

# NGA Human Resources Denmark A/S

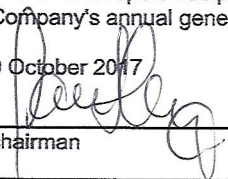
Høfdingsvej 34  
2500 Valby

CVR no. 30 17 84 40

## Annual report 2016/17

The annual report was presented and approved at the  
Company's annual general meeting on

9 October 2017

  
\_\_\_\_\_  
chairman

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of NGA Human Resources Denmark A/S for the financial year 1 May 2016 – 30 April 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

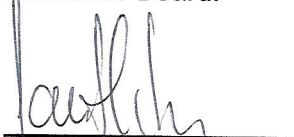
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 April 2017 and of the results of the Company's operations for the financial year 1 May 2016 – 30 April 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 9 October 2017

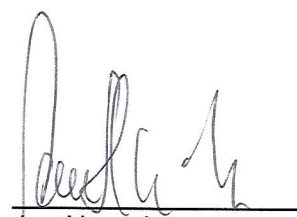
Executive Board:

  
\_\_\_\_\_  
Jan Hagedorn

Board of Directors:

\_\_\_\_\_  
Stuart Ross  
Chairman

\_\_\_\_\_  
Adel Bedry Al-Saleh

  
\_\_\_\_\_  
Jan Hagedorn



## **Independent auditor's report**

### **To the shareholders of NGA Human Resources Denmark A/S**

#### **Opinion**

We have audited the financial statements of NGA Human Resources Denmark A/S for the financial year 1 May 2016 – 30 April 2017 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 April 2017 and of the results of the Company's operations for the financial year 1 May 2016 – 30 April 2017 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines 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, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## Independent auditor's report

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

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 9 October 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Henrik Kyhnauv  
State Authorised  
Public Accountant  
MNE no. 40028

**NGA Human Resources Denmark A/S**  
Annual report 2016/17  
CVR no. 30 17 84 40

## **Management's review**

### **Company details**

NGA Human Resources Denmark A/S  
Høffdingsvej 34  
2500 Valby

Telephone: +45 33 38 40 50  
E-mail: info.dk@northgatearinso.com

CVR no.: 30 17 84 40  
Established: 29 December 2006  
Registered office: Copenhagen  
Financial year: 1 May – 30 April

### **Board of Directors**

Stuart Ross, Chairman  
Adel Bedry Al-Saleh  
Jan Hagedorn

### **Executive Board**

Jan Hagedorn

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

## Management's review

### Operating review

#### Principal activities

The principal activities of the Company consist of services for companies in connection with outsourcing of HR-related activities, consultancy, HR-related services, integration consulting, transition assignments and other HR-related processes by the use of IT technology for domestic as well as foreign companies.

#### Development in activities and financial position

In the financial year 2016/17, the Company realised a loss of DKK 2,070 thousand (2015/16: loss of DKK 1,253 thousand).

At 30 April 2017, the Company's equity was negative by DKK 10,428 thousand (30 April 2015: negative by DKK 8,358 thousand), and the Company is subject to the provisions of the Danish Companies Act regarding loss of company capital.

At 24. July 2017, the Management of NorthgateArinso Belgium NV has confirmed that NorthgateArinso Belgium NV will undertake to provide financial and all other necessary support to enable NGA Human Resources Denmark A/S to pay its liabilities as and when they fall due and to fulfil its contracts with customers, including work in progress. The confirmation is valid for twelve months following the signature of the annual report of NGA Human Resources Denmark A/S, or until all liabilities and obligations have been settled.

#### Events after the balance sheet date

There have been no subsequent events materially affecting the evaluation of the annual report.



## Financial statements 1 May – 30 April

### Income statement

DKK	Note	2016/17	2015/16
<b>Gross profit</b>		3,446,885	2,878,191
Staff costs	2	-5,209,436	-3,822,536
Depreciation		-837	-3,612
<b>Operating loss</b>		-1,763,388	-947,957
Financial income		38,576	627
Financial expenses	3	-345,659	-305,691
<b>Loss before tax</b>		-2,070,471	-1,253,021
Tax on loss for the year		0	0
<b>Loss for the year</b>		-2,070,471	-1,253,021
<b>Proposed distribution of loss</b>			
Retained earnings		-2,070,471	-1,253,021

## Financial statements 1 May – 30 April

### Balance sheet

DKK	Note	2016/17	2015/16
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		0	837
		0	837
<b>Total fixed assets</b>		0	837
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		581,132	487,728
Other receivables		30,000	98,741
Prepayments		230,684	25,373
		841,816	611,842
<b>Cash at bank and in hand</b>		831,077	205,211
<b>Total current assets</b>		1,672,893	817,053
<b>TOTAL ASSETS</b>		1,672,893	817,890

## Financial statements 1 May – 30 April

### Balance sheet

DKK	Note	2016/17	2015/16
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	4	500,000	500,000
Retained earnings		-10,928,260	-8,857,789
<b>Total equity</b>		<u>-10,428,260</u>	<u>-8,357,789</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		56,925	245,258
Payables to group entities		6,241,054	7,900,150
Other payables		1,241,247	1,030,271
Deferred income		4,561,927	0
		<u>12,101,153</u>	<u>9,175,679</u>
<b>Total liabilities other than provisions</b>		<u>12,101,153</u>	<u>9,175,679</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,672,893</u>	<u>817,890</u>
Contractual obligations, contingencies, etc.	5		
Related party disclosures	6		
Disclosure of unusual circumstances	7		

## Financial statements 1 May – 30 April

### Notes

#### 1 Accounting policies

The annual report of NGA Human Resources Denmark A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Income from the sale of services, which comprises service contracts, is recognised in revenue on a straight-line basis when delivered as the services are delivered in the form of an indefinable number of actions over a specific period of time.

##### Operating costs

Operating costs comprise costs incurred during the year for subcontractors.

## Financial statements 1 May – 30 April

### Notes

#### 1 Accounting policies (continued)

##### Other external costs

Other external costs comprise costs related to sales, sales campaigns, administration, office premises, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

##### Financial income and expenses

Financial income and expenses are included in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest, realised and unrealised gains and losses on transactions denominated in foreign currencies.

##### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

##### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other

## Financial statements 1 May – 30 April

### Notes

#### 1 Accounting policies (continued)

operating income or other operating costs, respectively.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired.

#### Equity

##### *Dividends*

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax value, e.g. shares regarding, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Deferred net tax assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. This year, a tax rate of 22 % is applied.

#### Liabilities other than provisions

Payables are measured at amortised cost, equivalent to nominal value.

## Financial statements 1 May – 30 April

### Notes

DKK	<u>2016/17</u>	<u>2015/16</u>
<b>2 Staff costs</b>		
Wages and salaries	4,777,082	3,507,636
Pensions	357,751	277,283
Other social security costs	36,266	9,847
Other staff costs	<u>38,337</u>	<u>27,770</u>
	<u>5,209,436</u>	<u>3,822,536</u>
Average number of full-time employees	<u>5</u>	<u>4</u>
<b>3 Financial expenses</b>		
Interest expense to group entities	288,572	260,280
Foreign exchange losses	9,181	13,676
Other financial expenses	<u>47,906</u>	<u>31,735</u>
	<u>345,659</u>	<u>305,691</u>

### 4 Share capital

The share capital consists of 500,000 shares of a nominal value of DKK 1 each.

All shares rank equally.

There have been no changes in the share capital during the last five years.

### 5 Contractual obligations, contingencies, etc.

#### Contingent liabilities

The Company has entered into a lease agreement on office premises which is non-terminable for six months, for which period the lease obligation amounts to DKK 60 thousand.

The Company has not recognised a deferred tax asset of DKK 4,203 thousand, calculated at a tax rate of 22% primarily consisting of tax loss carryforwards. At the time of the financial reporting, there is uncertainty as to whether the deferred tax asset can be utilised as a set-off against tax on future income.

## Financial statements 1 May – 30 April

### Notes

#### 6 Related party disclosures

##### Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

##### Consolidated financial statements

NGA Human Resources Denmark A/S is part of the consolidated financial statements of Northgate Luxembourg Holdings GP S.à.r.l, 2 Rue du Fossé, L-1536 Luxembourg, Luxembourg, which is the smallest group in which the Company is included as a subsidiary.

NGA Human Resources Denmark A/S is part of the consolidated financial statements of Northgate Information Solutions Limited, Peoplebuilding 2, Maylands Avenue, Hemel Hempstead, Herts, HP2 4NW, Great Britain which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements can be obtained by written enquiry.

#### 7 Disclosure of unusual circumstances

In consequence of the negative equity, the Company is subject to the capital loss provisions of the Danish Companies Act. The Company's parent company in Belgium, NorthgateArinso Belgium NV, has confirmed its support to the continued operations of the Company and guaranteed to settle the Company's liabilities. The confirmation is valid for twelve months after signature of the annual report of NGA Human Resources Denmark A/S or until all liabilities and obligations are settled.