

NGA Human Resources Denmark ApS

Rådhuspladsen 16
1550 København V
Denmark

CVR no. 30 17 84 40

Annual report 2019/20

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

16 December 2020

Gerard Willem Lam
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 ApS for the financial year 1 May 2019 – 30 April 2020.

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 2020 and of the results of the Company's operations for the financial year 1 May 2019 – 30 April 2020.

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, 16 December 2020
Executive Board:

Gerard Willem Lam

Board of Directors:

Gillian Tiffney Nolan

Katie Jaclyn Rooney

Gerard Willem Lam

Independent auditor's report

To the shareholder of NGA Human Resources Denmark ApS

Opinion

We have audited the financial statements of NGA Human Resources Denmark ApS for the financial year 1 May 2019 – 30 April 2020 comprising income statement, balance sheet, statement of changes in equity 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 2020 and of the results of the Company's operations for the financial year 1 May 2019 – 30 April 2020 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.

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

Independent auditor's report

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.

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 16 December 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Kyhnav
State Authorised
Public Accountant
mne40028

NGA Human Resources Denmark ApS
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Management's review

Company details

NGA Human Resources Denmark ApS
Rådhuspladsen 16
1550 København V
Denmark

Telephone: +45 35 38 40 50
E-mail: info.dk@northgearinso.com

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

Board of Directors

Gillian Tiffney Nolan
Katie Jaclyn Rooney
Gerard Willem Lam

Executive Board

Gerard Willem Lam

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

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 2019/20, the Company realised a loss of DKK 21,077 thousand (2018/19: loss of DKK 18,595 thousand).

At 30 April 2020, the Company's equity was negative by DKK 49,172 thousand (30 April 2019: negative by DKK 28,596 thousand), and the Company is subject to the provisions of the Danish Companies Act regarding loss of company capital.

At 3. Juli 2020, the Management of NorthgateArinso Belgium BV has confirmed that NorthgateArinso Belgium BV will undertake to provide financial and all other necessary support to enable NGA Human Resources Denmark ApS 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 ApS, 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	2019/20	2018/19
Gross loss		-16,532,709	-15,289,908
Staff costs	2	-2,468,505	-2,890,838
Depreciation, amortisation and impairment losses		-225,727	0
Operating loss		-19,226,941	-18,180,746
Other financial income		893,379	370,333
Other financial expenses	3	-2,743,168	-785,047
Loss before tax		-21,076,730	-18,595,460
Tax on profit/loss for the year		0	0
Loss for the year		-21,076,730	-18,595,460
Proposed distribution of loss			
Retained earnings		-21,076,730	-18,595,460

Financial statements 1 May – 30 April

Balance sheet

DKK	Note	30/4 2020	30/4 2019
ASSETS			
Fixed assets			
Property, plant and equipment			
	4		
Land and buildings		427,015	0
Fixtures and fittings, tools and equipment		69,249	0
		<u>496,264</u>	<u>0</u>
Non-current assets			
Trade receivables		3,623,064	5,541,135
Prepayments		26,509,343	25,924,281
		<u>30,132,407</u>	<u>31,465,416</u>
Total fixed assets		<u>30,628,671</u>	<u>31,465,416</u>
Current assets			
Receivables			
Trade receivables		1,250,166	4,281,940
Receivables from group entities		6,712,930	8,254,583
Other receivables		221,414	283,823
Prepayments		16,390,889	15,792,265
		<u>24,575,399</u>	<u>28,612,611</u>
Cash at bank and in hand		<u>1,108,462</u>	<u>353,247</u>
Total current assets		<u>25,683,861</u>	<u>28,965,858</u>
TOTAL ASSETS		<u><u>56,312,532</u></u>	<u><u>60,431,274</u></u>

Financial statements 1 May – 30 April

Balance sheet

DKK	Note	30/4 2020	30/4 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Retained earnings		<u>-49,672,344</u>	<u>-28,595,615</u>
Total equity		<u>-49,172,344</u>	<u>-28,095,615</u>
Liabilities			
Non-current liabilities			
Lease obligations		213,396	0
Other payables		3,820,489	3,287,248
Deferred income		<u>7,791,080</u>	<u>13,711,690</u>
		<u>11,824,965</u>	<u>16,998,938</u>
Current liabilities			
Lease obligations		222,007	0
Trade payables		224,341	322,337
Payables to group entities		79,245,260	48,760,752
Other payables		6,741,283	4,329,162
Deferred income		<u>7,227,020</u>	<u>18,115,700</u>
		<u>93,659,911</u>	<u>71,527,951</u>
Total liabilities		<u>105,484,876</u>	<u>88,526,889</u>
TOTAL EQUITY AND LIABILITIES		<u>56,312,532</u>	<u>60,431,274</u>
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Financial statements 1 May – 30 April

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 May 2019	500,000	-28,595,614	-28,095,614
Transferred over the distribution of loss	0	-21,076,730	-21,076,730
Equity at 30 April 2020	500,000	-49,672,344	-49,172,344

Financial statements 1 May – 30 April

Notes

1 Accounting policies

The annual report of NGA Human Resources Denmark ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Gross profit

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

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.

Other external costs

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

Financial statements 1 May – 30 April

Notes

1 Accounting policies (continued)

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.

Balance sheet

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.

Receivables comprise receivables of income incurred relating to subsequent financial years.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

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.

Financial statements 1 May – 30 April

Notes

1 Accounting policies (continued)

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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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. Any deferred net 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 or equity, respectively.

Liabilities

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

2 Staff costs

DKK	2019/20	2018/19
Wages and salaries	2,301,384	2,662,785
Pensions	110,909	167,600
Other social security costs	32,428	41,387
Other staff costs	23,784	19,066
	<u>2,468,505</u>	<u>2,890,838</u>
Average number of full-time employees	<u>4</u>	<u>4</u>

3 Other financial expenses

DKK	2019/20	2018/19
Interest expense to group entities	1,283,869	447,952
Other financial costs	45,864	25,006
Exchange losses	1,413,435	312,089
	<u>2,743,168</u>	<u>785,047</u>

Financial statements 1 May – 30 April

Notes

4 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost at 1 May 2019	0	0	0
Additions for the year	640,522	81,469	721,991
Cost at 30 April 2020	640,522	81,469	721,991
Depreciation for the year	-213,507	-12,220	-225,727
Depreciation and impairment losses at 30 April 2020	-213,507	-12,220	-225,727
Carrying amount at 30 April 2020	427,015	69,249	496,264
Assets held under finance leases	427,015	0	0

5 Disclosure of material uncertainties regarding going concern

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 BV, 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 ApS or until all liabilities and obligations are settled.

6 Contractual obligations, contingencies, etc.

Contingent liabilities

Inline with accounting policies the Company has not recognised a deferred tax asset of DKK 12,582 thousand, as it is not expected to be utilised within a foreseeable future. The deferred asset is 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.

7 Related party disclosures

Consolidated financial statements

NGA Human Resources Denmark ApS is part of the consolidated financial statements of Northgate Information Solutions Limited, with registered office at C/O Coporation Service Company (UK) Limited, 5 Churchill Place, 10th Floor, London, E14 5HU, Great Britain, which is the largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Northgate Information Solutions Limited can be obtained by contacting the companies at the addresses above.