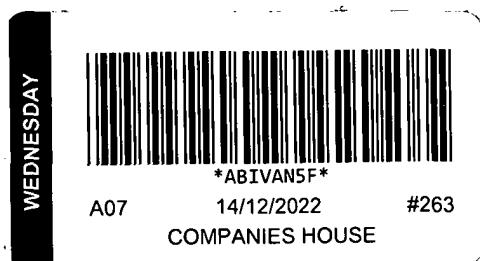


# Headhunter Systems Limited

Registered number: 07059614

## Annual report

For the year ended 31 December 2021



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**HEADHUNTER SYSTEMS LIMITED**

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**COMPANY INFORMATION**

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**Directors**

H Boyaci  
R N Malik  
M Velcich

**Company secretary**

D Whitefield

**Registered number**

07059614

**Registered office**

40 Anmersh Grove  
Stanmore  
HA7 1PA

**Independent auditor**

Mazars LLP  
Chartered Accountants & Statutory Auditor  
90 Victoria Street  
Bristol  
BS1 6DP

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**HEADHUNTER SYSTEMS LIMITED**

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## **HEADHUNTER SYSTEMS LIMITED**

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### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Introduction**

The directors present their Group strategic report for Headhunter Systems Limited (the company) and its subsidiaries (the group) for the year ended 31 December 2021.

The group has adopted the US dollar as the basis of preparing accounts.

#### **Business review**

The group results for the year show the total revenue at \$17,741,659 (2020: \$12,276,657), a 45% increase compared to the prior year and a loss for the financial year of \$6,559,487 (2020: \$3,955,165). All sectors of the business performed well during the unprecedented disruption arising from the Covid-19 pandemic. Various measures have been put in place to minimise the risk to the employees of the group in line with government guidance. The group has remained resilient to the impact of Covid-19 and demand for services continues to be high.

During July 2021, the company's wholly owned subsidiary, Graduway Inc, acquired 100% of Scope Analytics Inc., a US corporation for the outright purchase of intellectual property assets, customer relationships and goodwill relating to the PeerPal digital recruitment tool.

During November 2021, the company's wholly owned subsidiary, Graduway Inc, acquired 100% of Gravyty Holding Company LLC which is the 100% owner of Gravyty Technologies Inc., a US corporation for the outright purchase of intellectual property assets, customer relationships and goodwill. Gravyty provides expert personalized on-demand guidance for frontline fundraisers.

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

Cybercrime and fraud are becoming more pervasive, and we continually review our security measures to counteract this threat.

The company operates internationally which includes territories where there is political and economic uncertainty. The movement in foreign currencies does affect our business.

The Covid-19 pandemic continues to be a concern. The directors are aware of the challenges and have adopted policies and procedures to minimize health risks to staff and customers.

#### **Future developments**

The directors are constantly looking at opportunities to further grow the company both through organic growth and acquisition opportunities of similar companies.

#### **Going concern**

The directors have considered the financial position of the company and have concluded that it remains a going concern. This conclusion has been reached after future planning and budgeting has been completed, considering the growing market for digital services.

The balance sheet states a net positive position of \$16,868,984. Excluding secured non-current long term loans with a net debt position of \$34,262,021 due for repayment in February 2024, there is a net positive position of \$51,131,005. The directors have considered the financial position of the group and have concluded that there are sufficient funds to continue as a going concern. This conclusion has been reached after future planning and budgeting has been completed, considering the growing market for digital services across all the markets that the group serves.

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**HEADHUNTER SYSTEMS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Key financial performance indicators**

The group's key financial performance indicators are turnover and the profit/loss for the year. The group's turnover for the year increased to \$17,741,659 (2020: \$12,276,657) and the loss for the year increased to \$6,559,487 (2020: loss for the year of \$3,955,165).

This report was approved by the board and signed on its behalf by:

DocuSigned by:  
  
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**M Velcich**  
Director

Date: Dec 6, 2022

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## HEADHUNTER SYSTEMS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the audited consolidated financial statements for the year ended 31 December 2021.

#### Principal activity

The group and company's principal activity during the period continues to be the provision of web-based platforms that allow education institutions and non-profit organisations to have their own exclusive alumni, career and fundraising networks.

#### Results and dividends

The loss for the year, after taxation, amounted to \$6,559,487 (2020: loss of \$3,955,165).

No dividends were declared during the year (2020: \$nil).

#### Directors

The directors who served during the year and to the date of this report were:

R N Malik  
M Velcich  
S Banerjee (resigned 31 July 2022)  
D Cohen (resigned 31 July 2022)  
H Boyaci (appointed 31 July 2022)

#### Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then 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 group 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**HEADHUNTER SYSTEMS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Qualifying third party indemnity provisions**

The group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in place at the date of this report. No claim or notice of a claim in respect of these indemnities has been received in the year

**Matters covered in the Group strategic report**

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulation 2008 and by S414C(11) of the Companies Act 2006, certain matters which are required to be disclosed in Directors' report have been omitted as they are included in the Strategic report. These matters are considered to be of strategic importance to the group and include going concern and future developments.

**Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

**Post balance sheet events**

During May 2022, the company and the company's wholly owned subsidiary, Graduway Inc, acquired 100% of the assets of Gratavid for the outright purchase of intellectual property assets, customer relationships and goodwill. Gratavid provides a software interface that manages, assigns, and creates personalised videos for a list of contacts.

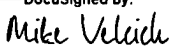
During June 2022, the company secured a further \$9,000,000 loan from its existing Lender, under the same terms to support the company's acquisition of Gratavid.

Post year end, the company has issued a further 722 ordinary shares at a nominal value of £0.01 for total consideration of £948,930.

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

DocuSigned by:  
  
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**M Velcich**  
Director

Date: Dec 6, 2022

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**HEADHUNTER SYSTEMS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEADHUNTER SYSTEMS LIMITED**

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**Opinion**

We have audited the financial statements of Headhunter Systems Limited (the 'company') its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the consolidated Statement of comprehensive income, the consolidated and company Statement of financial positions, the consolidated and company Statement of change in equity, the 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 FRS 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 and company's affairs as at 31 December 2021 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 and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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**HEADHUNTER SYSTEMS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEADHUNTER SYSTEMS LIMITED**

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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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the group Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the Directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 and 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 intend either to liquidate the group or company or to cease operations, or have no realistic alternative but to do so.

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**HEADHUNTER SYSTEMS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEADHUNTER SYSTEMS LIMITED**

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**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

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**HEADHUNTER SYSTEMS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEADHUNTER SYSTEMS LIMITED**

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Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit 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.

  
Jonathan Marchant (Dec 8, 2022 16:35 GMT)

Jonathan Marchant (Senior statutory auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street  
Bristol  
BS1 6DP

Date: 8 December 2022

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**HEADHUNTER SYSTEMS LIMITED**


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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	Note	2021 \$	2020 \$
Turnover	4	17,741,659	12,276,657
Cost of sales		(628,680)	(481,656)
<b>Gross profit</b>		<u>17,112,979</u>	<u>11,795,001</u>
Administrative expenses		(22,723,102)	(15,010,366)
<b>Operating loss</b>	5	(5,610,123)	(3,215,365)
Interest receivable and similar income		1,356	6,687
Interest payable and similar expenses	9	(1,113,947)	(826,564)
<b>Loss before taxation</b>		<u>(6,722,714)</u>	<u>(4,035,242)</u>
Tax on loss	10	163,227	80,077
<b>Loss for the financial year</b>		<u><u>(6,559,487)</u></u>	<u><u>(3,955,165)</u></u>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(6,559,487)</u></u>	<u><u>(3,955,165)</u></u>

The Consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 17 to 40 form part of these financial statements.

**HEADHUNTER SYSTEMS LIMITED**  
**REGISTERED NUMBER: 07059614**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
<b>Fixed assets</b>			
Intangible assets	11	60,703,303	11,301,946
Tangible fixed assets	12	284,254	233,622
		<u>60,987,557</u>	<u>11,535,568</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	4,785,588	2,941,792
Cash and cash equivalents	15	6,688,102	3,153,497
		<u>11,473,690</u>	<u>6,095,289</u>
Creditors: amounts falling due within one year	16	(15,995,999)	(10,117,359)
<b>Net current liabilities</b>		<u>(4,522,309)</u>	<u>(4,022,070)</u>
<b>Total assets less current liabilities</b>		<u>56,465,248</u>	<u>7,513,498</u>
Creditors: amounts falling due after more than one year	17	(34,262,021)	(12,773,461)
<b>Provisions for liabilities</b>			
Deferred tax	19	(5,334,243)	(192,669)
		<u>(5,334,243)</u>	<u>(192,669)</u>
<b>Net assets/(liabilities)</b>		<u><u>16,868,984</u></u>	<u><u>(5,452,632)</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	755	665
Share premium account	21	45,257,274	17,450,665
Treasury shares	21	(984,000)	-
Share based payments	21	3,955,041	1,896,637
Profit and loss account	21	(31,360,086)	(24,800,599)
<b>Total equity</b>		<u><u>16,868,984</u></u>	<u><u>(5,452,632)</u></u>

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**HEADHUNTER SYSTEMS LIMITED**  
**REGISTERED NUMBER: 07059614**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
589CC2789438448...  
**M Velcich**  
Director

Date: Dec 6, 2022

The notes on pages 17 to 40 form part of these financial statements.

**HEADHUNTER SYSTEMS LIMITED**  
**REGISTERED NUMBER: 07059614**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
<b>Fixed assets</b>			
Intangible assets	11	7,250,053	8,753,607
Tangible fixed assets	12	-	624
Investments	13	1,003	1,003
		<u>7,251,056</u>	<u>8,755,234</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	52,158,274	5,144,002
Cash and cash equivalents	15	6,123,450	2,855,059
		<u>58,281,724</u>	<u>7,999,061</u>
Creditors: amounts falling due within one year	16	(9,169,276)	(8,003,380)
<b>Net current assets/(liabilities)</b>		<u>49,112,448</u>	<u>(4,319)</u>
<b>Total assets less current liabilities</b>		<u>56,363,504</u>	<u>8,750,915</u>
Creditors: amounts falling due after more than one year	17	(34,262,021)	(12,735,118)
<b>Provisions for liabilities</b>			
Deferred taxation	19	(138,807)	(138,807)
		<u>(138,807)</u>	<u>(138,807)</u>
<b>Net assets/(liabilities)</b>		<u><u>21,962,676</u></u>	<u><u>(4,123,010)</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	755	665
Share premium account	21	45,257,274	17,450,665
Treasury shares	21	(984,000)	-
Share based payments	21	3,955,041	1,896,637
Profit and loss account	21	(26,266,394)	(23,470,977)
<b>Total equity</b>		<u><u>21,962,676</u></u>	<u><u>(4,123,010)</u></u>

The company has elected to take exemption under Section 408 of the Companies Act not to present its own Statement of comprehensive income in these financial statements. The loss for the year was \$2,795,417 (2020: loss of \$3,661,441).

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**HEADHUNTER SYSTEMS LIMITED**  
**REGISTERED NUMBER: 07059614**

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**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
588CC2789438448...  
**M Velcich**  
Director

Date: Dec 6, 2022

The notes on pages 17 to 40 form part of these financial statements.

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**HEADHUNTER SYSTEMS LIMITED**


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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	Called up share capital	Share premium account	Treasury shares	Share based payments	Profit and loss account	Total equity
	\$	\$	\$	\$	\$	\$
<b>At 1 January 2020</b>	609	10,071,335	-	1,296,017	(20,845,434)	(9,477,473)
<b>Comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(3,955,165)	(3,955,165)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	-	(3,955,165)	(3,955,165)
Shares issued during the year	56	7,379,330	-	-	-	7,379,386
Share based payments	-	-	-	600,620	-	600,620
<b>Total transactions with owners</b>	56	7,379,330	-	600,620	-	7,980,006
<b>At 1 January 2021</b>	665	17,450,665	-	1,896,637	(24,800,599)	(5,452,632)
<b>Comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(6,559,487)	(6,559,487)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	-	(6,559,487)	(6,559,487)
Shares issued during the year	90	27,806,609	-	-	-	27,806,699
Purchase of treasury shares	-	-	(984,000)	-	-	(984,000)
Share based payments	-	-	-	2,058,404	-	2,058,404
<b>Total transactions with owners</b>	90	27,806,609	(984,000)	2,058,404	-	28,881,103
<b>At 31 December 2021</b>	755	45,257,274	(984,000)	3,955,041	(31,360,086)	16,868,984

The notes on pages 17 to 40 form part of these financial statements.

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**HEADHUNTER SYSTEMS LIMITED**


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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	Called up share capital	Share premium account	Treasury shares	Share based payments	Profit and loss account	Total equity
	\$	\$	\$	\$	\$	\$
<b>At 1 January 2020</b>	609	10,071,335	-	1,296,017	(19,809,536)	(8,441,575)
<b>Comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(3,661,441)	(3,661,441)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	-	(3,661,441)	(3,661,441)
<b>Contributions by and distributions to owners</b>						
Shares issued during the year	56	7,379,330	-	-	-	7,379,386
Share based payments	-	-	-	600,620	-	600,620
<b>Total transactions with owners</b>	56	7,379,330	-	600,620	-	7,980,006
<b>At 1 January 2021</b>	665	17,450,665	-	1,896,637	(23,470,977)	(4,123,010)
<b>Comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(2,795,417)	(2,795,417)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	-	(2,795,417)	(2,795,417)
<b>Contributions by and distributions to owners</b>						
Shares issued during the year	90	27,806,609	-	-	-	27,806,699
Purchase of treasury shares	-	-	(984,000)	-	-	(984,000)
Share based payments	-	-	-	2,058,404	-	2,058,404
<b>Total transactions with owners</b>	90	27,806,609	(984,000)	2,058,404	-	28,881,103
<b>At 31 December 2021</b>	755	45,257,274	(984,000)	3,955,041	(26,266,394)	21,962,676

The notes on pages 17 to 40 form part of these financial statements.

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**HEADHUNTER SYSTEMS LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	2021 \$	2020 \$
<b>Cash flows from operating activities</b>		
Loss for the financial year	(6,559,487)	(3,955,165)
<b>Adjustments for:</b>		
Amortisation of intangible assets	3,288,179	1,558,940
Depreciation of tangible fixed assets	97,911	64,201
Interest paid	1,113,947	-
Interest received	(1,356)	-
Increase in debtors	(1,471,823)	(1,174,451)
Increase in creditors	5,105,158	3,693,873
Movement on corporation tax and deferred tax	5,072,229	(121,951)
Share based payments expense	2,058,404	600,621
<b>Net cash generated from operating activities</b>	<u>8,703,162</u>	<u>666,068</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(52,689,536)	(8,578,260)
Purchase of tangible fixed assets	(148,543)	(30,129)
Interest received	1,356	-
<b>Net cash used in investing activities</b>	<u>(52,836,723)</u>	<u>(8,608,389)</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	27,806,699	7,530,996
Additional secured loans	22,054,414	-
Repayment of loans	(95,000)	(20,035)
Interest paid	(1,113,947)	-
Treasury shares purchased	(984,000)	-
<b>Net cash generated from financing activities</b>	<u>47,668,166</u>	<u>7,510,961</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>3,534,605</u>	<u>(431,360)</u>
Cash and cash equivalents at beginning of year	3,153,497	3,397,113
<b>Cash and cash equivalents at the end of year</b>	<u><u>6,688,102</u></u>	<u><u>2,965,753</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	6,688,102	3,034,011
Bank overdrafts	-	(68,258)

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**HEADHUNTER SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

Headhunter Systems Limited is a private company limited by shares and is incorporated in England and Wales. The company's registered number is 07059614. The address of its registered office is 40 Anmersh Grove, Stanmore, HA7 1PA. The address of the company's principal place of business is 1 The Green, London, E4 7ES.

The group and company's principal activity continued to be the provision of web based platforms that allow education institutions and non-profit organisations to have their own exclusive alumni, career and fundraising networks.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the Company statement of cash flows.

The financial statements have been presented in US dollar as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest dollar.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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## HEADHUNTER SYSTEMS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

The directors have considered the financial position of the company and have concluded that it remains a going concern. This conclusion has been reached after future planning and budgeting has been completed, considering the growing market for digital services and accelerated demand because of the pandemic.

The balance sheet states a net positive position of \$16,868,984. Excluding secured non-current long term loans with a net debt position of \$34,262,021 due for repayment in February 2024, there is a net positive position of \$51,131,005. The directors have considered the financial position of the group and have concluded that there are sufficient funds to continue as a going concern. This conclusion has been reached after future planning and budgeting has been completed, considering the growing market for digital services across all the markets that the group serves.

##### 2.4 Foreign currency translation

###### Functional and presentation currency

The group's functional and presentation currency is USD.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

##### 2.5 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

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## HEADHUNTER SYSTEMS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.6 Operating leases: the group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.8 Interest receivable and similar income

Interest receivable and similar income is recognised in profit or loss using the effective interest method.

##### 2.9 Interest payable and similar expenses

Interest payable and similar expenses are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.10 Pensions

###### Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

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**HEADHUNTER SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.11 Share based payments**

The company provides share-based payment arrangements to certain of its and its subsidiary employees as well as certain non-employees. Equity-settled arrangements are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest. Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement. The company has no cash-settled arrangements.

The company (excluding its wholly owned subsidiaries) has four grantees and the measurement of the charge in the income statement for share-based payments is immaterial.

**2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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**HEADHUNTER SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.13 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer relationships	-	6 to 9 years straight line
Developed technology	-	7 years straight line
Goodwill	-	10 years straight line
Trade name	-	3 years straight line
Non-competition agreement	-	4 years straight line

Amortisation is included within the consolidated statement of comprehensive income within administrative expenses.

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**HEADHUNTER SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.14 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold buildings	- Over the lease term
Fixtures, fittings, tools and equipment	- 15%
Computer equipment	- 33%

Land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.16 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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## HEADHUNTER SYSTEMS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

##### 2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.19 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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**HEADHUNTER SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.19 Financial instruments (continued)**

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the group's accounting policies the directors are required to make judgements, estimates and other assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions which have a significant risk of causing material misstatement to the carrying amount of assets and liabilities are as follows:

**Intangible assets**

The methodology for valuing the intangible assets (details in note 11) is performed using appropriate methodologies, includes certain estimates made by management, relating to the valuation and impairments of intangible assets. Assets that are subject to amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 \$	2020 \$
Services rendered	17,741,659	12,276,657

Analysis of turnover by country of destination:

	2021 \$	2020 \$
United Kingdom	1,894,785	1,588,045
Rest of Europe	1,119,110	911,005
Rest of the world	14,727,764	9,777,607
	<u>17,741,659</u>	<u>12,276,657</u>

**5. Operating loss**

The operating loss is stated after charging/(crediting):

	2021 \$	2020 \$
Third party research and development charged as an expense	283,216	125,758
Exchange differences	31,035	(38,241)
Other operating lease rentals	551,373	489,336
Impairment of trade debtors	325,019	251,834
Depreciation of tangible fixed assets	97,911	64,201
Amortisation of intangible assets	3,288,179	1,595,397

**6. Auditor's remuneration**

	2021 \$	2020 \$
Fees payable to the group's auditor for the audit of the group's annual financial statements	44,772	35,682
<b>Fees payable to the group's auditor in respect of:</b>		
All other services	<u>5,717</u>	<u>-</u>

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Wages and salaries	11,192,924	8,174,728	97,230	43,102
Social security costs	473,719	418,584	31	680
Cost of defined contribution scheme	1,081,590	878,667	4,664	2,129
	<u>12,748,233</u>	<u>9,471,979</u>	<u>101,925</u>	<u>45,911</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Customer success	24	14	-	-
Administration	13	10	2	1
Sales and marketing	50	42	-	-
Research and development	22	19	-	-
	<u>109</u>	<u>85</u>	<u>2</u>	<u>1</u>

**8. Directors' remuneration**

	2021 \$	2020 \$
Directors' emoluments	387,565	283,604
Company contributions to defined contribution pension schemes	32,215	28,433
	<u>419,780</u>	<u>312,037</u>

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of \$419,780 (2021: \$312,037).

The key management personnel are the directors of the group.

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**9. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Bank loans and overdrafts	1,113,947	826,564
	<u>1,113,947</u>	<u>826,564</u>

**10. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Corporation tax</b>		
Current tax on losses for the year	(48,007)	22,676
<b>Total current tax</b>	<u>(48,007)</u>	<u>22,676</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(115,220)	(102,753)
<b>Total deferred tax</b>	<u>(115,220)</u>	<u>(102,753)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(163,227)</u>	<u>(80,077)</u>

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**10. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 \$	2020 \$
Loss on ordinary activities before tax	(6,722,714)	(4,035,242)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(1,277,316)	(766,696)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	25,570	231,251
Non-taxable expense	396,978	114,131
Other differences leading to an increase in taxation	263,331	151,239
Deferred tax not recognised	310,588	189,998
Prior year tax adjustment	117,622	-
<b>Total tax credit for the year</b>	<b>(163,227)</b>	<b>(80,077)</b>

**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**11. Intangible assets****Group**

	Developed technology \$	Customer Relationships \$	Trade name \$	Non-competition agreements \$	Goodwill \$	Assembled workforce \$	Total \$
<b>Cost</b>							
At 1 January 2021	976,885	5,755,784	178,353	13,537	6,388,512	399,917	13,712,988
Additions	20,606,086	3,051,809	1,354,732	19,727	27,657,182	-	52,689,536
Transfers between classes	-	-	-	-	399,917	(399,917)	-
At 31 December 2021	<u>21,582,971</u>	<u>8,807,593</u>	<u>1,533,085</u>	<u>33,264</u>	<u>34,445,611</u>	<u>-</u>	<u>66,402,524</u>
<b>Amortisation</b>							
At 1 January 2021	241,551	1,207,836	107,009	8,168	788,040	58,438	2,411,042
Charge for the year	624,746	1,115,528	73,736	9,508	1,464,661	-	3,288,179
Transfers between classes	-	-	-	-	58,438	(58,438)	-
At 31 December 2021	<u>866,297</u>	<u>2,323,364</u>	<u>180,745</u>	<u>17,676</u>	<u>2,311,139</u>	<u>-</u>	<u>5,699,221</u>
<b>Net book value</b>							
At 31 December 2021	<u>20,716,674</u>	<u>6,484,229</u>	<u>1,352,340</u>	<u>15,588</u>	<u>32,134,472</u>	<u>-</u>	<u>60,703,303</u>
At 31 December 2020	<u>735,334</u>	<u>4,547,948</u>	<u>71,344</u>	<u>5,369</u>	<u>5,600,472</u>	<u>341,479</u>	<u>11,301,946</u>

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**11. Intangible assets (continued)****Company**

	<b>Developed technology \$</b>	<b>Customer relation- ships \$</b>	<b>Trade name \$</b>	<b>Non- competition agree- ments \$</b>	<b>Goodwill \$</b>	<b>Assembled workforce \$</b>	<b>Total \$</b>
<b>Cost</b>							
At 1 January 2021	840,382	2,637,669	156,552	5,934	6,220,047	117,420	9,978,004
Additions	-	-	-	-	66,046	-	66,046
Transfers between classes	-	-	-	-	117,420	(117,420)	-
At 31 December 2021	<u>840,382</u>	<u>2,637,669</u>	<u>156,552</u>	<u>5,934</u>	<u>6,403,513</u>	<u>-</u>	<u>10,044,050</u>
<b>Amortisation</b>							
At 1 January 2021	105,048	638,060	85,208	565	370,965	24,551	1,224,397
Charge for the year	120,060	480,714	33,576	3,384	931,866	-	1,569,600
Transfers between classes	-	-	-	-	24,551	(24,551)	-
At 31 December 2021	<u>225,108</u>	<u>1,118,774</u>	<u>118,784</u>	<u>3,949</u>	<u>1,327,382</u>	<u>-</u>	<u>2,793,997</u>
<b>Net book value</b>							
At 31 December 2021	<u>615,274</u>	<u>1,518,895</u>	<u>37,768</u>	<u>1,985</u>	<u>5,076,131</u>	<u>-</u>	<u>7,250,053</u>
At 31 December 2020	<u>735,334</u>	<u>1,999,609</u>	<u>71,344</u>	<u>5,369</u>	<u>5,849,082</u>	<u>92,869</u>	<u>8,753,607</u>

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**12. Tangible fixed assets****Group**

	<b>Land and buildings \$</b>	<b>Fixtures, fittings, tools and equipment \$</b>	<b>Total \$</b>
<b>Cost</b>			
At 1 January 2021	187,347	259,552	446,899
Additions	-	148,543	148,543
At 31 December 2021	<u>187,347</u>	<u>408,095</u>	<u>595,442</u>
<b>Depreciation</b>			
At 1 January 2021	38,379	174,898	213,277
Charge for the year	18,735	79,176	97,911
At 31 December 2021	<u>57,114</u>	<u>254,074</u>	<u>311,188</u>
<b>Net book value</b>			
At 31 December 2021	<u>130,233</u>	<u>154,021</u>	<u>284,254</u>
At 31 December 2020	<u>148,968</u>	<u>84,654</u>	<u>233,622</u>

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Tangible fixed assets (continued)****Company**

	<b>Fixtures, fittings, tools and equipment \$</b>
<b>Cost</b>	
At 1 January 2021	5,538
At 31 December 2021	<u>5,538</u>
<b>Depreciation</b>	
At 1 January 2021	4,914
Charge for the year	624
At 31 December 2021	<u>5,538</u>
<b>Net book value</b>	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>624</u>

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**13. Fixed asset investments****Company**

	<b>Investments in subsidiary companies \$</b>
<b>Cost</b>	
At 1 January 2021	1,003
At 31 December 2021	<u>1,003</u>
<b>Net book value</b>	
At 31 December 2021	<u>1,003</u>
At 31 December 2020	<u>1,003</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Graduway Inc.	2815 Elliott Avenue Suite 201 and 202 Seattle WA 98121 USA	Provision of web based platforms that allow education institutions and non-profit organizations to have their own exclusive alumni, career and fundraising communities.	Ordinary	100%
Headhunter Technologies Limited	34 Yerushalayim Street Raanana Israel 4350108	Captive service provider to the group	Ordinary	100%
Gravyty Holding Company, LLC*	2815 Elliott Avenue Suite 201 and 202 Seattle WA 98121 USA	Holding company	Ordinary	100%
Scope Analytics, Inc.*	2815 Elliott Avenue Suite 201 and 202 Seattle WA 98121 USA	Provision of the PeerPal digital recruitment tool.	Ordinary	100%
Gravyty Technologies, Inc.*	2815 Elliott Avenue Suite 201 and 202 Seattle WA 98121 USA	Provision of web based platforms that provides expert personalized on-demand guidance for frontline fundraisers.	Ordinary	100%

\*indirect subsidiaries

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**14. Debtors**

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Trade debtors	3,631,538	2,706,144	2,382,879	2,516,916
Amounts owed by group undertakings	-	-	49,174,021	2,485,421
Other debtors	544,941	144,599	71,989	71,492
Prepayments and accrued income	609,109	91,049	529,385	70,173
	<u>4,785,588</u>	<u>2,941,792</u>	<u>52,158,274</u>	<u>5,144,002</u>

Trade debtors for the group are stated at net of a provision of \$191,134 (2020: \$121,287).

Amounts owed by group undertakings are unsecured, interest free and payable on demand.

**15. Cash and cash equivalents**

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Cash at bank and in hand	6,688,102	3,153,497	6,123,450	2,855,059
Less: bank overdrafts	-	(68,258)	-	(68,258)
	<u>6,688,102</u>	<u>3,085,239</u>	<u>6,123,450</u>	<u>2,786,801</u>

**16. Creditors: Amounts falling due within one year**

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Bank overdrafts	-	68,258	-	68,258
Bank loans (note 18)	350,000	-	350,000	-
Trade creditors	166,274	219,746	123,502	185,330
Corporation tax	302,628	-	-	-
Other taxation and social security	422,288	347,874	129,050	151,027
Other creditors	924,342	-	8,969	-
Accruals and deferred income	13,830,467	9,481,481	8,557,755	7,598,765
	<u>15,995,999</u>	<u>10,117,359</u>	<u>9,169,276</u>	<u>8,003,380</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**17. Creditors: Amounts falling due after more than one year**

	<b>Group 2021 \$</b>	<b>Group 2020 \$</b>	<b>Company 2021 \$</b>	<b>Company 2020 \$</b>
Bank loans (note 18)	34,262,021	12,652,607	34,262,021	12,652,607
Accruals and deferred income	-	120,854	-	82,511
	<u>34,262,021</u>	<u>12,773,461</u>	<u>34,262,021</u>	<u>12,735,118</u>

**18. Loans**

Analysis of the maturity of bank loans:

	<b>Group 2021 \$</b>	<b>Group 2020 \$</b>	<b>Company 2021 \$</b>	<b>Company 2020 \$</b>
Amounts falling due within one year	350,000	-	350,000	-
Amounts falling due between one and two years	350,000	12,652,607	350,000	12,652,607
Amounts falling due between two and five years	33,912,021	-	33,912,021	-
	<u>34,612,021</u>	<u>12,652,607</u>	<u>34,612,021</u>	<u>12,652,607</u>

The bank loans are secured by fixed and floating charges over the company's assets and a separate pledge agreement of the company's patents, trademarks and copyrights. The interest rate is variable, set at LIBOR plus a fixed margin. Repayment of the term loan is spread quarterly over the term of the loan which ends in February 2024.

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**19. Deferred taxation****Group**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
At beginning of year	(192,669)	(191,129)
Credited to profit or loss	115,220	121,951
Additional deferred tax on acquisition of Gravyty and Peerpal	(5,256,794)	(123,491)
<b>At end of year</b>	<b>(5,334,243)</b>	<b>(192,669)</b>

**Company**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
At beginning of year	(138,807)	(138,807)
<b>At end of year</b>	<b>(138,807)</b>	<b>(138,807)</b>

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accelerated capital allowances	(5,334,243)	(192,669)	(138,807)	(138,807)
	<b>(5,334,243)</b>	<b>(192,669)</b>	<b>(138,807)</b>	<b>(138,807)</b>

**20. Called up share capital**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Allotted, called up and fully paid</b>		
52,418 (2020: 49,207) Ordinary shares of £0.01 each	709	665
3,430 (2020: nil) Ordinary A shares of £0.01 each	46	-
	<b>755</b>	<b>665</b>

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**20. Called up share capital (continued)**

Ordinary shares confer upon their holders the right to receive notices of general meetings of the company, to participate and vote in the general meetings, to participate in the distribution of dividends and bonus shares, to participate in distribution of surplus assets and funds in the company in the event of liquidation according to its relative repaid amount.

The company issued A ordinary shares, which rank pari passu with the ordinary shares expect for certain rights of transfer and all as defined in the company's Articles of Association.

During the year the company issued 6,654 ordinary shares at a nominal value of £0.01 for total consideration of £20,147,590.

**21. Reserves****Share premium account**

The share premium account represents the amounts received in respect of the share issue which were in excess of the nominal value of the shares.

**Treasury shares**

Treasury shares represent the consideration paid for shares which have been issued and subsequently reacquired by the company.

**Share based payments**

This reserve comprises the fair value of options recognised as an expense. Upon exercise of options, any proceeds received are credited to share capital. The share based payment reserve remains as a separate component of equity.

**Profit and loss account**

The profit and loss account includes all prior and current period retained profits and losses.

**22. Consolidated analysis of net debt**

	At 1 January 2021 \$	Cash flows \$	At 31 December 2021 \$
Cash at bank and in hand	3,153,497	3,534,605	6,688,102
Bank overdrafts	(68,258)	68,258	-
Debt due after 1 year	(12,652,607)	(21,609,414)	(34,262,021)
Debt due within 1 year	-	(350,000)	(350,000)
	<u>(9,567,368)</u>	<u>(18,356,551)</u>	<u>(27,923,919)</u>

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**HEADHUNTER SYSTEMS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**23. Share based payments**

On 19 April 2018, the directors approved a reservation of 6,581 of the company's ordinary share capital for the purpose of grant of options and/or issuance of shares in accordance with the Share Award Plan ("Plan").

On 21 April 2021, the directors approved a reservation of a further 4,369 of the company's ordinary share capital for the purpose of grant of options and/or issuance of shares in accordance with the Plan.

The options are granted with a fixed exercise price, vest linearly over three to four years from the date of grant and expire ten years after the date of grant. Employees and consultants are required to remain in contract with the company and/or its subsidiaries until exercise, otherwise the awards lapse.

A summary of the activity in stock options granted to employees is as follows:

	<b>Weighted average exercise price 2021</b>	<b>Number 2021</b>	<b>Weighted average exercise price 2020</b>	<b>Number 2020</b>
Outstanding at the beginning of the year	956.93	6,443	850.49	6,001
Granted during the year	2,574.16	5,198	1,444.68	1,048
Exercised during the year	722.87	(488)	0.01	(37)
Forfeited and expired during the year	1,851.48	(892)	794.91	(569)
<b>Outstanding at the end of the year</b>	<b>1,709.55</b>	<b>10,261</b>	<b>956.93</b>	<b>6,443</b>

The fair value for the company's stock options granted to employees and directors was estimated using a Black-Scholes option-pricing model with the following weighted average assumptions:

	<b>2021</b>	<b>2020</b>
Dividend yield	0%	0%
Expected volatility	50%	50%
Expected term (in years)	6-6.25	6
Risk-free interest rate	0.87%-1.2%	0.45%-1.74%
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Equity-settled schemes	2,058,404	600,620

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**HEADHUNTER SYSTEMS LIMITED**


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**24. Contingent liabilities**

During September 2022, a customer made allegations against the Company claiming damages from the company relating to a commercial agreement. The customer has threatened to take legal action if the damages claimed are not paid. The Company entirely rejects the allegations made as they are frivolous and wholly unsubstantiated. The Company has retained counsel to defend itself against the claims whilst actively engaging in dialogue with the customer to resolve the matter amicably. As a result, the Company has not made any provision for potential costs in relation to this matter.

**25. Pension commitments**

The group makes contributions into defined contribution pensions schemes on behalf of certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. The total amount recognised in Statement of comprehensive income during the year was \$1,081,590 (2020: \$878,667). At the year end an amount of \$199,655 (2020: \$130,798) was outstanding.

**26. Commitments under operating leases**

At 31 December 2021 the group and company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

<b>Group</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Not later than 1 year	219,334	489,335
Later than 1 year and not later than 5 years	30,256	-
	<u>249,590</u>	<u>489,335</u>

**27. Related party transactions**

The group has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with 100% owned group companies.

**28. Post balance sheet events**

During May 2022, the company and the company's wholly owned subsidiary, Graduway Inc, acquired 100% of the assets of Gratavid for the outright purchase of intellectual property assets, customer relationships and goodwill. Gratavid provides a software interface that manages, assigns, and creates personalised videos for a list of contacts.

During June 2022, the company secured a further \$9,000,000 loan from its existing Lender, under the same terms to support the company's acquisition of Gratavid.

Post year end, the company has issued a further 722 ordinary shares at a nominal value of £0.01 for total consideration of £948,930.

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**HEADHUNTER SYSTEMS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**29. Controlling party**

The immediate parent undertaking is Graduway Holdings LLC, incorporated in Delaware, USA, by virtue of its majority shareholding. The principal place of business of the parent is 875 Manhattan Beach Blvd, Manhattan Beach, California, USA.

The ultimate controlling party of the group is K3 Private Investors LP.