

Company Registration No. 09984456 (England and Wales)

AUTHOR UK HOLDINGS 4 LIMITED

(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019



AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
COMPANY INFORMATION

Directors

Mr M J Magee
Mrs E M S Railhac
Mr J H L Reynolds
Mr M C Small

Company number

09984456

Registered office

Peoplebuilding 2
Peoplebuilding Estate
Maylands Avenue
Hemel Hempstead
HP2 4NW

Auditor

RSM UK Audit LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
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**AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
STRATEGIC REPORT**

FOR THE YEAR ENDED 30 APRIL 2019

The Directors of Author UK Holdings 4 Limited (the "company") present the strategic report and financial statements for the year ended 30 April 2019 (referred to as "year" throughout the financial statements).

Review of the business

The company is an investment holding company and the principal activities of its subsidiaries (NGA Human Resources) is to provide technology solutions and services for human resources management and payroll, founded on advanced technology platforms and applications, and a global portfolio of flexible service delivery options. NGA Human Resources was sold to Alight Solutions on 1 November 2019 (see note 14).

Future developments

The directors anticipate that the company will be wound up in the short to medium term.

Results and Performance

The company's result for the year, as set out on page 8, was a loss of £42.4m (2018: loss £107.1m). The company has net assets of £82.5m (2018: assets £124.9m).

Key Performance Indicators

Owing to the nature of the company's business as a holding company, there are no Key Performance Indicators monitored. The directors consider the company's performance to be satisfactory.

Principal Risks and Uncertainties

Performance of NGA Human Resources

The company is exposed to the risk of a decrease in the value of its investment. This is affected by the underlying performance of, and outlook for, NGA Human Resources, as well as cost of capital. The economic trends influencing performance include growth in the world economy and employment levels around the globe.

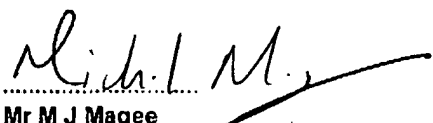
Impact of Brexit

On 23 June 2016, the United Kingdom (U.K.) held a referendum in which voters approved an exit from the European Union (E.U.), commonly referred to as "Brexit". Although it is still unknown what the exact terms of the exit will be, in the future there may be greater restrictions between the U.K. and E.U. countries and increased regulatory complexities. These changes may adversely affect our operations and financial results but the company is monitoring these closely. To date the company has seen no negative impact on our business, which generates the majority of its revenues in E.U. countries and North America. Since the sale of the UK businesses in 2018, our exposure to the UK market is small, but Sterling remains our functional currency meaning that the company is exposed to some exchange rate volatility.

Environmental, Social and Governance

Please see the consolidated accounts of Northgate Information Solutions Limited for an explanation of the group's policies and activities in these areas.

On behalf of the board



Mr M J Magee
Director

Date: 19th December 2019

**AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2019**

The directors of Author UK Holdings 4 Limited (the "company") present their annual report and financial statements for the year ended 30 April 2019 (referred to as "year" throughout the financial statements).

Principal activities

The principal activity of the company is to act as an intermediate holding company.

Results and dividends

The results for the year are set out on page 8.

The Board reviews the dividend policy in conjunction with a policy of retaining significant funds for the future growth. No dividends were paid during the year and the directors do not recommend payment of a final dividend for the financial year ended 30 April 2019 (2018: £nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M J Magee

Mr A P Monshaw

Mrs E M S Railhac

Mr J H L Reynolds

Mr M C Small

(Resigned 1 November 2019)

Post reporting date events

On 1 November 2019 NGA Human Resources was acquired by Alight Solutions. Alight Solutions is a US based organisation and a leader in technology-enabled health, wealth and human capital management (HCM) and financial solutions. The expectation is that the company will therefore be dissolved.

Future developments

Details of the company's future developments can be found in the Strategic Report.

Independent auditor

RSM UK Audit LLP has been appointed by the Board as auditors of the group during the period and has confirmed its willingness to continue in office as auditors of Author UK Holdings 4 Limited and in accordance with Section 485 of the Companies Act 2006, a resolution to re-appoint RSM UK Audit LLP will be proposed at a future meeting of the Board.

Statement of disclosure to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Non-going concern

The Northgate Information Solutions Limited group sitting below the Holding Companies has been sold on 1 November 2019. Because of this, it is the intention to wind down the Holding Companies post year-end. The financial statements have therefore been prepared on a non-going concern basis. No material adjustments arose as a result of adopting a non-going concern basis of accounting.

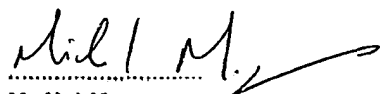
The ultimate parent company, Northgate Luxembourg Holdings GP S.a.r.l, has agreed to continue to provide financial support to enable the company to meet its obligations as they fall due. The support obtained from the ultimate parent company covers a period of at least 12 months from the date of approval of the accounts.

**AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019**

Political contributions

The company made no political donations or incurred any political expenditure during the year (2018: £nil).

On behalf of the board



Mr M J Magee
Director

Date: 19 / 12 / 2019

**AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2019**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUTHOR UK HOLDINGS 4 LIMITED**

Adverse opinion

We have audited the financial statements of Author UK Holdings 4 Limited (the 'company') for the year ended 30 April 2019 which comprise the income statement, statement of financial position, statement of changes in equity 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, because of the significance of the matter described in the basis for adverse opinion section of our report, the financial statements:

- do not give a true and fair view of the state of the group's affairs as at 30 April 2019 and of its loss for the year then ended; and
- have not been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have not been prepared in accordance with the Companies Act 2006.

In our opinion, except for the effects of the matters described in the basis for adverse opinion section of our report, the company financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for adverse opinion

As explained in note 1 to the financial statements, consolidated financial statements have not been prepared in accordance with section 399 of the Companies Act 2006. Section 400 exemptions of the Companies Act 2006 cannot be applied as the consolidated financial statements of the parent undertaking, Northgate Luxembourg Holdings GP S.à.r.l are not filed with Companies House along with Author UK Holdings 4 Limited financial statements.

Author UK Holdings 4 Limited exercised such control over Northgate Information Solutions Limited 'the group' during the year ended 30 April 2019 but, for the reasons set out in note 1, the directors of Author UK Holdings 4 Limited have decided not to prepare consolidated financial statements.

The large and medium sized companies and groups (accounts and reports) regulations 2008 (the 'Regulations') requires disclosure of aggregate capital and reserves at the end of its relevant financial year, and profit and loss for that year, for each subsidiary undertaking not included in consolidated accounts by the company. Per section 414A and 415 of the Companies Act 2006, there is the requirement for the directors' and strategic report to be a group strategic report and directors' report respectively where group financial statements are being prepared. This has not been included in the financial statements. None of the exemptions set out in Schedule 4 of the Regulations apply. This disclosure has not been made for the same reason that group financial statements have not been prepared.

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 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.

**AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AUTHOR UK HOLDINGS 4 LIMITED**

Emphasis of matter - basis of accounting other than that of a going concern

We draw attention to note 1.2 on page 12 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described on page 12, it is the directors' intention to wind down the company post year-end and so the directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for adverse opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the strategic report and the directors' report have not been prepared in accordance with applicable legal requirements.

Except for the effects of the matter described in the basis for adverse opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

As a result of the matters described in the basis for adverse opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified material misstatements in the strategic report and 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.

**AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AUTHOR UK HOLDINGS 4 LIMITED**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

RSM UK AUDIT LLP

**Richard Bartlett-Rawlings (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP
Chartered Accountants
Statutory Auditor**

The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

Date: 20 December 2019

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £'000	2018 £'000
Administrative expenses		(42,434)	(107,100)
Interest receivable	6	1,485	7,328
Interest payable	7	(1,485)	(7,328)
Loss before taxation		(42,434)	(107,100)
Tax on loss	8	-	-
Loss and total comprehensive expense for the financial year		(42,434)	(107,100)

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

The notes on pages 12 to 21 form an integral part of these financial statements.

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

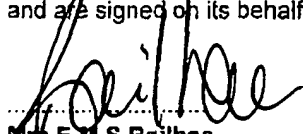
	Notes	2019 £'000	2018 £'000
Non-current assets			
Investments	9	-	124,900
Debtors: amounts falling due after more than one year	11	-	7,064
		<u>-</u>	<u>131,964</u>
Current assets			
Trade and other receivables	11	8,403	-
Investments	9	82,688	-
		<u>91,091</u>	<u>-</u>
Current liabilities			
Creditors: amounts falling due within one year	12	8,625	-
		<u>8,625</u>	<u>-</u>
Net current assets		<u>82,466</u>	<u>-</u>
Total assets less current liabilities		<u>82,466</u>	<u>131,964</u>
Non-current liabilities			
Creditors: amounts falling due after more than one year	12	-	7,064
		<u>-</u>	<u>7,064</u>
Net assets		<u>82,466</u>	<u>124,900</u>
Capital and reserves			
Called up share capital	13	10	10
Other distributable reserves		231,990	231,990
Retained earnings		(149,534)	(107,100)
Shareholder's funds		<u>82,466</u>	<u>124,900</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

**AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
STATEMENT OF FINANCIAL POSITION (CONTINUED)**

AS AT 30 APRIL 2019

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



19-12-19

.....
**Mrs E M S Railhac
Director**

Company Registration No. 09984456

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019

	Share capital £'000	Other distributable reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 May 2017	10	231,990	-	232,000
Year ended 30 April 2018:				
Loss and total comprehensive expense for the year	-	-	(107,100)	(107,100)
Balance at 30 April 2018	10	231,990	(107,100)	124,900
Year ended 30 April 2019:				
Loss and total comprehensive expense for the year	-	-	(42,434)	(42,434)
Balance at 30 April 2019	10	231,990	(149,534)	82,466

The notes on pages 12 to 21 form an integral part of these financial statements.

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

Author UK Holdings 4 Limited is a private company limited by shares and is incorporated, domiciled and registered in England and Wales. The registered office is Peoplebuilding 2, Peoplebuilding Estate, Maylands Avenue, Hemel Hempstead, HP2 4NW. On 15 November 2019 the company changed its name from Northgate UK Holdings 4 Limited to Author UK Holdings 4 Limited.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

In preparing these financial statements, the company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the European Union ("IFRS"), amended where necessary in order to comply with the Companies Act 2006.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective, business combinations and related party transactions. Where required, equivalent disclosures are given in the group accounts of Northgate Luxembourg Holdings GP S.à.r.l.

The company has investments in subsidiaries (see note 10). As per section 399 of the Companies Act 2006, this company is required to prepare the group accounts (consolidated financial statements). The Company has not prepared the group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Author UK Holdings 4 Limited is a wholly owned subsidiary of Northgate Luxembourg Holdings GP S.à.r.l and the results of Author UK Holdings 4 Limited will be included in the consolidated financial statements of Northgate Luxembourg Holdings GP S.à.r.l which will be available from its registered office: 2, rue du Fossé, 1536, Luxembourg once the preparation of these financial statements is complete.

A consolidation of the majority of the company's subsidiary undertakings can be found in the statutory accounts of Northgate Information Solutions Limited, a direct 100% subsidiary of the company.

1.2 Non-going concern

The Northgate Information Solutions Limited group sitting below the Holding Companies has been sold on 1 November 2019. Because of this, it is the intention to wind down the Holding Companies post year-end. The financial statements have therefore been prepared on a non-going concern basis. No material adjustments arose as a result of adopting a non-going concern basis of accounting.

The company had net assets of £82.5m (2018: £124.9m) as at 30 April 2019, including amounts due from fellow group companies of £8.4m (2018: £7.1m).

The ultimate parent company, Northgate Luxembourg Holdings GP S.à.r.l, has agreed to continue to provide financial support to enable the company to meet its obligations as they fall due. The support obtained from the ultimate parent company covers a period of at least 12 months from the date of approval of the accounts.

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.3 Investments in subsidiaries

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses are recognised immediately in profit or loss.

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

1.4 Impairment of investments

At each reporting end date, the company reviews the carrying amounts of its fixed asset investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.6 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Critical judgements

Impairment of investments

At the end of the reporting period, management undertake an review of fixed asset investments for indications of impairment. If there is an indication that an asset or cash generating unit (CGU) may be impaired, management estimate the asset/CGU's recoverable amount in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the asset/CGU's fair value less costs to sell and its value in use.

There is judgement involved in deciding whether there is an indication of impairment and estimating the recoverable amount.

AUTHOR UK HOLDINGS 4 LIMITED
(FORMERLY NORTHGATE UK HOLDINGS 4 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

3 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	2,000	2,000

This is borne by the group company, Northgate Information Solutions Holdings Limited.

4 Employees

There were no employees during the current or previous period.

5 Directors' remuneration

The directors receive their remuneration from other group companies and the notional charge for their services to the company is £nil (2018: £nil).

6 Investment Income

	2019	2018
	£'000	£'000
Interest receivable		
Interest on intercompany loans (see note 11)	1,485	7,328

7 Interest payable

	2019	2018
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on intercompany loans (see note 12)	1,485	7,328

8 Income tax expense

The charge for the year can be reconciled to the loss per the income statement as follows:

	2019	2018
	£'000	£'000
Loss before taxation	(42,434)	(107,100)
Expected tax credit based on a corporation tax rate of 19.00%	(8,062)	(20,349)
Effect of expenses not deductible in determining taxable profit	8,062	20,349
Taxation charge for the year	-	-

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FOR THE YEAR ENDED 30 APRIL 2019

8 Income tax expense (Continued)

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

9 Investments

	Current		Non-current	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Investments in subsidiaries	82,688	-	-	124,900

Movements in non-current investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 May 2018	232,000
Transfer to current asset investments	(232,000)
At 30 April 2019	-
Impairment	
At 1 May 2018	(107,100)
Impairment losses	(42,212)
Transfer to current asset investments	149,312
At 30 April 2019	-
Carrying amount	
At 30 April 2019	-
At 30 April 2018	124,900

In 2019 the recoverable amount with regard to the investment in subsidiary figure was determined from its fair value less costs to sell. This was based on the external valuation received as part of the sales process which finally resulted in the sale of its subsidiaries to Alight Solutions on 1 November 2019 (see note 14). The resulting impairment identified of £42.2m has been reflected in the current year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

10 Subsidiaries

Details of the company's subsidiaries at 30 April 2019 are shown below. The nature of business is the sale of computer solutions and services, unless otherwise stated. All shares held are ordinary shares.

100% subsidiaries with the following registered office address:

Peoplebuilding 2, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 4NW, United Kingdom

Northgate Information Solutions Limited # # Held directly by Author UK Holdings 4 Limited

ARINSO People Services Limited

ARINSO UK Limited

NIS Acquisitions Limited

NIS Receivables No.1 Limited

NIS Receivables No.2 Limited

Northgate Information Solutions Holdings Limited

Northgate UK Company

Rebus Group Limited

Rebus Holdings Limited

Rebus HR Holdings Limited

Rebus HR Management Limited

Rebus Human Resource Services Limited

Rebus Human Resources Limited

Rebus Software Limited

100% subsidiaries with the following registered office address:

20 McCallum Street, 16-01 Tokio Marine Centre, 069046, Singapore

NorthgateArinso Singapore PTE Ltd

NGA Outsourcing Singapore Pte Ltd

100% subsidiaries with the following registered office address:

Rue de l'egalite 2, 92748 Nanterre, Cedex, France

ARINSO France SAS

NorthgateArinso France Holdings SAS

Other 100% subsidiaries and registered offices:

ARINSO Argentina S.A.	Citicentre Building, Prilidiano Pueyrredon 2989 Piso 2 Fase II, 1640 Martinez, Pcia de Buenos Aires, Argentina
ARINSO Australia Pty Ltd	Ground Floor, 164 Fullarton Road, Dulwich SA 5065, Australia
ARINSO Iberica S.A.U.	Edificio America II, C/Procion 7;, Puerta 3; Planta 1a;, 28023, Madrid, Spain
ARINSO International Philippines Inc	4/F Building 1, ETON Cyberpod, Corinthian Ortigas Avenue, cor EDSA, Quezon City 1110, Philippines
ARINSO Luxembourg SA	32-36, Boulevard D'Avranches, L-1160 Luxembourg, Luxembourg
ARINSO Mexico SA de CV	Belisario Dominguez No 64, Col Miguel Hidalgo, Delegacion Tiaipan C.P. 14260, Mexico
ARINSO Portugal - Sistemas, Software e Servicos SA	Rua Rodrigo Sampaio, 21 5D, 1150 - 278, Lisboa, Portugal

AUTHOR UK HOLDINGS 4 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

10 Subsidiaries

(Continued)

NGA HR India Pvt Ltd	3rd Floor, Madhu Industrial Estate, Pandurang Budhkar Marg Worli, Mumbai, India
NGA Human Resources Denmark A/S	Høffdingsvej 34, 1 floor, 2500 Valby, Denmark
NGA Human Resources Oy	Italahdenkatu 22A, 00210, Helsinki, Finland
NGA Human Resources Sweden AB	NorthgateArinso Sweden AB, Gustavslundsvägen 135, 5 tr, 167 51 Bromma, Sweden
NGA Japan KK (NGA Japan Kabushiki Kaisha)	Ebisu Prime Square, 9F No 1-39 Hiroo 1 -chome, Shibuya-ku, Tokyo, 150-0012, Japan
NGA Outsourcing Canada Inc	24 Stavanger Drive, Suite 101, St. John's, NL A1A 5E8, Canada
NGA Outsourcing Malaysia Sdn Bhd	3-9 3rd Floor Block B, Megan Avenue II, H12 Jalan Yap Kwan Seng 50450 Kuala Lumpur, Malaysia
NIS Holdings BV	Prins Bernhardplein 200, 1097 JB, Amsterdam, Netherlands
NIS Payroll Solutions (India) Private Limited	A-41 shubham, Co Operative Housing Society Ltd, Akurli Road (Kandivali (East)), Mumbai, 400101, India
Northgate Arinso Hungary Korlatolt Felelossegu Tarsasag	1146 Budapest, Hermina út 17., floor no 8, Budapest, Hungary
Northgate Information Solutions China Ltd	7th Floor, Ruttonjee House, 11 Duddell Street, Central, Hong Kong, Hong Kong
NorthgateArinso Austria AG	Mariahilfer Straße, 123/3, 1060, Wien, Austria
NorthgateArinso Belgium SA/NV	Floor 1, The Crescent, Route de Lennik 451, Lennikse Bann, Lennikse Bann 1070 Brussels, Belgium
NorthgateArinso Brazil Informatica Ltda	Alameda Madeira Numero 53, 5 andar, conjunto 52, Alphaville, municipio de Barueri, Sao Paulo, Brazil
NorthgateArinso Canada Inc	24 Stavanger Drive, Suite 101, St. John's, NL A1A 5E8, Canada
NorthgateArinso Deutschland GmbH	Waldeckerstrasse 11, 64546 Morfelden - Walldorf, Germany
NorthgateArinso Granada S.A.U.	Arabial, No.19, 18004, Granada, Spain
NorthgateArinso HR Services LLC	9, Letnikovskaya Str, 114115, Moscow, Russian Federation
NorthgateArinso Inc	8880 Freedom Crossing Trail, Suite 100, Jacksonville, Florida 32256
NorthgateArinso Information Technology Services (Dalian) Co	5F Bldg 11 Dalian Software Park, 5 Digital Square, Dalian, Liaoning, 116023, China
NorthgateArinso Israel Limited	Aba Hilel Silver St, 16 Ramat Gan, Tel Aviv, Israel
NorthgateArinso Malaysia Sdn Bhd	10th Floor, Menara Hap Seng, No 1 & 3 Jalan P Ramlee, 50250 Kuala Lumpur, Wilayah Persekutuan, Malaysia
NorthgateArinso Nederland BV	Nevelgaarde 9, 3436ZZ, Nieuwegein, Netherlands
NorthgateArinso Poland Sp z o.o.	Sciegienego 3 Str, 40-114 Katowice, Poland
NorthgateArinso Spain S.A.U	Calle Gran Via de Colón, 59, 18001, Granada, Spain
NorthgateArinso Switzerland Ltd	Av. Viollier 13, CH-1260, Nyon, Switzerland
NorthgateArinso Thailand Company Ltd	No.1, Empire Tower, 47th Floor, Unit 4703, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok, 10120
NorthgateArinso Turkey HR Consultancy and Outsourcing Ltd	Barbaros Mahallesi Halk Caddesi No: 8/A, Palladium Ofis ve Residence Binasi Kat:2, 34746, Atasehir, Istanbul, Turkey
Rebus HR Group Ltd	Appleby Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton, Bermuda, HM 12, Bermuda

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019

10 Subsidiaries

(Continued)

50% joint venture with the following registered office address disposed of during the year:

NGA Africa (Proprietary) Limited 789 16th Business Connexion Park, Block D, Midrand,
1605, South Africa

11 Debtors

	Current		Non-current	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts owed by group undertakings	8,403	-	-	7,064
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Trade and other payables

	Current		Non-current	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts owed to fellow group undertakings	8,625	-	-	7,064
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the previous year Author UK Holdings 2 Limited, another group company, received a loan of £7.1m from GSMP V Onshore S.à r.l., GSMP V Offshore S.à r.l., GSMP V Institutional S.à r.l. & Broad Street Credit Holdings LLC. This loan was passed down through the group from Author UK Holdings 2 Limited to Northgate Information Solutions Holdings Limited via the intermediate holding companies being Author UK Holdings 3 Limited, Author UK Holdings 4 Limited and Northgate Information Solutions Limited.

Per the terms of the loan agreement, the total amount payable to the lenders inclusive of the principal advance, will be £14m. The principal loan amount of £7.1m together with interest of £0.3m was repaid on 31 January 2018. The amount outstanding as at 31 January 2018 of £6.7m was converted into a new loan which attracts interest at 20% per annum. The new loan and any accrued interest is payable on demand as a result of the sale of all the operating assets of the group on 1 November 2019.

The amount due to group undertakings at the year end represents the advance of £6.7m and the accrued interest thereon due from Northgate Information Solutions Limited. The amount owed to group undertakings represents the advance and accrued interest due to Author UK Holdings 3 Limited.

13 Share capital	2019	2018
	£'000	£'000
Ordinary share capital		
<i>Issued and fully paid</i>		
10,001 Ordinary of £1 each	10	10
	<u> </u>	<u> </u>

The holder of the ordinary shares is entitled to receive dividends, vote at the meetings of the company and receive a distribution on winding up. The shares are not redeemable.

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14 Events after the reporting date

On 1 November 2019 NGA Human Resources was acquired by Alight Solutions. Alight Solutions is a US based organisation and a leader in technology-enabled health, wealth and human capital management (HCM) and financial solutions. As a result the expectation is that the company will be wound up in the near future.

15 Controlling party

The company's immediate parent company is Author UK Holdings 3 Limited, a company incorporated and registered in England and Wales. The company's ultimate parent company is Northgate Luxembourg Holdings GP S.à.r.l, a company incorporated and registered in Luxembourg. Northgate Luxembourg Holdings GP S.à.r.l is the parent of both the smallest and largest groups of which the company is consolidated. The ultimate controlling party is The Goldman Sachs Group Inc.

Copies of the consolidated financial statements of Northgate Luxembourg Holdings GP S.à.r.l may be obtained from its registered office: 2, rue du Fossé, 1536, Luxembourg.