process, with the correct allocation of hours worked and workers correctly paid and on time.
- A workforce optimisation tool that helps companies and workers to optimise their scheduling and shifts in order to improve productivity and improve the worker's work life balance.

#### **Changes to regulation or legislation could impact the Group**

- The Group closely monitors all relevant regulation and legislation to ensure that potentially adverse changes are identified early in the process and action is taken to mitigate any impact.
- The exit of the UK from the European Union has been identified as a potential risk as there are many uncertainties on future trade barriers and freedom of movement. The Group monitors the impact of Brexit and assesses how it can mitigate its risk in the UK. For the year ended 31 December 2019, the proportion of UK revenue to total Group revenues was 9% of total revenues. This proportion is also likely to decrease as the Group grows revenues in other locations. The Directors therefore consider that the Group's profitability is not dependant on UK profitability, therefore in the event that Brexit has a negative impact on UK operations, the Directors are confident that the Group will not be significantly affected in the medium and long term. This is supported by the fact that the Group does not trade cross border.

The Group is dependent on technology in order to operate in the market.

- The Group has invested in building a dedicated and highly skilled engineering team with the objective of building innovative and world class technology to give candidates and employers an enhanced user experience.

#### **Future developments**

Future developments are considered within the Directors' Report.



## **Job And Talent Holding Limited**

### **Strategic Report for the Year Ended 31 December 2019**

#### **Section 172(1) Statement**

The board of directors of Job and Talent Holding Limited (Jobandtalent) consider, both individually and together, that they have acted in the way they consider, in good faith, to promote the success of the company for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2019.

#### **Long term strategy/business plan**

Jobandtalent has had a significant M&A activity along 2019 in different countries in order to expand its business and know-how and therefore achieve goals set up for this year. Acquiring companies brings targeted workers and clients closer to the end-to-end digital experience of temporary labour assuring their experience to be as close as optimal and safe. The aim of the new future is to keep investing in technology and potentially adding new verticals and adapting locally to new and existing markets, which will allow Jobandtalent to win, keep and scale new opportunities in different markets. In existing countries our target is to boost growth in order to strengthen our position as a market leader, maintaining our high standards of business conduct and become a relevant vehicle for our stakeholders. Also, we're assessing to launch in new countries and strategy around those initiatives.

#### **Building relationships with Stakeholders**

Jobandtalent's stakeholders are clients, candidates, suppliers, employees, shareholders, lenders. The Board develops and encourages long-term relationships with them. We have a dedicated Sales teams enabling and maintaining relationships with our clients, as well as our management team working on daily with shareholders and lenders.

#### **Engaging with our employees**

Our employees are fundamental to the delivery of our vision, mission, strategic and financial promises to our stakeholders. Our mission as a business is to provide a sense of purpose and fulfilment for those people we employ and help them build a better and stable professional career. As a Group, we provide several touchpoints and opportunities to gather feedback from external and internal employees, which allows Jobandtalent to assess and deliver on any (potential) weakness. This effort applies to our internal and external staff, motivated by the fact that both populations are essential part of our mission. Perks and other compensation initiatives are being put in place to engage those that work with us and make sure they make a lifetime career with Jobandtalent. Our internal staff is encouraged to look for the right work life balance, especially in these times of remote working. Several initiatives are in place to cover team and employee engagement and support.

#### **Engaging with the company's suppliers, customers and others**

We ensure engagement with real-time feedback and rating providing expected standards in our supply chain.

## **Job And Talent Holding Limited**

### **Strategic Report for the Year Ended 31 December 2019**

Jobandtalent has, both locally and corporately, different policies to ensure:

- Comparability, making sure our business approach and solutions offer significantly better than competitors.
- Materiality, making sure decisions are based on material inputs.
- Relevance, emphasizing our presence with key stakeholders.
- Reliability, becoming a reliable player in the industry, driven by innovation,

and keeps working on them to make sure every decision taken brings the group closer to these objectives.

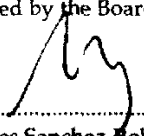
The Board of Directors of the Group has regular meetings and briefings with our investors, funders and analysts in order to explain the Company's strategy, progress and plans, and to share how we are addressing any market challenges, such as this year's COVID19 pandemic.

#### **Our impact on the community and the environment**

As the Board of Directors, our intention is to take into account the operational impact of Jobandtalent on the community and environment, and our wider social responsibilities, and in particular, how we impact the regions we serve. We support our communities by allowing candidates to find the right place to work based on their skillset and allow companies to find the right candidate in an effective way, always enhancing technology, which means lower environmental impact than other ways to do it. We try to minimize environmental impact in this effort, such as building incentives like enhancing public transportation with employees or reducing the amount of paper we use at the office. During the worldwide lockdown we have been able to address relevant processes of our core business by doing those in a digital way, avoiding unnecessary risks of exposure for external workers and internal staff when, as an example, attending interviews digitally. Also, we've been able to be more effective by changing the way we work and learnt from this exceptional situation linked to the health crisis. This will have a great environmental impact like diminishing unnecessary commuting, due to the fact that most external workers live in residential areas, and some others such as minor paper consumptions as a result of:

- Collecting of data from candidates for a job in a digital way
- Arrangement of employment contracts using the app
- Production and distribution of payroll of our workers
- Management of labour documents, timesheets, and training documents

Approved by the Board on 11/12/20 and signed on its behalf by:

  
.....  
J Urdiales Sanchez-Robles  
Director

## **Job And Talent Holding Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the audited financial statements for the year ended 31 December 2019.

#### **Directors of the group**

The directors who held office during the year were as follows:

J Urdiales Sanchez-Robles

J Torremocha

F Navio Garcia

N Wass

S Thorne (ceased 15 May 2019)

D Hynes (appointed 15 May 2019 and ceased 3 October 2019)

J L Mendoza (appointed 2 October 2019)

#### **Dividends**

The directors have not proposed a dividend for the year ended 31 December 2019 (2018: €Nil).

#### **Price risk, credit risk, liquidity risk and cash flow risk:**

The Group's activities are exposed to different types of financial risks, mainly highlighting credit, liquidity risks and market risks (exchange rate, interest rate, and other price risks).

##### *Credit risk*

The Group's main financial assets are cash balances in hand, commercial receivables and other accounts receivable, and investments which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is mainly attributable to its commercial debts. The amounts are reflected in the consolidated statement of financial position net of allowances for doubtful receivables, estimated by the Group's Management based on the experience of previous years and its assessment of the current economic environment.

The Group does not have a significant concentration of credit risk, the exposure being distributed among a large number of counterparties and customers.

## **Job And Talent Holding Limited**

### **Directors' Report for the Year Ended 31 December 2019**

#### **Price risk, credit risk, liquidity risk and cash flow risk (continued)**

##### *Liquidity risk*

The Group is not significantly exposed to liquidity risk, due to the maintenance of sufficient cash and credit availability to fund the necessary outflows in its normal operations. In the case of a specific need for financing, the Group uses loans and credit facilities. Additionally, the Group has financial support from the shareholders to meet its commercial obligations and carry out the business plan drawn up by the Management.

The general situation of the financial markets, especially the banking market, has been particularly unfavourable for borrowers. However, the Group has a strong network of potential investors who are committed to the future of the business should the need for additional finance arise.

##### *Exchange rate risk*

Whilst the Group transacts in foreign currencies, it is not exposed to a significant exchange rate risk for consolidated purposes, therefore it does not carry out operations with hedging financial instruments, although the Financial Department studies the different possibilities in this regard.

#### **Employment of disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

#### **Environmental matters**

Given the footprint and activities of the Group are deemed to have little direct environmental impact, the Group does not have assets, nor has it incurred expenses aimed at minimising the environmental impact and protecting and improving the environment. Likewise, there are no provisions for risks and expenses or contingencies related to the protection and improvement of the environment.

## **Job And Talent Holding Limited**

### **Directors' Report for the Year Ended 31 December 2019**

#### **Future developments**

The Directors expect the general level of activity to increase over the forthcoming year. This is as result of ongoing investments into key targets markets and through investments in improving the "jobandtalent" platform by means of incorporating new features which will help the Group to be more competitive.

In September 2019 the group closed a capital increase from current and new investors to finance the expansion of the "jobandtalent" platform in the next years. The support provided by the additional funding facilities as well as the capital increase will continue to support the business as it keeps growing over the next years. This has resulted in strongly capitalising the Group for its current growth phase (also considering that in its mature countries the Group is already profitable, and the Group has reached a positive EBITDA in June-20).

In 2020 the Group has secured significant new contracts for the provision of workers for companies in the financial sector and new world leading transport operators for both people and merchandise and expects to continue to expand rapidly.

The Group has made substantial investments in technology and internal resources to support even further its operational scalability and the planned growth for the next 5 years. In 2020, the largest working capital facility has been renewed and increased and new financing has been closed for approximately €18m which will allow continued rapid expansion of the Group in 2020 and 2021. The Group also improved its net cash generation by operations as it continues to move through the growth stage of the lifecycle.

#### **Research and development**

The Group continues to make significant investments in its technology platform (2019: €3.4m, 2018: €3.2m) and expects to continue doing so in the next years to further extend its technological leadership.

#### **Risks connected to COVID-19 situation:**

Since the beginning of the health crisis, the Group has been implementing measures focused both on the safety of its employees, its customers and suppliers, as well as on the maintenance and increase of its operational activity, having been capable of, with the premise of health security, maintaining operational levels in practically all the geographies where it operates. In this sense, until the current date, the pandemic has not caused a reduction in operating income greater than that initially estimated considering the COVID crisis, with sales produced to date being higher than those estimated in the projections prepared by the Management by taking into consideration the impact of the health crisis. Likewise, the growth of the Group's organic business, as well as the acquisitions that took place in 2019, make 2020 a year with significantly higher sales volume than the previous one.

#### **Directors' liabilities**

Throughout the financial year and as at the date of the approval of these financial statements, the Group maintained qualifying third-party indemnity insurance on behalf of the directors in the group.

## **Job And Talent Holding Limited**

### **Directors' Report for the Year Ended 31 December 2019**

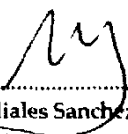
#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Reappointment of auditor**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Bournier Bullock as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 11/12/20 and signed on its behalf by:

  
.....  
J Urdiales Sanchez-Robles  
Director

## **Job And Talent Holding Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They 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.

## **Job And Talent Holding Limited**

### **Independent Auditor's Report to the Members of Job And Talent Holding Limited**

#### **Opinion**

We have audited the financial statements of Job And Talent Holding Limited (the 'parent Company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated 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 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 the parent Company's affairs as at 31 December 2019 and of the group's loss 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 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's or the 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.



## **Job And Talent Holding Limited**

### **Independent Auditor's Report to the Members of Job And Talent Holding Limited**

#### **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 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.

#### **Opinion on other matter 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 our 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 the Directors' Report.

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 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.

## **Job And Talent Holding Limited**

### **Independent Auditor's Report to the Members of Job And Talent Holding Limited**

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 13, 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.

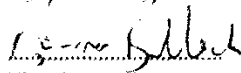
#### **Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Wheeler (Senior Statutory Auditor)

For and on behalf of Bournier Bullock, Statutory Auditor

212 - 224 Shaftesbury Avenue  
London  
WC2H 8HQ  
United Kingdom

Date: 11/11/16

## Job And Talent Holding Limited

### Consolidated Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 €	2018 €
Turnover	4	268,106,503	137,789,054
Cost of sales		<u>(240,852,893)</u>	<u>(121,453,855)</u>
Gross profit		27,253,610	16,335,199
Administrative expenses		(53,442,557)	(27,422,789)
Other operating income		<u>22,519</u>	<u>-</u>
Operating loss	5	<u>(26,166,428)</u>	<u>(11,087,590)</u>
Other interest receivable and similar income	6	346,552	18,623
Interest payable and similar expenses	7	<u>(8,039,030)</u>	<u>(3,746,016)</u>
		<u>(7,692,478)</u>	<u>(3,727,393)</u>
Loss before tax		(33,858,906)	(14,814,983)
Tax on loss	11	<u>(1,917,469)</u>	<u>(117,786)</u>
Loss for the financial year		<u>(35,776,375)</u>	<u>(14,932,769)</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>(35,776,375)</u>	<u>(14,932,769)</u>

The notes on pages 27 to 64 form an integral part of these financial statements.

**Job And Talent Holding Limited**

**Consolidated Statement of Comprehensive Income for the Year Ended 31  
December 2019**

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Loss for the year	(35,776,375)	(14,932,769)
Foreign currency translation gains/(losses)	<u>(92,698)</u>	<u>360,489</u>
Total comprehensive income for the year	<u>(35,869,073)</u>	<u>(14,572,280)</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u>(35,869,073)</u>	<u>(14,572,280)</u>

All results derive from continuing operations.

The notes on pages 27 to 64 form an integral part of these financial statements.

# Job And Talent Holding Limited

(Registration number: 10084917)

## Consolidated Balance Sheet as at 31 December 2019

	Note	2019 €	2018 €
<b>Fixed assets</b>			
Intangible assets	13	33,058,172	13,958,848
Tangible assets	14	1,498,622	562,392
Other financial assets	18	721,134	444,153
		<u>35,277,928</u>	<u>14,965,393</u>
<b>Current assets</b>			
Debtors	17	90,810,720	42,804,185
Investments	18	16,292,258	3,296,059
Cash at bank and in hand	19	21,880,954	9,904,971
		<u>128,983,932</u>	<u>56,005,215</u>
<b>Creditors: Amounts falling due within one year</b>	20	<u>(113,924,679)</u>	<u>(71,995,413)</u>
<b>Net current assets/(liabilities)</b>		<u>15,059,253</u>	<u>(15,990,198)</u>
<b>Total assets less current liabilities</b>		50,337,181	(1,024,805)
<b>Creditors: Amounts falling due after more than one year</b>	20	(11,551,793)	(1,196,511)
<b>Provisions for liabilities</b>	23	<u>(1,874,733)</u>	<u>(57,709)</u>
<b>Net assets/(liabilities)</b>		<u>36,910,655</u>	<u>(2,279,025)</u>
<b>Capital and reserves</b>			
Called up share capital	25	29,550	15,842
Share premium account	26	93,044,024	17,998,979
Capital redemption reserve	26	2,455,243	2,455,243
Foreign currency translation reserve	26	1,243,229	1,335,927
Merger reserve	26	36,618,774	36,618,774
Other reserves	26	(740,000)	3,359,842
Profit and loss account	26	<u>(95,740,165)</u>	<u>(64,063,632)</u>
<b>Equity attributable to owners of the company</b>		<u>36,910,655</u>	<u>(2,279,025)</u>
<b>Total equity</b>		<u>36,910,655</u>	<u>(2,279,025)</u>

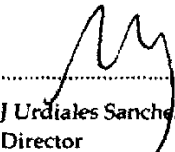
The notes on pages 27 to 64 form an integral part of these financial statements.

**Job And Talent Holding Limited**

**(Registration number: 10084917)**

**Consolidated Balance Sheet as at 31 December 2019**

Approved and authorised by the Board on 11/12/20 and signed on its behalf by:

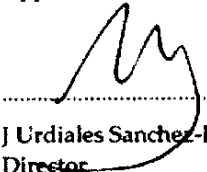
  
.....  
**J Urdiales Sanchez-Robles**  
**Director**

**Job And Talent Holding Limited**  
**(Registration number: 10084917)**  
**Balance Sheet as at 31 December 2019**

	Note	2019 €	2018 €
<b>Fixed assets</b>			
Investments	15	93,029,600	44,064,616
<b>Current assets</b>			
Debtors: Amounts due after more than one year	17	36,197,853	34,586,057
Debtors: Amounts due within one year	17	2,080,333	34,101
Cash at bank and in hand	19	11,089,288	4,207,376
		<u>49,367,474</u>	<u>38,827,534</u>
<b>Creditors: Amounts falling due within one year</b>	20	<u>(10,593,286)</u>	<u>(24,977,280)</u>
<b>Net current assets</b>		<u>38,774,188</u>	<u>13,850,254</u>
<b>Total assets less current liabilities</b>		131,803,788	57,914,870
<b>Creditors: Amounts falling due after more than one year</b>	20	<u>(8,849,156)</u>	<u>(1,261,025)</u>
<b>Net assets</b>		<u>122,954,632</u>	<u>56,653,845</u>
<b>Capital and reserves</b>			
Called up share capital	25	29,550	15,842
Share premium account	26	93,044,024	17,998,979
Other reserves	26	36,618,774	40,718,616
Profit and loss account	26	<u>(6,737,716)</u>	<u>(2,079,592)</u>
<b>Total equity</b>		<u>122,954,632</u>	<u>56,653,845</u>

The company made a loss after tax for the financial year of €8,757,966 (2018: €2,020,358)

Approved and authorised by the Board on 11/12/20 and signed on its behalf by:

  
 J Urdiales Sanchez-Robles  
 Director

**Job And Talent Holding Limited**

**Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019**  
**Equity attributable to the parent company**

	Share capital €	Share premium €	Capital redemption reserve €	Foreign currency translation €	Merger reserve €	Other reserves €	Profit and loss account €	Total equity €
At 1 January 2019	15,842	17,998,979	2,455,243	1,335,927	36,618,774	3,359,842	(64,063,632)	(2,279,025)
Loss for the year	-	-	-	-	-	-	(35,776,375)	(35,776,375)
Other comprehensive income	-	-	-	(92,698)	-	-	-	(92,698)
Total comprehensive income	-	-	-	(92,698)	-	-	(35,776,375)	(35,869,073)
New share capital subscribed	13,708	75,045,045	-	-	-	-	-	75,058,753
Transfers	-	-	-	-	-	(4,099,842)	4,099,842	-
At 31 December 2019	29,550	93,044,024	2,455,243	1,243,229	36,618,774	(740,000)	(95,740,165)	36,910,655

The notes on pages 27 to 64 form an integral part of these financial statements.  
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**Job And Talent Holding Limited**

**Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019**  
Equity attributable to the parent company

**Consolidated Statement of Changes in Equity for the Year Ended 31 December 2018**

	Share capital €	Share premium €	Capital redemption reserve €	Foreign currency translation €	Merger reserve €	Other reserves €	Profit and loss account €	Total equity €
At 1 January 2018	15,842	17,998,979	2,455,243	975,438	36,618,774	28,973	(49,130,863)	8,962,386
Loss for the year	-	-	-	-	-	-	(14,932,769)	(14,932,769)
Other comprehensive income	-	-	-	360,489	-	-	-	360,489
Total comprehensive income	-	-	-	360,489	-	-	(14,932,769)	(14,572,280)
Equity portion of convertible debt issued in the year	-	-	-	-	-	3,330,869	-	3,330,869
At 31 December 2018	15,842	17,998,979	2,455,243	1,335,927	36,618,774	3,359,842	(64,063,632)	(2,279,025)

The notes on pages 27 to 64 form an integral part of these financial statements.  
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**Job And Talent Holding Limited**

**Company Statement of Changes in Equity for the Year Ended 31 December 2019**

	Share capital €	Share premium €	Merger reserve €	Other reserves €	Profit and loss account €	Total €
At 1 January 2019	15,842	17,998,979	36,618,774	4,099,842	(2,079,592)	56,653,845
Loss for the year	-	-	-	-	(8,757,966)	(8,757,966)
Total comprehensive income	-	-	-	-	(8,757,966)	(8,757,966)
New share capital subscribed	13,708	75,045,045	-	-	-	75,058,753
Transfers	-	-	-	(4,099,842)	4,099,842	-
At 31 December 2019	29,550	93,044,024	36,618,774	-	(6,737,716)	122,954,632

**Company Statement of Changes in Equity for the Year Ended 31 December 2018**

	Share capital €	Share premium €	Merger reserve €	Other reserves €	Profit and loss account €	Total €
At 1 January 2018	15,842	17,998,979	36,618,774	768,973	(59,234)	55,343,334
Loss for the year	-	-	-	-	(2,020,358)	(2,020,358)
Total comprehensive income	-	-	-	-	(2,020,358)	(2,020,358)
Share based payment transactions	-	-	-	3,330,869	-	3,330,869
At 31 December 2018	15,842	17,998,979	36,618,774	4,099,842	(2,079,592)	56,653,845

The notes on pages 27 to 64 form an integral part of these financial statements.

## Job And Talent Holding Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 €	2018 €
<b>Cash flows from operating activities</b>			
Loss for the year		(35,776,375)	(14,932,769)
Depreciation and amortisation	5	4,428,124	1,858,981
Loss on disposal of tangible assets		105,151	47,419
Loss on disposal of intangible assets		-	19,797
Finance income	6	(346,552)	(18,623)
Finance costs	7	8,039,030	3,207,173
Income tax credit	11	1,917,469	117,786
Foreign exchange losses		<u>(92,698)</u>	<u>360,489</u>
		(21,725,851)	(9,339,747)
Working capital adjustments			
Increase in other financial assets	18	(276,981)	(150,583)
Increase in debtors	17	(47,399,220)	(24,250,962)
Increase in creditors	20	35,649,919	13,671,693
Increase in provisions	23	<u>25,157</u>	<u>53,043</u>
Cash generated from operations		(33,726,976)	(20,016,556)
Income taxes paid	11	<u>(732,916)</u>	<u>(839,305)</u>
Net outflow from operating activities		<u>(34,459,892)</u>	<u>(20,855,861)</u>
<b>Cash flows from investing activities</b>			
Interest received		346,552	18,623
Acquisitions of tangible assets		(1,365,427)	(136,139)
Expenditure on intangible assets	13	(23,203,403)	(3,369,322)
Change in other financial assets	18	<u>(12,996,199)</u>	<u>(44,096)</u>
Net outflows from investing activities		<u>(37,218,477)</u>	<u>(3,530,934)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	(8,039,030)	(3,207,173)
Proceeds from issue of ordinary shares		75,058,753	-
Proceeds from loan financing less repayments		16,634,629	13,516,774
Proceeds from issue of convertible debt, net of issue costs		<u>-</u>	<u>19,150,000</u>
Net cash flows from financing activities		<u>83,654,352</u>	<u>29,459,601</u>

The notes on pages 27 to 64 form an integral part of these financial statements.

## **Job And Talent Holding Limited**

### **Consolidated Statement of Cash Flows for the Year Ended 31 December 2019**

	<b>Note</b>	<b>2019 €</b>	<b>2018 €</b>
Net increase in cash and cash equivalents		11,975,983	5,072,806
Cash and cash equivalents at 1 January		<u>9,904,971</u>	<u>4,832,165</u>
Cash and cash equivalents at 31 December		<u>21,880,954</u>	<u>9,904,971</u>

The notes on pages 27 to 64 form an integral part of these financial statements.

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Sovereign House  
212-224 Shaftesbury Avenue  
London  
WC2H 8HQ  
United Kingdom

#### **Principal activity**

*The principal activity of the group is operations in the temporary employment sector. This consists of the preparation and edition of relevant content for the job search, the design and development of web support to channel the relationship between employers and employees in the selection process of incorporation into employment and the planning and organisation of all types of events and specific initiatives that facilitate and enhance the performance of this purpose.*

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

##### **Summary of disclosure exemptions**

FRS 102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements which give a true and fair view, in which that member is consolidated. Job and Talent Holding Limited is a qualifying entity as it is consolidated in the Job and Talent Holding Limited Group accounts which are publicly available.

As a qualifying entity, the company has taken advantage of the exemption to not present a statement of cashflows for the parent entity.

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### ***Basis of consolidation***

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2019.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Where acquisitions of subsidiaries meet the definition of a group reconstruction they are accounted for using the merger accounting method.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The assets and liabilities of the subsidiaries whose functional currency is different from the euro have been converted into euro using the exchange rates in effect at the closing date of the year and own funds at the historical exchange rate (the current exchange rate at the date of the first consolidation). The profit and loss accounts of these companies have been converted into euro using the average exchange rates for the year. The global effect of the differences between these exchange rates is shown, net of their tax effect, in the Statement of Changes in Equity under the heading 'Foreign currency reserve'.

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Going concern**

*The financial statements have been prepared on a going concern basis. The group is in a period of expansion and the execution of the business plan has involved great efforts in personnel and structural costs and in the development of its technological platform, which meant that the group incurred losses. Despite losses being incurred, the Group has both positive working capital and equity as of 31 December 2019 benefitting from the completion a new round of financing in October 2019 with the attraction of new investors, which improves the plans for treasury, liquidity and solvency of the Group. Following a review of the Group's financial forecasts the Directors are confident that performance will improve year on year.*

Although the current economic environment creates uncertainty, the Group's forecasts and projections, which include reasonably possible worst-case scenarios in performance and financing available reflecting the risks in performance and the risks and uncertainties to which the Group is exposed, show that the Group will be able to operate within the level of its facilities.

Consequently, the going concern principle has been adopted in preparing the annual report and financial statements.

#### **Turnover recognition**

Turnover is stated net of VAT and trade discounts and is measured by reference to the consideration received for the provision of recruitment services. Turnover is recognised over the contract period of the temporary employees or contractors. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

In the significant majority of situations the group acts as principal in any transactions under payrolling contracts in its recruitment process and therefore bears the risks and rewards of the transaction. For such transactions the turnover and associated costs are shown in the consolidated profit and loss. Where the group acts as agent, only the fees associated to the services provided by the group in capacity as agent are recognised as income.

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Foreign currency transactions and balances**

The functional currency used by the Group is Euro. Consequently, transactions in currencies other than euro are considered denominated in foreign currency and are recorded at the exchange rates in force at the dates of the transactions.

At year-end, monetary assets and liabilities denominated in foreign currency are converted by applying the exchange rate of the date of the statement of financial position. The realised profits or losses are allocated directly to the profit and loss account of the year in which they occur.

Non-monetary assets and liabilities whose valuation criterion is fair value and are denominated in foreign currency, are converted according to the rates in force on the date on which the fair value was determined.

The realised profits or losses are allocated to equity or profit and loss using the same criteria as the recording of changes in fair value.

#### **Tax**

The tax expense for the year comprises current tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Intangible assets**

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is seven years. Provision is made for any impairment.



## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<i>Asset class</i>	<i>Amortisation method and rate</i>
Internally developed computer applications	5 years straight line
Computer software	5 years straight line

#### **Tangible assets**

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

The maintenance expenses incurred during the year are charged to the Consolidated Profit and Loss Account. The costs for renewal, expansion or improvement of property, plant and equipment, which represent an increase in capacity, productivity or an increased useful life, are capitalised as a higher value of the corresponding goods, once the accounting values have been written off of the elements that have been replaced.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Furniture, fittings and equipment	4-5 years straight line

#### **Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is seven years. Provision is made for any impairment.

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Investments**

Investments in equity shares where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

*Interest income on debt securities, where applicable, is recognised in income using the effective interest method.*

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Debtors**

*Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.*

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

#### **Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Any collection or payment that could be made when contracting an operational lease, will be treated as a prepayment or payment that will be allocated to the results over the period of the lease, as the benefits of the leased asset are ceded or received.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Share based payments**

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity.

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

*Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.*

#### *Financial assets and liabilities:*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### *Investments:*

Investments in non-derivative instruments that are equity of the issuer (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration.

#### *Equity instruments:*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

#### *Convertible loan notes:*

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity. Where the financial liability component meets the criteria above, the finance costs of the financial liability are recognised over the term of the debt using the effective interest method. If those criteria are not met, the financial liability component is measured at fair value through profit or loss.

### **3 Judgements and key sources of estimation uncertainty**

#### **Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **The useful life of intangible assets**

The annual amortisation charge for intangible fixed assets is sensitive to changes in the useful economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually. Given the technological nature of the intangible assets changes in market conditions or advancements in similar research and development could materially affect the useful life of certain intangible assets. To identify if an impairment or change in useful life of an asset is needed requires estimates of future cashflows arising from such assets as well as appropriate discount rates in order to calculate the net present value of those cashflows.

#### **Valuation of subsidiaries**

The valuation of entities acquired requires the Company to estimate their value in use from estimated future cash flows before taxes. These are based on the most recent business plans approved by the Company's Directors. These plans incorporate the best available estimates of the income and costs of the different cash generating units based mainly on the results obtained at the date of the review and estimating an increase in activity similar or lower than that obtained during the year 2019. It also estimates an increase in sales margins as the business model is consolidated and market share is enhanced. These forecasts are then discounted using an appropriate discount rate to calculate the net present value.

#### **Recovery of tax credits**

The Group is subject to tax regimes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for corporation taxes and deferred taxes. As established by current legislation in Spain, taxes cannot be considered definitive until they have been inspected by the tax authorities or the statute of limitations of four years has expired.

A deferred tax asset has been recognised on the basis that management have determined that future profits are sufficient to utilise such losses within this time frame. In determining this the directors have developed a long term business plan which forecasts future income and expenditure. Such forecasts require estimates and assumptions to be made about future transactions, growth and profitability of the group.

#### **Recoverability of debtors and amounts due from fellow group undertakings**

The company makes an estimate of the recoverable value of its debtors and amounts due from fellow group undertakings. When carrying out the assessment directors consider factors including the ageing profile of debtors, historic experience and performance of the debtors' business.

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 4 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2019 €	2018 €
Provision of services	268,106,503	137,784,516
Other revenue	-	4,538
	<u>268,106,503</u>	<u>137,789,054</u>

The analysis of the group's turnover for the year by market is as follows:

	2019 €	2018 €
UK	25,183,538	18,716,772
Rest of Europe	179,578,214	99,411,624
Rest of World	63,344,751	19,660,658
	<u>268,106,503</u>	<u>137,789,054</u>

#### 5 Operating loss

Arrived at after charging:

	2019 €	2018 €
Depreciation expense	419,065	206,865
Amortisation expense	4,104,079	1,652,116
Loss on disposal of intangible assets	-	19,798
Loss on disposal of property, plant and equipment	10,133	1,748
Exceptional (income)/expenses	(1,124,123)	371,593
Operating lease expense - property	<u>1,715,030</u>	<u>698,746</u>

#### 6 Other interest receivable and similar income

	2019 €	2018 €
Other finance income	<u>346,552</u>	<u>18,623</u>

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 7 Interest payable and similar expenses

	2019 €	2018 €
Interest on bank overdrafts and borrowings	1,530,670	779,503
Interest expense on other finance liabilities	5,973,447	2,427,670
Foreign exchange (gains)/losses	(290,225)	538,843
Impairments and losses on disposal of financial instruments	825,138	-
	<u>8,039,030</u>	<u>3,746,016</u>

#### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 €	2018 €
Wages and salaries	194,070,166	86,504,618
Social security costs	49,710,504	22,729,593
Pension costs, defined contribution scheme	199,383	13,103
Redundancy costs	166,048	2,543,357
Employee benefits expense	7,524,585	2,109,355
	<u>251,670,686</u>	<u>113,900,026</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	460	249
Other departments	15,983	12,772
	<u>16,443</u>	<u>13,021</u>



## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 €	2018 €
Remuneration	<u>400,477</u>	<u>292,523</u>

In respect of the highest paid director:

	2019 €	2018 €
Remuneration	<u>159,000</u>	<u>124,998</u>

#### 10 Auditor's remuneration

	2019 €	2018 €
Audit of these financial statements	<u>133,363</u>	<u>175,000</u>

##### **Other fees to auditors**

Taxation compliance services	7,671	3,900
All other non-audit services	<u>35,996</u>	<u>20,000</u>
	<u>43,667</u>	<u>23,900</u>

	2019 €	2018 €
<b>Fee's paid to other auditors:</b>		
Audit of the financial statements of subsidiaries of the company pursuant to legislation	449,800	142,000
Taxation compliance services	-	14,600
Other services	<u>-</u>	<u>4,900</u>
	<u>449,800</u>	<u>161,500</u>

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 11 Taxation

Tax charged/(credited) in the income statement

	2019 €	2018 €
Foreign tax	2,627,474	821,904
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(710,005)</u>	<u>(704,118)</u>
Tax expense in the income statement	<u>1,917,469</u>	<u>117,786</u>

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 €	2018 €
Loss before tax	<u>(33,858,906)</u>	<u>(14,814,983)</u>
Corporation tax at standard rate	(6,433,192)	(2,814,847)
Effect of revenues exempt from taxation	(17,168)	-
Effect of expense not deductible in determining taxable profit (tax loss)	1,411,575	410,083
Effect of tax losses	6,286,058	3,025,131
Effect of foreign tax rates	1,353,088	181,327
Tax increase/(decrease) from effect of capital allowances and depreciation	36,565	(160,346)
Tax decrease from other short-term timing differences	(619,600)	(63,630)
Tax decrease from effect of unrelieved tax losses carried forward	(99,857)	(447,396)
Tax decrease arising from group relief	<u>-</u>	<u>(12,536)</u>
Total tax charge	<u>1,917,469</u>	<u>117,786</u>

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### Deferred tax

##### Group

##### Deferred tax assets and liabilities

	Asset €	Liability €
<b>2019</b>		
Asset arising on tax losses carried forward	3,233,887	-
Liability associated with intangibles acquired through business combinations	-	1,796,533
Other liabilities	-	-
	<u>3,233,887</u>	<u>1,796,533</u>
<b>2018</b>		
Asset arising on tax losses carried forward	2,622,285	-
Liability associated with intangibles acquired through business combinations	-	-
Other liabilities	-	4,666
	<u>2,622,285</u>	<u>4,666</u>

Deferred tax assets arising on losses incurred in Spain since 2008 amount to €1,866,759. Based upon management forecasts it is expected that the deferred taxes will be fully recovered within the period established under current regulations. Deferred tax assets are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

Deferred tax assets arising on losses incurred in the UK amount to €793,786, having been provided for at 19%.

Deferred tax assets arising on losses incurred in Columbia amount to €540,412, having been provided for at 33%.

#### 12 Profit attributable to the Company

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

**Job And Talent Holding Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2019**

**13 Intangible assets - Group**

	Goodwill €	Customer database €	Internally generated software development costs €	Software €	Total €
<b>Cost or valuation</b>					
At 1 January 2019	726,074	174,626	13,548,699	4,110,375	18,559,774
Additions acquired separately	11,552,063	981	3,061,926	113,412	14,728,382
Acquired through business combinations	-	7,665,142	170,309	639,570	8,475,021
Transfers	-	-	(6,559,621)	6,559,621	-
At 31 December 2019	12,278,137	7,840,749	10,221,313	11,422,978	41,763,177
<b>Amortisation</b>					
At 1 January 2019	-	19,391	2,135,231	2,446,304	4,600,926
Amortisation charge	825,780	473,083	2,418,338	386,878	4,104,079
At 31 December 2019	825,780	492,474	4,553,569	2,833,182	8,705,005
<b>Carrying amount</b>					
At 31 December 2019	11,452,357	7,348,275	5,667,744	8,589,796	33,058,172
At 31 December 2018	726,074	155,235	11,413,468	1,664,071	13,958,848

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Intangible Assets - Group (continued):**

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

Goodwill has arisen in relation to the acquisition of the following companies during 2019:

- The Works Staffing Solutions Limited, a company registered in England and Wales;
- Red Eagle Limited, a company registered in England and Wales;
- Su Temporal, S.A.S., a company registered in Colombia;
- Gente Oportuna, S.A.S., a company registered in Colombia;
- DPL S.L.U., a company registered in Spain;
- Ader ETT, S.A., a company registered in Spain;
- TECHNICON SA de CV, a company registered in Mexico;

Additionally, Goodwill has arisen in relation to the acquisition of companies in Colombia, Germany and Sweden during 2017.

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 14 Tangible assets

##### Group

	Furniture, Fixtures and fittings €	Motor vehicles €	Computer and other office equipment €	Total €
<b>Cost or valuation</b>				
At 1 January 2019	600,919	178,877	550,513	1,330,309
Additions	59,515	33,469	225,317	318,301
Acquired through business combinations	84,097	122,462	840,567	1,047,126
Disposals	(95,175)	(186,767)	(74,512)	(356,454)
At 31 December 2019	<u>649,356</u>	<u>148,041</u>	<u>1,541,885</u>	<u>2,339,282</u>
<b>Depreciation</b>				
At 1 January 2019	271,216	153,535	343,166	767,917
Charge for the year	172,022	35,009	212,034	419,065
Eliminated on disposal	(95,019)	(181,560)	(69,743)	(346,322)
At 31 December 2019	<u>348,219</u>	<u>6,981</u>	<u>485,457</u>	<u>840,660</u>
<b>Carrying amount</b>				
At 31 December 2019	<u>301,137</u>	<u>141,057</u>	<u>1,056,428</u>	<u>1,498,622</u>
At 31 December 2018	<u>329,703</u>	<u>25,342</u>	<u>207,347</u>	<u>562,392</u>

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 15 Investments

##### Company

	2019 €	2018 €
Investments in subsidiaries	<u>93,029,600</u>	<u>44,064,616</u>
<b>Subsidiaries</b>		<b>€</b>
<b>Cost or valuation</b>		
At 1 January 2019		44,064,616
Additions		<u>48,964,984</u>
At 31 December 2019		<u>93,029,600</u>
<b>Carrying amount</b>		
At 31 December 2019		<u>93,029,600</u>
At 31 December 2018		<u>44,064,616</u>

In the opinion of the Directors, the carrying value of investments is recoverable and so no provision has been made for impairment.

For the year ending 31 December 2019 the following subsidiaries were entitled to exemption from audit via parental guarantees under section 479A of the Companies Act 2006 relating to subsidiary companies:

Jobandtalent UK Limited (company registration number: 07890603)

Jobandtalent Works Limited (company registration number: 10123783)

Jobandtalent Services Limited (company registration number: 10654381)

Jobandtalent Advisors Limited (company registration number: 11345125)

Red Eagle Limited (company registration number: 05288420)

The Red Eagle Group Limited (company registration number: 05288421)

Wymea Group Limited (company registration number: 08784878)

The Works Staffing Solutions Ltd (company registration number: 05348140)

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### Details of undertakings

Job and Talent Holding Limited holds 100% of the share capital of Job and Talent S.L. directly. All other investments are held indirectly as subsidiaries of Job and Talent S.L. Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Jobandtalent UK Ltd	Sovereign House, 212-224 Shaftesbury Avenue, London, WC2H 8HQ	Ordinary	100%	100%
Jobandtalent Works Ltd	Sovereign House, 212-224 Shaftesbury Avenue, London, WC2H 8HQ	Ordinary	100%	100%
Jobandtalent Services Ltd	Sovereign House, 212-224 Shaftesbury Avenue, London, WC2H 8HQ	Ordinary	100%	100%
Jobandtalent Advisors Limited	Sovereign House, 212-224 Shaftesbury Avenue, London, WC2H 8HQ	Ordinary	100%	100%
Jobs and Talent S.L.	Paseo de la Castellana 93, 4º 28046 Madrid, Spain	Ordinary	100%	100%
JT Hiring Empresa de Trabajo Temporal, S.L.	Paseo de la Castellana 93, 4º 28046 Madrid, Spain	Ordinary	100%	100%
JT Academy S.L.	Paseo de la Castellana 4º, 28046 Madrid, Spain	Ordinary	100%	100%
Talent Staffing ETT S.L.	Paseo de la Castellana 4º, 28046 Madrid, Spain	Ordinary	100%	100%
Servicios Dix 2012, S.L.	Eloy Gonzalo 27, 28010 Madrid, Spain	Ordinary	100%	100%
Jobandtalent CO, S.A.S.	Carrera 12, nº 88-21, Oficina 302, Bogota D.C. Colombia	Ordinary	100%	100%



## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

OTEM SAS	Carrera 12, nº 90- 19 p4, Bogota D.C. Colombia	Ordinary	100%	100%
Jobandtalent Contrataciones, S.A.S	Carrera 12, nº 90- 19 p4, Bogota D.C. Colombia	Ordinary	100%	100%
Jobandtalent MX Outsourcing, S. de R.L. de C.V.	Avda. Ejercito nacional 624, Polanco, Mexico D.F. Mexico	Ordinary	100%	100%
Jobandtalent MX, S. de R.L. de C.V.	Avda. Ejercito nacional 624, Polanco, Mexico D.F. Mexico	Ordinary	100%	100%
Jobandtalent DE GmbH	Lindwurmstrasse 77, 80337 Munich, Germany	Ordinary	100%	100%
Jobandtalent USA Inc.	2711 Centerville Road, Suite 400, in the City of Wilmington, Delaware 19808, USA	Ordinary	100%	100%
Jobandtalent Sweden AB	Tegnérsgatan 2C, 113 58 Stockholm, Sweden	Ordinary	100%	100%
PaySalary Sverige AB	Tegnérsgatan 2C, 113 58 Stockholm, Sweden	Ordinary	100%	100%
Jobandtalent Staffing Sweden AB	Tegnérsgatan 2C, 113 58 Stockholm, Sweden	Ordinary	100%	100%
The Works Staffing Solutions Ltd	Sovereign House, 212-224 Shaftesbury Avenue, London, WC2H 8HQ	Ordinary	100%	0%
Red Eagle Limited	Sovereign House, 212-224 Shaftesbury Avenue, London, WC2H 8HQ	Ordinary	100%	0%
The Red Eagle Group Ltd	Sovereign House, 212-224 Shaftesbury Avenue, London, WC2H 8HQ	Ordinary	100%	0%
Wymea Group Ltd	Sovereign House, 212-224 Shaftesbury Avenue, London, WC2H 8HQ	Ordinary	100%	0%
Su Temporal, S.A.S.	Carrera 12, nº 90- 19 p4, Bogota D.C. Colombia	Ordinary	100%	0%

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Servioportunos, S.A.S.	Carrera 12, n° 90- 19 p4, Bogota D.C. Colombia	Ordinary	100%	0%
Gente Oportuna, S.A.S.	Carrera 12, n° 90- 19 p4, Bogota D.C. Colombia	Ordinary	100%	0%
Consulting and Services JT S de RL de CV	Avda. Ejercito nacional 624, Polanco, Mexico D.F. Mexico	Ordinary	100%	0%
ADECATO CONSULTING S de RL de CV	Avda. Ejercito nacional 624, Polanco, Mexico D.F. Mexico	Ordinary	100%	0%
TECHNICON SA de CV	Avda. Ejercito nacional 624, Polanco, Mexico D.F. Mexico	Ordinary	100%	0%
IMPULSO TECHNICON SA DE CV	Avda. Ejercito nacional 624, Polanco, Mexico D.F. Mexico	Ordinary	100%	0%
JT DE Staffing Gmbh	Lindwurmstrasse 77, 80337 Munich, Germany	Ordinary	100%	0%
JT DE Outsourcing Gmbh	Lindwurmstrasse 77, 80337 Munich, Germany	Ordinary	100%	0%
JT Hiring Sucursal Colombia	Carrera 12, n° 90- 19 p4, Bogota D.C. Colombia	Ordinary	100%	0%
Desarrollo de Personal Logístico ETT, S.L.U.	Paseo de la Castellana 4º, 28046 Madrid, Spain	Ordinary	100%	0%
TempoPan, S.L.U.	Paseo de la Castellana 4º, 28046 Madrid, Spain	Ordinary	100%	0%
Ader ETT, S.A.	Paseo de la Castellana 4º, 28046 Madrid, Spain	Ordinary	100%	0%
Jobandtalent France	21 place des Nations Unies, 92110, Clichy Paris, France	Ordinary	100%	0%
Jobandtalent Outsourcing	21 place des Nations Unies, 92110, Clichy Paris, France	Ordinary	100%	0%
Jobandtalent Staffing	21 place des Nations Unies, 92110, Clichy Paris, France	Ordinary	100%	0%

## **Job And Talent Holding Limited**

### ***Notes to the Financial Statements for the Year Ended 31 December 2019***

The principal activity of all of the companies listed above is the provision of services to third parties in the temporary employment sector. Since the balance sheet date the Group has continued to identify and acquire strategic partners in order to grow the business in line with the business plan.

# Job And Talent Holding Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 16 Business Combinations

During the 2019 financial year, the group has acquired control of the companies detailed in the table below. In all cases, 100% of the share capital was acquired. These operations are part of the expansion process envisaged by the group, in accordance with the guidelines established in the strategic plan.

The following table sets out the assets and liabilities of the companies acquired in the different countries, recognized on the date of acquisition along with the fair value of the consideration transferred and therefore the goodwill recognised in these business combinations.

	Spain	Spain	Colombia	Colombia	United Kingdom	United Kingdom	Mexico	
	Ader ETT, S.A.	DPL S.L.U.	Gente Oportuna, S.A.S.	Su Temporal, S.A.S.	Red Eagle Ltd	The Works Staffing Solutions Limited	Technicon, S.A. de C.V.	Total
Net assets acquired	2,717,041	855,755	185,668	228,518	1,053,217	1,070,883	944,007	7,055,089
Identifiable intangible assets	1,592,315	442,243	428,465	969,115	1,645,670	1,663,538	958,249	7,699,595
Deferred tax liability	(398,079)	(110,561)	(137,109)	(310,117)	(312,678)	(316,072)	(287,475)	(1,872,091)
Fair value of identifiable net assets acquired	3,911,277	1,187,437	477,024	887,516	2,386,209	2,418,349	1,614,781	12,882,593
Goodwill	3,183,173	1,812,563	508,837	408,912	3,726,563	1,182,274	611,565	11,433,886
Consideration transferred	7,094,450	3,000,000	985,861	1,296,428	6,112,772	3,600,623	2,226,345	24,316,479

# Job And Talent Holding Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

Made up of:

Cash	4,550,000	2,412,595	557,308	941,098	3,075,684	2,842,531	635,668	15,014,884
Deferred cash consideration	2,544,450	587,405	428,553	355,330	3,037,088	758,092	1,590,677	9,301,595
<b>Total consideration transferred</b>	<b>7,094,450</b>	<b>3,000,000</b>	<b>985,861</b>	<b>1,296,428</b>	<b>6,112,772</b>	<b>3,600,623</b>	<b>2,226,345</b>	<b>24,316,479</b>

Impact of the combination on group results:

Income and result attributable to the combination from the acquisition date to the closing date of the financial year 2019 are as follows:

	Spain	Colombia	United Kingdom	Mexico	Total
<b>Turnover</b>	24,776,854	17,068,718	9,832,295	2,771,495	54,449,362
<b>Result for the year</b>	(263,777)	(501,804)	737,219	(384,019)	(412,381)

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 17 Debtors

	Note	Group		Company	
		2019 €	2018 €	2019 €	2018 €
Trade debtors		79,864,463	36,778,071	-	-
Amounts owed by group undertakings	31	-	-	38,244,084	34,586,057
Other debtors		5,534,594	2,194,989	34,102	34,101
Prepayments		2,177,776	1,204,552	-	-
Deferred tax assets	11	3,233,887	2,626,573	-	-
		90,810,720	42,804,185	38,278,186	34,620,158
Less non-current portion		(3,233,887)	(3,971,397)	(36,197,853)	(34,586,057)
		87,576,833	38,832,788	2,080,333	34,101

Included within other debtors is recoverable VAT of €1,383,147 (2018: €1,484,882).

#### Details of non-current debtors

##### Group

€3,233,887 (2018 - €2,626,573) of the deferred tax asset is classified as non-current as it is not expected to be recovered within 12 months of the balance sheet date.

€Nil (2018 - €1,344,824) of the trade receivables is classified as non-current as it is not expected to be recovered within 12 months of the balance sheet date.

##### Company

€36,197,853 (2018 - €34,586,057) of amounts owed by group undertakings is classified as non current. These accrue interest at 2.5% and are repayable between 2023 to 2027.

#### 18 Other financial assets

	Group		Company	
	2019 €	2018 €	2019 €	2018 €
<b>Non-current financial assets</b>				
Guarantees and deposits	721,134	444,153	-	-

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Current financial assets</b>				
Guarantees and deposits	<u>16,292,258</u>	<u>3,296,059</u>	<u>-</u>	<u>-</u>

Non-current financial assets are long term deposits paid on properties occupied by the Group which are recoverable after 2020.

Current financial assets are fixed short-term deposits held with financial institutions.

#### 19 Cash and cash equivalents

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Cash at bank	<u>21,880,954</u>	<u>9,904,971</u>	<u>11,089,288</u>	<u>4,207,376</u>

#### 20 Creditors

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Due within one year</b>					
Loans and borrowings	21	49,163,994	45,239,194	7,195,421	24,716,285
Trade creditors		6,937,199	2,946,179	3,302,713	211,226
Amounts due to related parties	31	4,246,002	47,830	8,369	-
Social security and other taxes		30,902,663	15,678,562	-	-
Other payables		19,368,642	7,463,864	2,339	8,709
Accruals		<u>3,306,179</u>	<u>619,784</u>	<u>84,444</u>	<u>41,060</u>
		<u>113,924,679</u>	<u>71,995,413</u>	<u>10,593,286</u>	<u>24,977,280</u>
<b>Due after one year</b>					
Loans and borrowings	21	11,551,793	1,196,511	8,849,156	848,469
Amounts owed to group undertakings		<u>-</u>	<u>-</u>	<u>-</u>	<u>412,556</u>
		<u>11,551,793</u>	<u>1,196,511</u>	<u>8,849,156</u>	<u>1,261,025</u>

# **Job And Talent Holding Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **21 Loans and borrowings**

	Group		Company	
	2019	2018	2019	2018
	€	€	€	€
<b>Non-current loans and borrowings</b>				
Bank borrowings and credit facilities	9,386,691	1,028,469	8,849,156	848,469
Other borrowings	2,165,102	168,042	-	-
	<u>11,551,793</u>	<u>1,196,511</u>	<u>8,849,156</u>	<u>848,469</u>
<b>Current loans and borrowings</b>				
Bank borrowings and credit facilities	40,061,848	9,997,640	7,195,421	766,392
Convertible debt	-	23,949,893	-	23,949,893
Other borrowings	9,102,146	11,291,661	-	-
	<u>49,163,994</u>	<u>45,239,194</u>	<u>7,195,421</u>	<u>24,716,285</u>

Borrowings are repayable as follows:	On demand or within one year	Between one and five years	After five years	Total
<b>2019</b>				
<b>Group</b>				
Bank borrowings and credit facilities	40,061,848	9,386,691	-	49,448,539
Other borrowings	9,102,146	2,165,102	-	11,267,248
	<u>49,163,994</u>	<u>11,551,793</u>	<u>-</u>	<u>60,715,787</u>
<b>Company</b>				
Bank borrowing and credit facilities	7,195,421	8,849,156	-	16,044,577



## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

2018

#### Group

Bank loans and credit facilities	9,997,640	1,028,469	-	11,026,109
Convertible loans	23,949,893	-	-	23,949,893
Other borrowings	11,291,661	168,042	-	11,459,703
	<u>45,239,194</u>	<u>1,196,511</u>	<u>-</u>	<u>46,435,705</u>

#### Company

Convertible loans	23,949,893	-	-	23,949,893
Bank borrowing and credit facilities	766,392	848,469	-	1,614,861
	<u>24,716,285</u>	<u>848,469</u>	<u>-</u>	<u>25,564,754</u>

#### Company:

Other borrowings correspond to a loan with a commercial lender. As at the year end the balance on this facility was €16,044,577 (2018: €1,614,861), with an interest rate of 12% repayable by instalment.

The Company has issued warrants in relation to certain loan agreements. Subsequent to the year end the conditions to exercise have been met but none have been exercised.

#### Group:

As of 31 December 2019, short-term liabilities with credit institutions correspond mainly to various recourse factoring contracts with different financial institutions for the transfer of existing outstanding amounts as of that date with certain clients. The contracts establish that, in the event of non-payment by the client, the amounts initially paid by the financial institution as a result of said transfer must be reimbursed. The main contract in force during 2019 was one signed by the Spanish subsidiary of JT Hiring ETT, S.L.U. whose maximum amount available was €19,000,000. During the financial year 2020, this instrument has been renewed, establishing a new maximum amount of €25,000,000.

In relation to long-term liabilities with credit institutions, all of them, amounting to €537,535, correspond to financing granted to Group companies in Spain, and are therefore denominated in euros.

Included in amounts due to banks and credit facilities are amounts totalling €11,209,843 (2018: €3,845,611) for which security has been provided. These amounts are secured by way of a fixed and floating charge over the assets of the corresponding subsidiaries.

Other borrowings largely relate to amounts payable for the acquisitions of companies detailed in Note 16.

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 22 Convertible loan notes

There were no convertible loan notes in issue at 31 December 2019.

The Group issued convertible loan notes during the prior year. The convertible loan notes were convertible into C1 Preference shares of the Company with interest of 5% due annually up until the settlement date.

The net proceeds received from the issue of the convertible loan notes were split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group, as follows:

	2019 €	2018 €
Nominal value of convertible loan notes issued	-	19,150,000
Equity component	-	(3,330,868)
Liability component at date of issue	-	15,819,132
Interest charged	-	1,458,876
Liability component at 31 December 2018	-	17,278,008

The liability component was classified as basic and was consequently measured at amortised cost. The interest charged for the year was calculated by applying an effective interest rate of 15.81% to the liability component.

The loans were convertible at any point between the issue date and the maturity date subject to an exit event or a qualifying fundraising event, at which point the initial loan plus any interest would be converted into B1 Preference shares. On conversion the price per share was calculated in reference to the share price realised in a qualifying fundraising or exit event less a discount which reduced over time.

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 23 Deferred tax and other provisions

##### Group

	Deferred tax €	Other provisions €	Total €
At 1 January 2019	4,666	53,043	57,709
Additional provisions	-	78,200	78,200
Increase (decrease) in existing provisions	1,791,867	-	1,791,867
Provisions used	<u>-</u>	<u>(53,043)</u>	<u>(53,043)</u>
At 31 December 2019	<u>1,796,533</u>	<u>78,200</u>	<u>1,874,733</u>

#### 24 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to €199,382 (2018 - €13,103).

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 25 Share capital

##### Allotted, called up and fully paid shares

	2019		2018	
	No.	€	No.	€
Ordinary shares of €0.001 each	3,012,800	3,012.80	944,000	944.00
Ordinary deferred shares of €0.001 each	1,277	1.28	1,277	1.28
Ordinary A1 shares of €0.001 each	1,115,000	1,115.00	1,115,000	1,115.00
Ordinary A2 shares of €0.001 each	3,642,000	3,642.00	3,642,000	3,642.00
Ordinary A3 shares of €0.001 each	3,786,000	3,786.00	3,786,000	3,786.00
Ordinary B1 shares of €0.001 each	5,262,950	5,262.95	4,910,037	4,910.04
Ordinary B2 shares of €0.001 each	2,149,210	2,149.21	1,444,127	1,444.13
Ordinary C shares of €0.001 each	10,580,360	10,580.36	-	-
	<u>29,549,597</u>	<u>29,550</u>	<u>15,842,441</u>	<u>15,842</u>

In the event of liquidation when shares are repaid in preference to the others in the following order:

Ordinary C Preferred  
Ordinary B1 Preferred  
Ordinary B2 Preferred  
Ordinary A1 Preferred  
Ordinary A2 Preferred  
Ordinary A3 Preferred  
Ordinary deferred shares  
Ordinary shares

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### *Rights and restrictions*

A) The ordinary shares (as defined in the company's Articles of Association (the "Articles")) shall confer on each holder of ordinary shares the right to receive notice of and to attend, speak and vote at all general meetings of the company and to receive and vote on proposed written resolutions of the company.

(B) Any available profits (as defined in the Company's Articles of Association (the "Articles")) which the company may determine to distribute in respect of any Financial Year (as defined in the Articles), will be distributed among the holders of the Equity Shares (as defined in the Articles) (*pari passu* as if the Equity Shares constituted one class of share) *pro rata* to the number of Equity Shares held.

(C) With respects to capital, on a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares (as defined in the Articles)) the surplus assets of the company remaining after payment of its liabilities shall be applied (to the extent that the company is lawfully permitted to do so):

(i) first in paying to each of the Series C Preferred Shareholders (as defined in the Articles), in priority to any other classes of Shares, an amount per Series C Preferred Share (as defined in the Articles) held equal to the Preference Amount (as defined in the Articles) together with a sum equal to any Arrears (as defined in the Articles) on the Series C Preferred Shares held by them (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series C Shareholders *pro rata* to the amounts paid up on the Series C Preference shares);

(ii) second in paying to each of the Series B Shareholders, in priority to the Series A Shares and Deferred Shares (as defined in the Articles) and the Ordinary Shares, an amount per Series B Preference Share (as defined in the Articles) held equal to the Preference Amount together with a sum equal to any Arrears on the Series B Preferred Shares held by them (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series B Shareholders *pro rata* to the amounts paid up on the Series B Preference shares);

(iii) third in paying to each of the Series A Shareholders, in priority to the Deferred Shares (as defined in the Articles) and the Ordinary Shares, an amount per Series A Preference Share (as defined in the Articles) held equal to the Preference Amount together with a sum equal to any Arrears on the Series A Preferred Shares held by them (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series A Shareholders *pro rata* to the amounts paid up on the Series A Preferred Shares);

(iv) fourth in paying to the holders of the Deferred Shares, if any, a total of EUR1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

(v) the balance of any surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held.

(D) The Ordinary Shares are not to be redeemed or liable to be redeemed at the option of the company or the shareholders.

#### **New shares allotted**

During the year 2,068,800 Ordinary shares of €0.001 having an aggregate nominal value of €2,069 were allotted.

During the year 352,950 Series B1 Preference shares of €0.001 having an aggregate nominal value of €353 were allotted.

During the year 705,880 Series B2 Preference shares of €0.001 having an aggregate nominal value of €706 were allotted.

During the year 10,580,360 Series C Preference shares of €0.001 having an aggregate nominal value of €10,580 were allotted.

*Total aggregate consideration for the above allotments of shares was €75,058,753.*

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **26 Reserves**

##### **Group**

##### *Share Premium*

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

##### *Foreign Currency reserve*

The foreign currency reserve represents the cumulative effect of foreign exchange revaluation gains and losses arising on consolidating subsidiaries which present their accounts in different currencies at each reporting date.

##### *Other reserves*

The Parent Company has, according to the authorisation of the General Shareholders' Meeting, purchased 272 of its own shares (92 of class A and 180 of class B) for a total amount of €740,000. Other reserves also represent the equity component of convertible debt instruments and payments made to repurchase own shares.

##### *Merger reserve*

The merger reserve represents amounts recognised on the acquisition of Jobs and Talent S.L. being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

##### *Capital redemption reserve*

The previous Group share option plan for the granting of non-transferable options to certain members of staff at the discretion of the Directors was cancelled in 2016. The equity element of options issued but not exercised over the vesting period was included in the capital redemption reserve. All charges in relation to these schemes were fully recharged on to the subsidiary companies who employed the designated individuals. The total cost recognised in the income statement was €2,455,243 in the year ended 31 December 2016.

## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 27 Obligations under leases and hire purchase contracts

##### Group

##### Operating leases

The total of future minimum lease payments is as follows:

	2019 €	2018 €
Not later than one year	1,715,030	616,376
Later than one year and not later than five years	<u>413,076</u>	<u>574,841</u>
	<u>2,128,106</u>	<u>1,191,217</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was €1,715,030 (2018 - €698,745).

#### 28 Share-based payments

##### Scheme details

The Job and Talent Group operated until 2016 a share option plan, which was cancelled on May 2016 with amounts transferred to the capital redemption reserve.

Subsequently, a new share option plan for granting of non-transferable options to certain members at the discretion of the Directors were issued. All options are equity settled. All charges in relation to these schemes are fully recharged on to the subsidiary companies who employ the designated individuals. In order for the employees right to be allotted with the option to vest, certain conditions must be fulfilled. Management have estimated that it is not probable to fulfil all relevant conditions at the date of issuing this annual report, therefore the total cost recognised in this income statement in relation to this share option plan is €nil (2018: €nil).

The table below shows the movements which have occurred during 2019:

	At 31 December 2018	Exercised in year	Options forfeited	Options granted	At 31 December 2019
<b>Share Option Pool</b>					
ESOP Series B	8,013,984	(2,003,330)	(26,807)	804,606	6,788,453
ESOP Series C	29,686	-	(4,181)	3,172,047	3,197,552
	<u>8,043,670</u>	<u>(2,003,330)</u>	<u>(30,988)</u>	<u>3,976,653</u>	<u>9,986,005</u>



## Job And Talent Holding Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 29 Commitments

##### Group

In the opinion of the directors the Group has not entered into any commitments other than those disclosed in note 27.

#### 30 Net debt reconciliation

##### Group

	At 1 January 2019 €	Financing cash flows €	Other non-cash changes €	At 31 December 2019 €
<b>Cash and cash equivalents</b>				
Cash	9,904,971	11,975,983	-	21,880,954
<b>Borrowings</b>				
Long term borrowings	1,196,511	10,355,282	-	11,551,793
Short term borrowings	<u>45,239,194</u>	<u>27,874,693</u>	<u>(23,949,893)</u>	<u>49,163,994</u>
	<u>46,435,705</u>	<u>38,229,975</u>	<u>(23,949,893)</u>	<u>60,715,787</u>
	<u>56,340,676</u>	<u>50,205,958</u>	<u>(23,949,893)</u>	<u>82,596,741</u>

## **Job And Talent Holding Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **31 Related party transactions**

##### **Group**

##### **Loans from related parties**

###### *Loans with Shareholders*

In 2017 convertible loans were issued by the directors/shareholders amounting €1,000,000. These had an interest rate of 5% and were repayable in 2019. See note 21 for details on the convertible loans.

###### *Payment of delayed 2017 compensation to Directors*

During the prior year the directors were advanced €100,944, this advance is remuneration for the directors in relation to 2017. No such advance was made in 2019. As at 31 December 2019 the balance has been settled (2018: €100,944).

###### *Loans from other related parties*

During 2018, the Group signed a loan with Associated Venture Corp., a company in which certain investors hold stakes in the parent company of the Group in the United Kingdom at the date of the closing. This credit line has a maximum amount of 10 million euros, payable in June 2020, which accrues an interest of 12% per year. As at 31 December 2019, the amounts disposed by the Company for this loan amount to €4,246,002 and are included within Amounts due to related parties in creditors.

##### **Company**

The company has taken advantage of the exemption under Section 33.1A of FRS 102 not to disclose related party transactions between wholly owned entities within the group.

In 2017 convertible loans were issued by the directors/shareholders amounting €1,000,000. These had an interest rate of 5% and were repayable in 2019. See note 21 for details on the convertible loans.

#### **32 Parent and ultimate parent undertaking**

In the directors' opinion there is no one ultimate controlling party.