

AMBERJACK GLOBAL LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

AMBERJACK GLOBAL LIMITED

COMPANY INFORMATION

Directors

C Bostock
K Harvey
S Meaney
C Sissons
J M Butler (appointed 25 April 2017)
J A Butler (appointed 25 April 2017)

Registered number

03907607

Registered office

Newbury House
20 Kings Road West
Newbury
Berkshire
RG14 5XR

Accountants

James Cowper Kreston
Chartered Accountants and Statutory Auditor
Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

AMBERJACK GLOBAL LIMITED

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AMBERJACK GLOBAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2018

The directors present their report and the financial statements for the year ended 31 January 2018.

Business review

The early careers market continues to be buoyant as technological advancement stimulates an unprecedented pace of change creating tremendous opportunity for growth in each of our four lines of services: Technology, Recruitment Process Outsourcing (RPO), Attraction and Consulting.

We continue to put service excellence at the heart of our strategic agenda with revenue assurance being the most important of our five strategic pillars. We are proud of our long-standing relationships with our clients, including many premium global brands, and the market recognition through the multiple awards we have received for the work that we do with them.

We are unique within the Early Careers Market in being able to offer a full suite of technology-led services throughout a recruitment campaign, with many clients engaging the business for an end-to-end service provision, with others simply contracting Amberjack's technology platforms on a standalone basis.

Our award winning inhouse consulting designed recruitment processes leverage our proprietary technology platforms and ensure future annuity revenues. Continued emphasis on innovation in both design and technology combined with substantial investment in evolving and enhancing our technology offering has resulted in strong revenue growth, up 22% year on year, from £3.770m January 2017 to £4.580m January 2018 at improved operating margins of 17.5% (£803k) compared with 15.9% (£600k) January 2017. Having achieved our strategic objective of exceeding £1m EBITDA, excluding exception items, in the year to January 2018, we are now on schedule to exceed our growth objectives as set in our five-year plan to January 2020.

Exceptional items

During the year the company had to impair a loan owed by TalentSee which has resulted in an exceptional finance cost of £633k during the year ended 31 January 2018.

Directors

The directors who served during the year were:

C Bostock
K Harvey
S Meaney
C Sissons
J M Butler (appointed 25 April 2017)
J A Butler (appointed 25 April 2017)

Small companies note

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

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

.....
C Bostock
Director

Date: 18 October 2018

AMBERJACK GLOBAL LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF AMBERJACK GLOBAL LIMITED
FOR THE YEAR ENDED 31 JANUARY 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Amberjack Global Limited for the year ended 31 January 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Amberjack Global Limited, as a body, in accordance with the terms of our engagement letter dated 5 April 2005. Our work has been undertaken solely to prepare for your approval the financial statements of Amberjack Global Limited and state those matters that we have agreed to state to the Board of Directors of Amberjack Global Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Amberjack Global Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Amberjack Global Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Amberjack Global Limited. You consider that Amberjack Global Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Amberjack Global Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX
19 October 2018

AMBERJACK GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2018

	Note	2018 £	2017 £
Turnover		4,580,137	3,769,602
Cost of sales		(916,305)	(733,371)
Gross profit		3,663,832	3,036,231
Administrative expenses		(2,926,182)	(2,450,220)
Exceptional administrative expenses		-	(51,358)
Other operating income	3	64,999	65,177
Operating profit		802,649	599,830
Exceptional financing costs - impairment of loans		(633,805)	-
Interest receivable and similar income		116,455	109,967
Interest payable and expenses		(77,433)	(146,213)
Profit before tax		207,866	563,584
Tax on profit		12,003	(49,702)
Profit for the financial year		219,869	513,882

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 7 to 16 form part of these financial statements.

AMBERJACK GLOBAL LIMITED
REGISTERED NUMBER: 03907607

BALANCE SHEET
AS AT 31 JANUARY 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	7	524,083	228,690
Tangible assets	8	41,112	36,740
		<u>565,195</u>	<u>265,430</u>
Current assets			
Debtors: amounts falling due within one year	9	1,061,826	1,797,873
Cash at bank and in hand	10	383,477	225,382
		<u>1,445,303</u>	<u>2,023,255</u>
Creditors: amounts falling due within one year	11	(1,462,732)	(1,443,620)
Net current (liabilities)/assets		<u>(17,429)</u>	<u>579,635</u>
Total assets less current liabilities		<u>547,766</u>	<u>845,065</u>
Creditors: amounts falling due after more than one year	12	(181,686)	(477,202)
Provisions for liabilities			
Deferred tax	14	(30,217)	(41,869)
		<u>(30,217)</u>	<u>(41,869)</u>
Net assets		<u><u>335,863</u></u>	<u><u>325,994</u></u>
Capital and reserves			
Called up share capital		1,500	1,500
Profit and loss account		334,363	324,494
		<u><u>335,863</u></u>	<u><u>325,994</u></u>

AMBERJACK GLOBAL LIMITED
REGISTERED NUMBER: 03907607

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

.....
C Bostock

Director

Date: 18 October 2018

The notes on pages 7 to 16 form part of these financial statements.

AMBERJACK GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2017	1,500	324,494	325,994
Comprehensive income for the year			
Profit for the year	-	219,869	219,869
Dividends: Equity capital	-	(210,000)	(210,000)
At 31 January 2018	1,500	334,363	335,863

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2016	1,500	200,612	202,112
Comprehensive income for the year			
Profit for the year	-	513,882	513,882
Dividends: Equity capital	-	(390,000)	(390,000)
At 31 January 2017	1,500	324,494	325,994

The notes on pages 7 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

1. General information

Amberjack Global Limited is a private company, limited by shares and incorporated in England and Wales. The address of its registered office and principal place of business is disclosed on the company information page at the front of the full accounts.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 Going concern

The Directors consider the entity to have sufficient resources to continue operating for the foreseeable future. In performing their review the Directors have considered the fact that the net current assets have reduced to a liability of £22,430 (2017: asset of £579,635). However, this is due to an exceptional finance cost in the year, being the TalentSee loan write off of £633,805. As liabilities consist of a large deferred income balance of £412,706 (2017: £455,096) and the company has continued to be highly profitable post year end, the Directors deem the entity to be a going concern and the accounts have been prepared on this basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.5 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.

2.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 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.

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.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

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:

Fixtures and fittings	- 25% straight line
Computer equipment	- 33% straight line

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 the Statement of Comprehensive Income.

2.14 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.

2.15 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.

2.16 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.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial instruments

The Company 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 non-puttable ordinary shares.

AMBERJACK GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Other operating income

	2018 £	2017 £
Net rents receivable	64,999	65,177
	<u>64,999</u>	<u>65,177</u>

4. Employees

The average monthly number of employees, including directors, during the year was 62 (2017 - 47).

5. Adjusted EBITDA

	2018 £	2017 £
Profit before tax	208,217	563,584
add:		
Interest receivable and similar income	(116,455)	(109,967)
Interest payable and expenses	77,433	146,213
Depreciation	23,462	24,006
Amortisation	224,812	151,410
EBITDA	<u>417,469</u>	<u>775,246</u>
add back other exceptional items:		
Exceptional administrative expenses	-	51,358
TalentSee loan write-off	633,805	-
Adjusted EBITDA	<u>1,051,274</u>	<u>826,604</u>

AMBERJACK GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

6. Exceptional items

	2018 £	2017 £
Staff costs	-	51,538
TalentSee loan write-off	633,805	-
	<u>633,805</u>	<u>51,538</u>

Exceptional items in the year relate to the writing off of the loan to TalentSee Limited. As at 31 January 2017 an amount of £891,527 was owed to the company by TalentSee Limited, a company under common control. In the year, £633,805 was written off this loan.

In the prior year, exceptional items related to exceptional recruitment and termination costs.

7. Intangible assets

	Development expenditure £
Cost	
At 1 February 2017	454,231
Additions	520,205
	<u>974,436</u>
At 31 January 2018	
Amortisation	
At 1 February 2017	225,541
Charge for the year	224,812
	<u>450,353</u>
At 31 January 2018	
Net book value	
At 31 January 2018	<u>524,083</u>
At 31 January 2017	<u>228,690</u>

AMBERJACK GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

8. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 February 2017	78,121	179,615	257,736
Additions	6,121	21,713	27,834
Disposals	-	(108,116)	(108,116)
At 31 January 2018	<u>84,242</u>	<u>93,212</u>	<u>177,454</u>
Depreciation			
At 1 February 2017	47,862	173,134	220,996
Charge for the year on owned assets	16,752	6,710	23,462
Disposals	-	(108,116)	(108,116)
At 31 January 2018	<u>64,614</u>	<u>71,728</u>	<u>136,342</u>
Net book value			
At 31 January 2018	<u>19,628</u>	<u>21,484</u>	<u>41,112</u>
At 31 January 2017	<u>30,259</u>	<u>6,481</u>	<u>36,740</u>

9. Debtors

	2018 £	2017 £
Trade debtors	665,793	666,861
Other debtors	198,000	960,527
Prepayments and accrued income	198,033	170,485
	<u>1,061,826</u>	<u>1,797,873</u>

The other debtors balance has decreased by £763,527. This is due in a large part to the loan write off of £633,805 between TalentSee Limited and Amberjack Global Limited. For further details see note 18.

AMBERJACK GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

10. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	383,477	225,382
	<u>383,477</u>	<u>225,382</u>

11. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank loans	41,000	166,666
Trade creditors	301,926	208,454
Corporation tax	-	41,135
Other taxation and social security	259,849	201,508
Other creditors	100,000	81,000
Accruals and deferred income	759,957	744,857
	<u>1,462,732</u>	<u>1,443,620</u>

Included within bank loans are short-term loans of £41,000 (2017: £166,666) which are secured by a fixed charge over the book debts of the company and a floating charge over the assets and undertakings of the company.

12. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Bank loans	181,686	477,202
	<u>181,686</u>	<u>477,202</u>

Bank loans of £181,686 (2017: £477,202) are secured by a fixed charge over the book debts of the company and a floating charge over the assets and undertakings of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

13. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	41,000	166,666
	<u>41,000</u>	<u>166,666</u>
Amounts falling due 1-2 years		
Bank loans	181,686	477,202
	<u>181,686</u>	<u>477,202</u>
	<u>222,686</u>	<u>643,868</u>

14. Deferred taxation

	2018 £
At beginning of year	(41,869)
Charged to profit or loss	11,652
At end of year	<u><u>(30,217)</u></u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(42,881)	(41,869)
Tax losses carried forward	11,627	-
Short term timing differences	1,037	-
	<u><u>(30,217)</u></u>	<u><u>(41,869)</u></u>

15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £35,062 (2017 : £44,780).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

16. Commitments under operating leases

At 31 January 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	203,564	216,147
Later than 1 year and not later than 5 years	673,377	652,482
Later than 5 years	448,918	673,377
	<u>1,325,859</u>	<u>1,542,006</u>

17. Transactions with directors

During the year £210,000 (2017: £390,000) dividends were paid to directors of the company.

J Butler - £70,000 (2017: £130,000)

J Pratt - £35,000 (2017: £65,000)

K Harvey - £70,000 (2017: £130,000)

C Bostock - £35,000 (2017: £65,000)

At the year end, the company was owed £193,000 (2017: £69,000) by the directors. This amount is included within other debtors.

18. Related party transactions

Included within other debtors as at 31 January 2017 was an amount of £891,527 owed by TalentSee Limited, a company under common control. In the year, the remaining balance of this loan of £633,805 was written off. Interest is charged on the loan at a commercial rate based on the loan amount outstanding from 1 February 2017. Interest charges for the year amounted to £116,455 (2017: £109,967).