

NORTHGATE UK HOLDINGS 4 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018



NORTHGATE UK HOLDINGS 4 LIMITED

COMPANY INFORMATION

Directors	M Magee	(Appointed 30 April 2018)
	A Monshaw	(Appointed 2 November 2017)
	E Railhac	
	J Reynolds	
	M Small	
Secretary	M Bennett	
Company number	09984456	
Registered office	Peoplebuilding 2 Peoplebuilding Estate Marylands Avenue Hemel Hempstead HP2 4NW	
Auditor	KPMG LLP 15 Canada Square London E14 5GL	

NORTHGATE UK HOLDINGS 4 LIMITED

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NORTHGATE UK HOLDINGS 4 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present the strategic report and financial statements for the year ended 30 April 2018.

Review of the business

The company is an investment holding company and was incorporated on 3 February 2016 to acquire, via its subsidiaries, 100% of Northgate Information Solutions Limited and its subsidiaries ("NGA Human Resources"). The activity of NGA Human Resources is to provide technology solutions and services for human resources management.

Results and Performance

The company's result for the year, as set out on page 8, was a loss of £107.1m. The shareholder's funds at 30 April 2018 are £124.9m.

On 3 February 2016, the company was incorporated and on 23 March 2016, the company acquired a subsidiary, Northgate Information Solutions Limited for total consideration of £232m. The purpose of this acquisition was as an investment. Northgate Information Solutions Limited sold most of its UK and Irish business and incurred a group loss of £94.2m in the year to 30 April 2018. Management have therefore performed an impairment review of the company's investment in NGA Human Resources at year end and valued it at £124.9m. Accordingly, an impairment charge of £107.1m has been recognised in the accounts of Northgate UK Holdings 4 Ltd during the year.

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.

Interest rate risk

The company has managed its exposure to an increase in interest rates due to its long term, fixed interest rate borrowings.

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

NORTHGATE UK HOLDINGS 4 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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



.....
A Monshaw
Director
.....

Date 16th April 2019

NORTHGATE UK HOLDINGS 4 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present their annual report and financial statements for the year ended 30 April 2018.

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.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

M Magee	(Appointed 30 April 2018)
A Monshaw	(Appointed 2 November 2017)
E Railhac	
J Reynolds	
M Small	
S Agnew	(Resigned 30 April 2018)
A Al-Saleh	(Resigned 29 January 2018)

Post reporting date events

Since the year-end, the Company has sold its indirect 50% stake in NGA Africa Proprietary Limited to its joint venture partner, Business Connexion Proprietary Limited

Independent Auditors

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

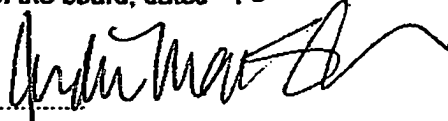
In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease its operations, or has no realistic alternative but to do so.

Further details regarding adoption of the going concern basis can be found in note 1 to the financial statements.

Political contributions

The company made no political donations or incurred any political expenditure during the year (2017: £nil).

On behalf of the board, dated 16th April 2019


A Monshaw
Director

NORTHGATE UK HOLDINGS 4 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2018

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 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.

NORTHGATE UK HOLDINGS 4 LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHGATE UK HOLDINGS 4 LIMITED

Qualified opinion

We have audited the financial statements of Northgate UK Holdings 4 Limited ("the company") for the year ended 30 April 2018 which comprise the Statement of comprehensive Income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its loss for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework.

In our opinion, except for the matter described in the basis for qualified opinion section of our report, the financial statements have been prepared in accordance with the Companies Act 2006.

Basis for qualified opinion

As stated in note 1 to the financial statements, group accounts, as required by the Companies Act 2006, have not been prepared.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

NORTHGATE UK HOLDINGS 4 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHGATE UK HOLDINGS 4 LIMITED

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their 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; 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; 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 they 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

NORTHGATE UK HOLDINGS 4 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHGATE UK HOLDINGS 4 LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.

M. Usman

Muhammad Usman (Senior Statutory Auditor)
for and on behalf of KPMG LLP (Statutory Auditor)
Chartered Accountants

15 Canada Square
London
E14 5GL

16-04-19

NORTHGATE UK HOLDINGS 4 LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 APRIL 2018**

		Year ended 30 April 2018 £'000	Period from 3 February 2016 to 30 April 2017 £'000
	Notes		
Impairment of investment	3,8	(107,100)	-
Interest receivable	5	7,328	-
Interest payable	6	(7,328)	-
		<u> </u>	<u> </u>
Loss before taxation		(107,100)	-
Tax on loss	7	-	-
		<u> </u>	<u> </u>
Loss and total comprehensive expense for the financial year		(107,100)	-
		<u> </u>	<u> </u>

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

The notes on pages 11 to 21 form an integral part of these financial statements.

NORTHGATE UK HOLDINGS 4 LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

	Notes	2018 £'000	2017 £'000
Non-current assets			
Investments	8	124,900	232,000
Debtors: amounts falling due after more than one year	10	7,064	-
		<u>131,964</u>	<u>232,000</u>
Total assets			
		<u>131,964</u>	<u>232,000</u>
Total assets less current liabilities		<u>131,964</u>	<u>232,000</u>
Non-current liabilities			
Creditors: amounts falling due after more than one year	11	(7,064)	-
		<u>124,900</u>	<u>232,000</u>
Net assets		<u>124,900</u>	<u>232,000</u>
Capital and reserves			
Called up share capital	12	10	10
Other distributable reserves	12	231,990	231,990
Retained earnings		(107,100)	-
		<u>124,900</u>	<u>232,000</u>
Shareholder's funds		<u>124,900</u>	<u>232,000</u>

The notes on pages 11 to 21 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 16th April 2019 and are signed on its behalf by:


A Monshaw
Director

Company Registration No. 09984456

NORTHGATE UK HOLDINGS 4 LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

		Share capital	Share premium account	Other distributable reserves	Retained earnings	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 3 February 2016		-	-	-	-	-
Year ended 30 April 2017:						
Issue of share capital	12	10	231,990	-	-	232,000
Conversion of share premium to distributable reserves	12	-	(231,990)	231,990	-	-
Balance at 30 April 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

The notes on pages 11 to 21 form an integral part of these financial statements.

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

Northgate UK Holdings 4 Limited is a private company limited by shares and is incorporated, domiciled and registered in England and Wales. The company was incorporated on 3 February 2016. The registered office is Peoplebuilding 2, Peoplebuilding Estate, Marylands Avenue, Hemel Hempstead, HP2 4NW.

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 comparative financial statements cover a 15 month period from incorporation on 3 February 2016 to 30 April 2017. The period was extended to align the period end with the other companies in the group.

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

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 8). 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.

Northgate UK Holdings 4 Limited is a wholly owned subsidiary of Northgate Luxembourg Holdings GP S.à.r.l and the results of Northgate 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 those 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 Ltd, a direct 100% subsidiary of the Company.

1.2 Going concern

The company exists as part of the holding structure for the NGA Human Resources group of companies (including Northgate Information Solutions Limited and its subsidiaries). There are two primary scenarios that could lead to the company no longer being a going concern: either if the ultimate parent or controlling party decide to sell NGA Human Resources or if NGA Human Resources itself is no longer a going concern.

A full going concern assessment of NGA Human Resources is performed annually and there are no significant uncertainties as to the going concern assumption and the directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Non-current investments

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.

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

1.4 Impairment of fixed asset 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 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.6 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.

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.

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.

1.7 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.

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

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.

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.

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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 fixed asset investments

At the end of the reporting period, management undertake a 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.

3 Operating loss

	Year ended 30 April 2018 £'000	3 February 2016 to 30 April 2017 £'000
Operating loss for the year is stated after charging/(crediting):		
Impairment loss on fixed asset investment (see note 8)	107,100	-

Auditor's remuneration in respect of the company's financial statements was £2,000. This is borne by a subsidiary company, Northgate Information Solutions Holdings Limited.

The directors receive their remuneration from other group companies and the notional charge for their services to the company is £nil (2017: £nil).

4 Employees

There were no employees during the current or previous period.

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

5 Interest receivable

	Year ended 30 April 2018 £'000	3 February 2016 to 30 April 2017 £'000
Interest on intercompany loans (see note 11)	7,328	-

6 Interest payable

	Year ended 30 April 2018 £'000	3 February 2016 to 30 April 2017 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on intercompany loans (see note 11)	7,328	-

7 Income tax expense

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

	Year ended 30 April 2018 £'000	3 February 2016 to 30 April 2017 £'000
Loss before taxation	(107,100)	-
Expected tax credit based on a corporation tax rate of 19.00%	(20,349)	-
Effect of expenses not deductible in determining taxable profit	20,349	-
Taxation charge for the year	-	-

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.

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

8 Investments (Non current)

Shares in Group Undertakings

Cost or valuation	£'000
At 1 May 2017 & 30 April 2018	232,000
Impairment	
At 1 May 2017	-
Impairment losses	(107,100)
At 30 April 2018	(107,100)
Carrying amount	
At 30 April 2018	124,900
At 30 April 2017	232,000

The Company invested £232m to acquire 100% of the share capital of Northgate Information Solutions Limited, which sold most of its UK and Irish business and incurred a group loss of £94.2m in the year to 30th April 2018. Management has performed an impairment review of the company's investment in Northgate Information Solutions Limited and valued it at £124.9m which the directors consider to be its recoverable amount.

The recoverable amount has been determined from value-in-use calculations which use discounted pre-tax cash flows from approved budgets and forecasts; and extrapolated cash flows for the periods beyond these using estimated long term growth rates. The key assumptions are:

- **Long term average growth rates** are used to extrapolate cash flows. Growth rates are determined with reference to long term growth rate in the market the group operates in.
- **Discount rates** reflect specific risks relating to the market in which the group operates adjusted for company specific risk premium.
- **Earnings before interest, tax, depreciation and amortisation (EBITDA)** is based on past performance and management's expectations of market development. No improvements to margins beyond periods covered by approved budgets and forecasts have been assumed.

The inputs used in the value-in-use calculation are a pre-tax discount rate of 21.2%, 5 years of forecasts and a long term average growth rate of 2.5%.

The sensitivity of recoverable amount based on value-in-use calculation to changes in key assumptions is set out below:

Assumption	Change in assumption	Impact on recoverable amount
Long term average growth rate	Decrease by 0.5%	Decrease by £2m
Pre-tax discount rate	Increase by 1%	Decrease by £6.9m
EBITDA	Decrease by 1%	Decrease by £2.3m

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

9 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 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 Northgate 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

ARINSO Singapore Pte Ltd

NGA Outsourcing Singapore Pte Ltd

NorthgateArinso 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
Ground Floor, 164 Fullarton Road, Dulwich SA 5065, Australia

ARINSO Australia Pty Ltd

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

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

9 Subsidiaries

ARINSO Portugal - Sistemas, Software e Servicos SA	Rua Rodrigo Sampaio, 21 5D, 1150 - 278, Lisboa, Portugal
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	The Standard Life Building, 121 King Street West, Suite 2220, Toronto ON M5H 3T9, 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	340 Albert Street, Suite 1400, Ottawa ON K1R 0A5, Canada
NorthgateArinso Deutschland GmbH	Waldeckerstrasse 11, 64546 Morfelden - Walddorf, 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	8000 Baymeadows Way, Jacksonville, FL 32256-7520, United States
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 Italia Limited	Via Murat, 23, 20159, Milano, Italy
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.	Sciegiennego 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

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

9 Subsidiaries

Rebus HR Group Ltd

Appleby Services (Bermuda) Ltd., Canon's Court, 22
Victoria Street, Hamilton, Bermuda, HM 12, Bermuda

Other 50% subsidiaries and registered offices:

NGA Africa (Proprietary) Limited

789 16th, Business Connexion Park, Block D, Midrand,
1685, South Africa

100% subsidiaries with the following registered office address disposed of during the year:

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

Business Information Management Limited

Cara Information Technology Limited

Cegi-Tymshare Nederland B.V

FBS Cell 34

Jamy Investments Limited

Mills Associates Limited

Moorepay Compliance Limited

Moorepay Group Limited

Moorepay Limited

NorthgateArinso Peoplechecking Limited

NorthgateArinso UK Limited

Pro IV Limited

Pro-IV Holdco Limited

Boundary Way One Limited

Boundary Way Two Limited

Harvest Limited

HR Link Limited

Human & Legal Resources Limited

Lansdowne Creative Marketing Limited

Leo Computer Company Limited

Link Group Consultants Limited

LiquidHR Limited

Marketwide Systems Limited

Northgate Computer Services Limited

Northgate HR Pensions Holding Limited

Northgate HR Pensions Limited

Northgate PWA Empower Limited

Personnel Computer Services Limited

Peterborough Software (UK) Limited

PWA Group Limited

Rebus Professional Services Limited

The Policy Network Limited

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

9 Subsidiaries

100% subsidiaries with the following registered office address disposed of during the year:
Suite D3/D4, The Cubes Offices, Beacon South Quarter, Sandyford, DUBLIN 18, Ireland

Engage Technologies Limited
Engage Technologies Support Limited
NorthgateArinso Ireland Limited
NorthgateArinso Services Ireland Limited
Northgate Information Solutions Company

Other 100% subsidiaries disposed of in the year with registered offices:

NGA Benefits Singapore Pte Ltd	20 McCallum Street, 16-01 Tokio Marine Centre, 069046, Singapore
PRO-IV Technology LLC	1 Technology Drive #728, Irvine, California, United States
Northgate Recruitment Limited	789 16th, Business Connexion Park, Block D, Midrand, 1685, South Africa
Arinso Africa	219 Boulevard Mohammed Zerkouni, Angle Boulevard, Brahim Roudani, Casablanca 20100, El Maarif, Morocco

10 Debtors: amounts falling due after more than one year

	Notes	2018 £'000	2017 £'000
Amounts owed by group undertakings	11	7,064	-

11 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Amount due to group undertakings	7,064	-

During the year Northgate 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 Northgate UK Holdings 2 Limited to Northgate Information Solutions Holdings Limited via the intermediate holding companies being Northgate UK Holdings 3 Limited, Northgate 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 the earlier of September 2022 or the sale of all or the majority of operating assets of the group.

The amount owed by 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 due to group undertakings represents the advance and accrued interest due to Northgate UK Holdings 3 Limited.

NORTHGATE UK HOLDINGS 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

12 Share capital

Ordinary share capital

Issued and fully paid

10 Ordinary of £1 each	10	10
	<u>10</u>	<u>10</u>

10,001 ordinary shares of £1 were allotted, called up and paid in the prior year.

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.

On 28 July 2016 the Company resolved to create a distributable reserve of £231,990,000 by utilising the share premium of £231,990,000.

13 Events after the reporting date

Since the year-end, the Company has sold its indirect 50% stake in NGA Africa Proprietary Limited to its joint venture partner Business Connexion Proprietary Limited

14 Controlling party

The Company's immediate parent company is Northgate 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 will be available to the public and may be obtained from its registered office: 2, rue du Fossé, 1536, Luxembourg.