

Company Registration No. 02762332 (England and Wales)

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Ms G T G Nolan
	Mr M Allach
Secretary	Corporation Service Company (UK) Limited
Company number	02762332
Registered office	5 Churchill Place 10 th Floor London E14 5HU
Auditor	RSM UK Audit LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

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NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors of Northgate Information Solutions Holdings Limited (the "company") presents the strategic report and financial statements for the year ended 31 December 2022.

Fair review of the business

Activities

Northgate Information Solutions Holdings Limited (the "company") is an intermediate holding company of the Alight group of companies.

Companies within the Alight group provide employee related services to over 36 million end users through over 5,000 clients. Alight counts 70% of the Fortune 100 companies as clients, with the top 25 clients having an average tenure of 15 years, and with an overall revenue retention of 98%.

The principal activities of the company are 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. The group of companies now has a focus on its market leading position in the multi country payroll outsourcing and multi process HR outsourcing markets.

There is currently a program of restructuring and recapitalising the legal structure of the companies within the group, with a focus on the clearance of historic intercompany balances, especially those generating foreign exchange exposure within the group.

Business Model and Strategy

The company's main offering is the provision of multi process HR and multi country payroll outsourcing services to multinational and large domestic clients. Services are provided to clients using proprietary technology from delivery centres around the world.

The company has four main clients which generate 89% of the £10.6m external revenue. Contracts with these clients range from five to 8 years in length, with services being provided worldwide by employees of the company and of other group companies.

The company will continue to build on our client-centric and segment-focused foundations to deliver growth in revenue, profit, and cash flow.

In the year to 31 December 2021 the intercompany balance with Denmark was forgiven. Several dormant subsidiaries of the company have been closed in the recent accounting periods, resulting in dividends in kind being declared.

In the year to 31 December 2022 the company acquired NorthgateArinso Luxembourg from NorthgateArinso Belgium for €1 and forgave the intercompany balance owed to the company, acquired NorthgateArinso France Holdings (and its subsidiaries) from NIS Acquisitions Limited for £0.01 and converted the debt owed by the French entity to equity.

In the year to 31 December 2023 the company took part in several similar transactions to reduce intercompany debt and the related foreign exchange exposure. NorthgateArinso Belgium was recapitalised in June 2023, with NorthgateArinso France and NorthgateArinso Italy being recapitalised in August 2023. In November 2023, NorthgateArinso Canada ULC was acquired from Northgate Arinso Belgium for €1, and received a cash injection enabling the repayment of intercompany debt.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

As these debts had previously been fully impaired there was no impact to the net income of the company resulting from these transactions.

There is no expected change to the principal activities of the company in future periods.

Business performance

For the period ended 31 December 2022 the company generated revenues of £47m (December 2021: £45m) and adjusted EBITDA (defined as operating profit or loss before impairment of investments, intangibles, bad debt expense and significant restructuring, one-off items, and property provisions) of a loss of £15m (December 2021: profit of £3m). After impairment of investments, intangibles, intercompany receivables and significant restructuring, one-off items, and property provisions the company recorded an operating loss of £16m (December 2021: profit of £183m). The prior year profits were mainly driven by restructuring transactions.

The Alight Group is sustaining strong market position, as evidenced by service provider analysis, performed by some of the biggest market researchers in the industry like Everest Group. They measure the ability to acquire new customers, to drive innovation, platform strategy, technology and services combination which is unique to our company, and our capabilities. In their report about multi-process human resources outsourcing services Alight Group is ranked the highest and named market leader, outperforming competitors.

Net financing expense increased to £19m (December 2021: £16m). Loss on ordinary activities before tax was £36m (December 2021: profit of £167m).

At the period end, the company does not have borrowings (December 2021: £0.1m) and had net liabilities of £302m (December 2021: £267m).

The company continues to focus on certain key performance indicators, specifically revenue growth, cash, earnings before interest, tax, depreciation, and amortisation (EBITDA), gross margin % and order book total contract value.

Business risks

As a company providing management services to companies within the NGA HR group, and increasingly to the wider Alight group, the company's business risks reflect those of the group companies, as follows:

Interest rate risk

Interest rate risk is the risk of increased net financing costs due to increases in market interest rates. The company finances its operations through a mixture of retained profits, bank borrowings and equity. The company's main interest rate risk comes from its intercompany balances mainly held in currencies other than GBP.

Foreign exchange risk

The company operates internationally and is exposed to foreign currency risk on transactions denominated in a currency other than GBP. The currencies giving rise to this risk are primarily US dollars and Euros.

The company does not routinely hedge foreign currency exposure, due to partial offsets within the

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

group, however there is a program of work underway within the group to reduce foreign exchange exposure on intercompany balances as described above.

During the year, intercompany netting balances between the company and NIS Acquisitions Limited and Northgate Information Solutions Limited were converted to be held solely in GBP to reduce exposure to foreign exchange risk.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial commitments as they fall due.

The company's objective is to ensure that adequate facilities are available through use of bank loans and finance leases. The company manages liquidity risk through regular cash flow forecasting and monitoring of cash flows, management review and regular review of working capital and costs. The company regularly monitors its available headroom under its borrowing facilities and works with the group Treasury function to ensure that any funding requirements by the group are met to not cause disruption to the business, as demonstrated by the issuance of £32m of loans in the year to 31 December 2022, and a further £31m of loans during the year to December 2023, resulting in £110m of loans payable to Alight Solutions LLC as at 31 December 2023.

The directors have also been supplied with a letter of support from Alight, Inc LLC, being the parent of both the company and Alight Solutions, which has provided financial support, through until December 2025, reflecting their continuing support of the business. This, along with the other factors considered by the directors at the signing of these accounts, as disclosed in note 1.2, provides assurance over the liquidity of the business.

Cyber security

On 1 July 2022, the company migrated its financial systems from SAP to Workday, bringing the company in line with the rest of the Alight group. The conclusion of this project will give greater security due to the simplification of the system architecture, and the opportunity to make use of the skills and technology available within the Alight group.

Risks to the business operations from cyber-attacks on its underlying infrastructure remain a constant concern and NGA HR has invested heavily to improve detective, protective and resilient systems which aim to identify attacks, prevent attacks from being successful and provide resiliency if an attack does succeed. These systems are tested monthly and by ad hoc simulations. A critical part of the cyber security strategy has been the establishment of a Global Security Operations Centre to bring together data from across the infrastructure and provide rapid correlation of and response to security events. The global cyber threat landscape is continually evolving and creating new attack vectors and the company is committed to responding accordingly.

Climate change

The company acknowledges that its activities – such as running data centres, offices, and travel – contribute to climate change and associated risks. For many years, it has been the target to manage and minimise emissions. The company's flexible working and robust business continuity plans mitigate the short-term impact of climate-related disasters on our own operations and our supply chain.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Combating climate change remains integral to developing sustainable services for the company's clients in all sectors. Our businesses continue to place a strong focus on improving our clients' environmental performance by enabling them to access modern 'on demand' technologies which enable working practices that reduce environmental footprint and generate savings.

The transition to a low carbon economy may bring risks and opportunities to the company both directly through changes in business practices and legislation – and indirectly through changes to the economy or employment that affect its customers.

Risks to the business include the buoyancy of the world economy and levels of employment around the globe impacting income in our HR services business. In addition, despite all the security systems and disaster recovery, business continuity and crisis management plans and procedures in place to protect our infrastructure and business, a cyber-attack, or other unforeseen events such as a natural disaster may cause an interruption to our services and operations. As regards the risk from loss of key personnel, the company has succession plans in place. Price pressures in the market are mitigated by improving the operational efficiency of our services.

The directors are very conscious of these matters and that we ensure we continually flex costs in the company to meet client demand.

The Directors have assessed the impact of climate change on financial reporting and confirmed that it has no material impact on these financial statements.

Employees

The company continues to enhance employability in our communities through apprenticeships, graduate trainee schemes, work experience and partnership with companies. By doing this, the company is addressing shortages of skilled staff, gender issues and supply chain issues, creating a skilled future workforce which will benefit IT sector growth.

The company promotes respect for the individual and equality of opportunity for employment through our policies and mandatory diversity training and actively encourages succession planning and career development. The company also provides employees with a flexible benefits scheme in the UK and abroad where applicable, which enables them to choose benefits that best support their lifestyle. Opportunities also exist for employees of the Group who become disabled to continue their employment or to be trained for other positions in the Group. An equality survey is conducted regularly.

The directors recognise the importance of good communications with the company's employees and of informing and consulting with them on a regular basis. This is mainly achieved through regular meetings, personal appraisals, e-mail communications and the Pulse employee survey.

Environmental, Social and Governance

Environmental sustainability is fully embedded into service delivery methodology. Alight focuses both on reducing the number of assets required as well as favouring energy-efficient energy consumption models. Assets are reused wherever possible and where they are beyond economical repair, they are recycled in accordance with the Waste Electrical and Electronic Equipment Directive (WEEE). Further reductions are gained by equipping our employees with the tools and technology to enable flexible and mobile working.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The company's major impacts on the environment come from running data centres, offices and from transport.

The company is now investigating the implications of the corporate sustainability reporting directive as a parent of many EU entities.

Compliance with section 172 of the Companies Act 2006

The directors have complied with the requirements of section 172 of the Companies Act when performing their duties as a director. Section 172 requires the directors to promote the success of the company for the benefit of the shareholders and in doing so, have regard to the long-term enlightened shareholder value.

The company's governance and management structures are designed to ensure that the Board and the rest of the group make well informed decisions considering the views of stakeholders, the long impact of activities on the community and environment, and the group's reputation.

Long-term views are embedded throughout the organisation, starting with our long-term relationships with customers, which are the core of the business. Closely related is our commitment to maintaining our reputation in terms of being trusted with sensitive information for the employees of our customers. Compliance and Security are paramount and the responsibility of every employee, backed up by specialists and regular mandatory training.

Our consideration on the environment and employees are described throughout the Directors' and Strategic reports, including the Stakeholder engagement section below.

Stakeholder engagement

NGA HR's stakeholders are of utmost importance to the strategy and operations of the Company and the Group.

Stakeholders	Nature of impact	Engagement & actions taken
Community	The company operates in varied locations around the world and is supported by communities and authorities.	<ul style="list-style-type: none"> • Compliance with local legislation and payment of our fair share of taxes is advised by local management and external specialists. • Local management usually coordinates engagement with local community residents, educational establishments, and charities. • The company takes steps to minimize its impact on the environment and the natural world through energy efficiency, recycling, and travel measures.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**


Customers	We understand that every organisation is different, and each cloud journey is unique, therefore, our primary aim is to understand customer needs. Important issues are the customer's business, reliability of payroll & HR services and systems and managing costs.	<ul style="list-style-type: none"> • We endeavour to engage with customers as honest, trusting and strategic partners to set their cloud journeys up for success today and in the future. • Tracking customer satisfaction and escalating any concerns that cannot be swiftly rectified. • The board of directors oversee and delegate planning for our customers evolving needs and understanding how the company adds sustainable business value.
Employees	Attracting and retaining talented and diverse professionals is paramount to NGA HR's success in delivering a seamless and innovative service.	<ul style="list-style-type: none"> • Regular briefings from leadership team. • Quarterly employee surveys that drive management priorities, such as returning to the office after the coronavirus pandemic. • European Worker Council meets senior management at least quarterly to discuss matters of importance. • Mandatory annual Diversity and Inclusion (D&I) training for all employees. Michael Rogers is the designated leadership team member for D&I. • Alight has held over 20 listening sessions with colleagues and met with the NAACP Legal Defense and Education Fund to understand challenges and shape its actions.
Minority interests	Provide NGA HR with ability to operate in key locations. Their interests are the proper conduct of subsidiaries in their region.	<ul style="list-style-type: none"> • Ensuring proper representation among shareholders of our subsidiaries from residents in India, Thailand, and Singapore.
Regulators	Having the privilege of processing personal data for millions of our customers' employees means that we closely follow the regulatory environment in the countries in which we operate. Issues for regulators generally concern processing of sensitive personal data.	<ul style="list-style-type: none"> • Consistently and proactively comply with GDPR. • High security measures over all data. • Regular compliance training for all staff. • Compliant and timely reporting.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Shareholder	Our sole shareholder contributes to both the short and long-term strategies by providing operational processes, strategic decision making and general oversight. The shareholder is concerned with the long-term success of the Alight group.	<ul style="list-style-type: none"> • The shareholder is involved in all strategic decisions such as restructuring and approval of budgets. • Management structures are becoming aligned with the shareholder, as integration progresses. • Agreeing fair pricing for services provided to or from Alight group.
Suppliers	Key suppliers supply the technology that our services rely on. Others are critical partners for delivery in specialist areas. Key issues for suppliers are stability, payments and partnering with the Group to increase their reach as well as ours.	<ul style="list-style-type: none"> • Treating suppliers fairly includes having a transparent Request for Proposal process, a dedicated vendor onboarding team and prioritising payments sensitively.

On behalf of the board

DocuSigned by:

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Ms G T G Nolan

Director

2/23/2024 | 3:34 PM CST

Date

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors of Northgate Information Solutions Holdings Limited (the "company") present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

Northgate Information Solutions Holdings Limited (the "company") is an intermediate holding company of the Northgate Information Systems Limited group ("NGA HR" or the "group"), which now form part of the Alight group of companies. The principal activities of the company are 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. The company is now a business with a focus on its market leading position in the multi country payroll outsourcing and multi process HR outsourcing markets.

Results and dividends

The results for the period are set out on page 18.

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 year ended 31 December 2022 (December 2021: £nil).

Directors

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

Ms G T G Nolan

Mr M Allach

Directors' liabilities

The Company's directors are covered by a corporate indemnification from the group in respect of their activities as directors and officers of the company. This indemnity was in force throughout the financial year and at the date of approval of the financial statements.

Supplier payment policy

Business units are responsible for agreeing the terms and conditions under which they conduct transactions with their suppliers. The company does not have a code or standard concerning payment to suppliers.

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk for the company are currency risk, credit risk and liquidity/cash flow risk, which are described in the strategic report above. The directors review operations and transactions on an on-going basis to ensure that any such exposure is managed to minimise any potential risk arising.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

Health and safety

Alight has an established health and safety management system that focuses on the ability to measure performance and to pursue continual improvement in managing health and safety. A key driver of our health & safety management system is effective risk management which allows Alight to identify and mitigate risks to our global workforce.

Risk assessment

The Board has overall responsibility for the company's approach to assessing risk and the systems of internal control, and for monitoring their effectiveness in providing its shareholders with a return that is consistent with a responsible assessment and mitigation of risks. This includes reviewing financial, operational and compliance controls and risk management procedures, which themselves include the security and controls around customer and internal data. The Board has established on-going processes for identifying, evaluating, and managing the significant risks faced by the company which accord with the Internal Control Guidance for Directors in the Combined Code (which only applies to UK listed companies but is used for best practice). Further independent assurance is provided by an internal audit function, operating across the company, and the company's auditors. All employees are accountable for operating within these policies. See the Strategic Report for discussion of specific risks.

Stakeholder engagement

NGA HR has established a very strong relationship with customers and vendors. To overcome issues such as delay in payments, to increase the reach for vendors, the group has come up with a dedicated onboarding process and steps taken to ensure timely payment. NGA also has given priority to understanding the customer's needs, issues, and tracks customer satisfaction, escalating any concerns which cannot be rectified swiftly. The Board of Directors oversee and delegate planning for our customers evolving needs and understanding how the company adds sustainable business value. Further information is included in the Strategic Report on pages 4 to 10 on relationships with suppliers, customers, employees, and other stakeholders.

Going concern

The company is an intermediate holding company of the Alight group of companies. The principal activity of the company is to act as cost centre and central management function for the Alight group. The company also provides 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 to customers.

To continue to meet its liabilities as they fall due for payment for at least 12 months following the date of the approval of these financial statements ("the going concern assessment period"), the company is dependent on the continued financial support of its ultimate parent company, Alight Inc.

Whilst Alight Inc has confirmed via a letter of support that funding will be provided to enable the Company to operate and meet its liabilities as they fall due during the going concern assessment period, the letter of support is not legally binding and therefore receipt of additional funding is not within the control of the Company.

Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

going concern basis. However, the Directors acknowledge the receipt of additional funding is not within their ultimate control and as at the date of signing the accounts is not irrevocably committed. The Directors have therefore concluded that these conditions result in a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Post reporting date events

See note 27 for details of post balance sheet events.

Auditor

The company propose to move to Ernst & Young LLP, who already provide auditing services to other group companies, for the audit of the financial statements for the year ended 31 December 2023. A resolution to appoint Ernst & Young LLP will be proposed at a future meeting of the Board.

Energy and carbon report

Northgate Information Solutions Holdings is a low energy user in the UK, with emissions below 40,000 KWh per year (well under 10,000 KWh in the UK only, based on latest submission under ESOS (Energy Savings Opportunity Scheme), hence is exempt from the disclosures under SECR.

The directors acknowledge that the company needs to do more to help achieve a sustainable future and help to prevent more climate disasters. Activities that will be a focus for the coming year will be setting a strategy and measuring a baseline across global operations. Sources of greenhouse gas emissions mainly comprise data centres and fuel for transport.

Disclosure of information to the 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.

Strategic report

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch.7 to be contained in the directors' report. It has done so in respect of financial instruments and future developments.

On behalf of the board


+44 (0)20 7335 4000

Ms G T G Nolan

Director

2/23/2024 | 3:34 PM CST

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Date

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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 these financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 – 'The Reduced Framework' (FRS 101) and applicable laws including the Companies Act.

Under company law the directors must not approve these 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 these financial statements; and
- prepare these financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 these 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Northgate Information Solutions Holdings Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including 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, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- 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 opinion

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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the directors' assessment on going concern is based on continued support from the parent company and there is uncertainty that this funding may not be available if and when required.

As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risks of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and testing a sample of revenue transactions around the year end to ensure they were recognised in the correct period.

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 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, Statutory Auditor

Chartered Accountants

RSM UK Audit LLP

The Pinnacle,

170 Midsummer Boulevard,

Milton Keynes,

MK9 1BP

Date26/02/2024.....

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000 (restated – Note 30)
Revenue	3	46,931	45,036
Operating costs (less bad debt expense)	4	(93,184)	(43,295)
Bad debt credit	4	29,848	180,829
Operating (loss) / profit		(16,405)	182,570
Finance costs	10	(19,234)	(15,720)
(Loss) / profit before taxation		(35,639)	166,850
Tax	11	-	-
(Loss) / profit for the financial period		(35,639)	166,850

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


The notes on pages 21 to 43 form an integral part of these financial statements.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**

		December 2022		December 2021	
	Note	£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	13		89		131
Trade and other receivables falling due after more than one year	17		1,705		1,057
			1,794		1,188
Current assets					
Trade and other receivables falling due within one year	17	7,033		6,308	
Cash and cash equivalents		2,952		1,193	
		9,985		7,501	
Current liabilities					
Borrowings	18	-		111	
Trade and other payables	19	228,286		225,722	
Lease liabilities	20	11		16	
		228,297		225,849	
Net current liabilities			(218,312)		(218,348)
Total assets less current liabilities			(216,518)		(217,160)
Non-current liabilities					
Trade and other payables	19	(85,978)		(48,858)	
Lease liabilities	20	-		(2)	
			(85,978)		(48,860)
Provisions for liabilities					
Other provisions	22	-		-	(837)
Net liabilities			(302,496)		(266,857)
Equity					
Called up share capital	24		19,557		19,557
Other reserves			959,136		959,136
Retained earnings			(1,281,189)		(1,245,550)
Total equity			(302,496)		(266,857)

The notes on pages 21 to 43 form an integral part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 2/23/2024 | 3:34 PM CST and are signed on its behalf by:

DocuSigned by:

 0461476-27204-088

Ms G T G Nolan

Director

Company Registration No. 02762332

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
Balance at 31 December 2020	19,557	757,230	(1,412,400)	(635,613)
Loss and total comprehensive income for the year	-	-	166,850	166,850
Other movements	-	201,906	-	201,906
Balance at 31 December 2021	19,557	959,136	(1,245,550)	(266,857)
Loss and total comprehensive loss for the year			(35,639)	(35,639)
Balance at 31 December 2022	19,557	959,136	(1,281,189)	(302,496)

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Northgate Information Solutions Holdings Limited is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is 5 Churchill Place, 10th Floor, London, E14 5HU.

1.1 Accounting convention

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

These 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 £'000.

These financial statements have been prepared under the historical cost convention. 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:

- Presentation of a cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated accounts of Tempo Acquisition LLC include the equivalent disclosures, the company has also taken exemption under FRS101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. These financial statements present information about the company as an individual entity and not about its group.

Northgate Information Solutions Holdings Limited is a wholly owned subsidiary of NIS Acquisitions Limited what is a wholly owned subsidiary of Northgate Information Solutions Limited and the results of Northgate Information Solutions Holdings Limited will be included in the consolidated financial statements of Tempo Acquisition LLC, which will be available from its registered office: 4 Overlook Pt, Lincolnshire, IL 60069-4337; once the preparation of these financial statements is complete.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1.2 Going concern

The company is an intermediate holding company of the Alight group of companies. The principal activity of the company is to act as cost centre and central management function for the Alight group. The company also provides 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 to customers.

To continue to meet its liabilities as they fall due for payment for at least 12 months following the date of the approval of these financial statements ("the going concern assessment period"), the company is dependent on the continued financial support of its ultimate parent company, Alight Inc.

Whilst Alight Inc has confirmed via a letter of support that funding will be provided to enable the Company to operate and meet its liabilities as they fall due during the going concern assessment period, the letter of support is not legally binding and therefore receipt of additional funding is not within the control of the Company.

Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis. However, the Directors acknowledge the receipt of additional funding is not within their ultimate control and as at the date of signing the accounts is not irrevocably committed. The Directors have therefore concluded that these conditions result in a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

1.3 Revenue

The company generates revenue from three types of services:

- Payroll setup and services;
- Consulting services;
- Sale of licences.

Payments and receivables related to implementation prior to go live of Payroll and HR administration services are deferred to the balance sheet along with associated costs until go live, as the implementation service does not deliver a performance obligation to the customer. Implementation is not a performance obligation, nor are any operational costs incurred prior to go live. The release of deferred implementation revenue and costs is recognised on a straight-line basis over the contract term. The adjusted monthly revenue from the provision of services will be recognised each month that the service for a performance obligation is provided.

The company also enters into contracts with customers for installation, customisation, maintenance or other technical services or consultancy on third party software. Each promise under these contracts is a separate performance obligation and revenue is recognised for such contracts on a time and material basis or percentage of completion method. Timing of payments tends to be similar to timing of revenue.

The outright sale of third-party software under reseller agreements is a single performance obligation which is fulfilled at a point in time when the licence ownership is transferred to the customer. Revenue arising from such contracts is recognised at this point and the timing of payment is often several years, over the life of the license.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

The company recognises revenue based on 5 basic principles described in IFRS15:

- Identify the contract with a customer;
- Identify all the individual performance obligations within the contract;
- Determine the transaction price;
- Allocate the price to the performance obligations;
- Recognise revenue as the performance obligations are fulfilled.

If a customer pays, or the company has an unconditional right to receive consideration, before the performance obligation is completed, the revenue is not recognised and a deferred liability is created.

If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the revenue is recognised and an accrued revenue asset is created. The assets are assessed for impairment in line with IFRS 9.

A distinct service is a single performance obligation and each country serviced is one performance obligation. Central services for multi-country payroll contracts cannot be easily allocated between the different countries and services, hence will be accounted as if it was a performance obligation with the same duration as the full contract, which will have materially the same financial result as if the revenues and costs were allocated across all performance obligations.

The transaction price for the contract is determined as the sum of fixed consideration, expected monthly billing, less an estimate of volume discounts if any. Other variable items such as higher/ lower employee numbers for PEPM charge (per employee per month amount charged to customer), credits for service level, third party penalties or inflationary increases are taken in the month they are received or incurred. Termination fees are taken at a point in time when the termination is complete.

The company has taken the practical expedient in IFRS 15.121 and hence does not disclose the future revenue recognition for the aggregate amount of transaction price allocated to remaining unsatisfied performance obligations as per IFRS 15.120

1.4 Management fee income

Management fees charged to other members of the Group are calculated on an appropriate share of group functions and recognised in the period during which the services were performed.

1.5 Costs on contracts with customers

An asset is recognised for incremental costs to obtain a contract (such as sales commissions), where the company expects to recover the costs.

An asset is recognised for costs to fulfil contracts if the following criteria are met:

- the costs are directly related to a contract;
- the costs generate or enhance the company's resources used in satisfying performance obligations in the future; and
- the costs are expected to be recovered.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

The nature of costs that are eligible include direct labour and associated costs, sub-contractor costs, contract management and materials. Other costs such as general & administration, wasted resources and expenses that relate to satisfied performance obligations are all recognised as expenses.

The asset is amortised over the period that the benefit will be transferred to the customer. Assets are assessed for impairment in line with IFRS 9.

1.6 Intangible assets other than goodwill

Acquired intangibles and purchased software are stated at the cost less accumulated amortisation and impairment losses.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Purchased/developed software	Development costs over 5 years and software over 3-5 years
------------------------------	--

1.7 Property, plant, and equipment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Leasehold improvements	Life of the lease
------------------------	-------------------

Fixtures, fittings and office equipment	2 – 10 years
---	--------------

Right of use assets	Period of the lease
---------------------	---------------------

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1.8 Non-current investments

Investments in subsidiary undertakings are stated at cost unless, in the opinion of the directors, there has been impairment to their value in which case they are immediately written down to their estimated recoverable amount.

1.9 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.10 Financial assets

Financial assets are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument and are initially recognised at fair value at trade date. All financial assets are classified as current or non-current dependent on the maturity date.

On initial recognition, financial assets are classified as either being subsequently measured at either amortised cost or fair value depending upon the company's business model for managing the asset and its cashflow characteristics. Financial assets are not reclassified following initial recognition unless the company changes its business model for managing financial assets.

Financial assets are deemed to be held under one of three business models:

1. Hold to collect – where the business objective is to hold the asset to collect the contractual cashflows;
2. Hold to collect and sell – where the business objective is to hold the asset to collect the contractual cash flows and to sell the financial assets; and
3. Other

Unless specifically designated to be held at fair value through profit or loss, a financial asset is measured at amortised cost if it is held within a hold to collect business model and its contractual terms give rise on specified dates to cashflows that are solely repayments of principal and interest on the principal amount outstanding.

Financial assets held within a hold to collect and sell business model are measured at fair value through OCI if the contractual terms give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding. The company does not currently have any such assets.

All other financial assets are held at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit or loss. Amortised cost is measured using the effective interest method.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

1.11 Impairment of financial assets

A loss allowance is recognised for expected credit losses taking into account changes in the level of credit risk. Where credit risk is considered to be low, the loss allowance is limited to expected losses arising from default events that are possible within 12 months of the balance sheet date. Impairments are charged to administrative expenses in the income statement.

The major class of financial assets held by the group that could be impacted by IFRS 9 impairment loss recognition is trade receivables. The company's exposure to credit risk in respect of these financial assets is considered low. The directors have additionally assessed the impact of impairment losses based on historic actual losses and concluded that the impact is immaterial.

Trade and other receivables

Trade receivables do not carry any interest and are stated at their amortised cost, net of impairment loss allowances. Where there is clear evidence that the receivable will not be recovered the balance is written off in full. Non-financial assets included within trade and other receivables include contract assets, prepayments and other tax receivables.

Derecognition of financial assets

Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

1.12 Financial liabilities

Financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument and are initially recognised at fair value at trade date. All financial liabilities are classified as current or non-current depending upon the maturity date of the instruments. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Trade and other payables

Trade payables and other short-term monetary liabilities are initially recorded at their fair value and subsequently carried at amortised cost using the effective interest method. Non-financial liabilities within trade and other payables include deferred revenue, accruals as well as other taxation and social security.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of the proceeds received, net of direct issue costs and are subsequently held at amortised cost. Direct issue costs are amortised over the period of the debt or facility. Finance charges are accounted for on an accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

1.13 Equity instruments

Following the adoption of IAS 32, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivation that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.15 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits**Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.18 Leases

The company has adopted IFRS 16 leases on the modified retrospective basis, effective from 1 May 2019.

The company leasing liabilities represent the present value of future liability payable to the landlord discounted using incremental borrowing rate towards office properties taken on lease at Birmingham (The Innovation Centre, Longbridge Technology Park, Devon Way, Longbridge) and Hemel (3rd Floor - Building 2, People Building, Hemel Hempstead).

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate of 3.54%. Lease payments included

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.19 Foreign exchange

Transactions in foreign currencies are translated to the company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.20 Financial guarantee contracts

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.21 Non-GAAP performance measures

The Board has presented 'Operating loss before impairment of investments and significant restructuring, one-off items and property provisions' and bad debt credits as an adjusted profit measure. The Board believes that this measure provides additional useful information for the shareholders on the underlying performance of the business. This measure is consistent with how business operation is monitored internally. The adjusted operating loss is not a recognised profit measure under FRS 101 and may not be directly comparable with 'adjusted' profit measures used by other companies. The adjustments made to operating loss have the effect of excluding exceptional charges which are predominantly one-off in nature and therefore create volatility in reported earnings.

Non-GAAP performance measures should not be regarded as a complete picture of the company's financial performance, which the company presents within its total statutory results. Non-GAAP

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

performance measures are reconciled to statutory measures on the face of the Statement of Comprehensive Income.

1.22 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.

2 Critical accounting estimates and judgements

Critical judgements

In the opinion of the Directors, there is no critical accounting judgements in the application of the company's accounting policies.

Critical accounting estimates

The following sets out the key assumptions concerning the future and key sources of estimation and uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

Impairment of investments

Since the acquisition by Alight in 2019, the NGA HR group of companies have been integrated into the Alight business's management and operational structure. This has resulted in the individual entities being viewed as part of the larger Alight group and not as individual cash generating units, with management and employees now contributing across the globe. Given that the notion of individual cash generating units no longer exist, it is appropriate that investment balances in subsidiary companies has been impaired in full on a statutory basis and has been recognised in the statement of comprehensive income.

Impairment of intangible assets

Following the acquisition of Northgate Information Solutions plc in 2007/08, the company had significant carrying values of intangible assets, such as customer relationships, technology-based assets and trade names and other marketing related assets. Intangible assets are tested annually for impairment.

Since the acquisition by Alight in 2019, the NGA HR group of companies have been integrated into the Alight business's management and operational structure. This has resulted in the individual entities being viewed as part of the larger Alight group and not as individual cash generating units, with management and employees now contributing across the globe. Given that the notion of individual cash generating units no longer exist, it is appropriate that the balances associated with the intangible assets in the NGA HR group companies has been impaired in full on a statutory basis and has been recognised in the statement of comprehensive income.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Taxation**

The company is subject to corporate taxes in numerous jurisdictions. Management is required to exercise significant judgement in determining the worldwide provision for corporate taxes. Certain transactions require the use of estimates and judgements to determine the financial effect where the ultimate tax determination is uncertain. When the final outcome of such matters is different, from previous estimates, such differences will impact on the corporate tax in the period in which the determination is made. There are no amounts recognised in the company's financial statements in respect of uncertain tax positions.

3 Revenue

Revenue analysed by class of business	December 2022 £'000	December 2021 £'000
Management services	36,283	37,792
Payroll and HR services	10,648	7,244
Total	46,931	45,036

4 Operating costs

	December 2022 £'000	December 2021 £'000
Wages and salaries	18,235	14,873
Social security costs	1,822	1,004
Pension costs	832	632
Share based payments	1,122	485
Depreciation of property, plant, and equipment	95	102
Bad debt expense / (credit)	(29,848)	(180,829)
Other operating charges	39,559	25,238
Impairment of investments and tangible assets	30,629	-
	62,446	(138,495)
Significant restructuring, one-off items, and property provisions		
- Property provisions	-	(29)
- Severance and restructuring	890	990
	890	961
Total operating costs/(credit)	63,336	(137,534)

5 Share based payments

23 employees of the company were part of the Long-Term Incentive Plan (LTIP) as at 31 December 2022. In the year of 31 December 2022, \$1,372k was incurred (equivalent to £1,104k) split into Performance Stock Units (PSU) of \$870k (£701k), and Restricted Stock Units (RSU) of \$502k (£405k) of Alight Inc, traded on the NYSE (31 December 2021: \$623k was incurred (equivalent to £485k) split into Performance Stock Units (PSU) of \$187k (£137k), and Restricted Stock Units (RSU) of \$476k (£348k)).

The initial value of £1,104k, plus related social security and tax expenses, was charged to the income statement, remains payable to Alight, and is reflected in the amounts payable to group undertakings at 31 December 2022.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****6 Auditor's remuneration**

	December 2022	December 2021
	£'000	£'000
Fees payable to the company's auditor and associates		
Audit of the financial statements of the company	90	75

No amounts were paid to the company's auditor in respect of services to the company other than audit of these financial statements.

7 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	December 2022	December 2021
Support function	99	96
Operations	26	27
Total	125	123

Their aggregate remuneration comprised:

	December 2022	December 2021
	£'000	£'000
Wages and salaries	18,235	14,873
Social security costs	1,822	1,004
Pension costs	832	632
Share based payments	1,122	485
Total	22,011	16,994

8 Directors' remuneration and highest paid director

	December 2022	December 2021
	£'000	£'000
Remuneration for qualifying services	274	207
Company pension contributions to defined contribution schemes	13	8
Total	287	215

The number of directors for whom retirement benefits are accruing under defined contribution (money purchase) schemes amounted to 1 (December 2021 - 1). One director is not classed as providing qualifying services to the company and is remunerated by another group entity.

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 0 (December 2021 - 0).

9 Investment income

No investment income has been recognised in the current or prior period.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****10 Finance costs**

	December 2022	December 2021
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	17	43
Interest payable to group companies	17,194	10,488
Interest on other financial liabilities:	17,211	10,531
Interest on lease liabilities	5	17
Total interest expense	17,216	10,548
Exchange differences	2,020	5,173
Total finance costs	19,236	15,721
Interest on bank deposits	(2)	-
	19,234	15,721

11 Taxation

	December 2022	December 2021
	£'000	£'000
Current tax		
Adjustments in respect of prior periods	-	-
Deferred tax		
Origination and reversal of temporary timing differences	-	-
Adjustment in respect of prior periods	-	-
Total tax charge	-	-

The charge for the period can be reconciled to the (loss) / profit per the income statement as follows:

	December 2022	December 2021
	£'000	£'000
Profit before taxation	(35,455)	166,849
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (Dec 2021: 19.00%)	(8,864)	31,701
Effect of expenses not deductible in determining taxable profit	(1,913)	(34,358)
Change in unrecognised deferred tax assets	10,753	2,117
Capital allowances in excess of depreciation	23	19
Group relief	0	520
Taxation charge/(credit) for the period	0	0

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****12 Intangible fixed assets**

	Software £'000
Cost	
At 31 December 2021	44,877
Disposals	(9,892)
At 31 December 2022	34,985
Amortisation and impairment	
At 31 December 2021	44,877
Disposals	(9,892)
At 31 December 2022	34,985

Carrying amount

Since the acquisition by Alight in 2019, the NGA HR group of companies have been integrated into the Alight business's management and operational structure. This has resulted in the individual entities being viewed as part of the larger Alight group and not as individual cash generating units, with management and employees now contributing across the globe.

The impairment was calculated by comparing the carrying value of intangibles with recoverable value as per IAS 36.

As the notion of the individual entities being cash generating units no longer exists, the recoverable value was deemed to be £nil. Intangibles acquired in the year have been expensed and recharged to other group companies through the management fee process.

Disposals in the year relate to various assets created in 2016 to 2021 which had been fully written down at date of disposal.

13 Property, plant, and equipment

	Fixtures, fittings & office equipment £'000	Right of use assets £'000	Total £'000
Cost			
At 31 December 2021	446	378	824
Additions	54	-	54
At 31 December 2022	500	378	878
Accumulated depreciation			
At 31 December 2021	317	376	693
Charge for the period	94	2	96
At 31 December 2022	411	378	789
Carrying amount			
At 31 December 2022	89	-	89
At 31 December 2021	129	2	131

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

ROU asset recognised represents the lease taken towards office properties at Birmingham (The Innovation Centre, Longbridge Technology Park, Devon Way, Longbridge) and Hemel (3rd Floor - Building 2, People Building, Hemel Hempstead).

14 Investments

The company has not designated any financial assets, not classified as held for trading, as financial assets at fair value through profit or loss. The fair value of financial assets is carried at amortised cost which the directors believe to be their fair values, except as detailed below.

On 1 January 2022, Northgate Information Solutions Holdings Limited purchased the entire share capital of Arinso Luxembourg Sarl, being 29,687 shares without nominal value for a consideration of €1 from Northgate Arinso Belgium BV.

On 1 January 2022, the company held a receivable from Arinso Luxembourg Sarl of €16.6m (£14.1m) which had been fully impaired. This was transferred to Arinso Luxembourg, in the form of a capital contribution with no increase in share capital of the company. As the receivable was fully impaired the conversion of it to an investment in Arinso Luxembourg Sarl was at nil value.

On 9 March 2022, the NorthgateArinso France Holdings SAS settled its intercompany loan amount of €36.5m with the Company through the issue of 36,541,236 shares of €1 each, equivalent to £30,628,864 as shown in the table below. As the asset that was settled was fully impaired at the date of issue of shares, the substance of the transaction was to capitalise an impaired asset from receivables to investments and therefore the additional investment value has been capitalised along with the associated provision resulting in nil value being reflected within the Income Statement.

On 9 March 2022, NIS Acquisitions Limited (NISA) allotted the company 24,905,834 shares in the French entity in consideration of 1 ordinary B share of £0.01 in the share capital of the company.

With the two transactions above, NISH became the 100% parent of the French entity holding 61,447,070 shares.

On 6 April 2022 the company waived the fully impaired receivable from Arinso France resulting in a capital contribution. As the receivable was fully impaired the conversion of it to an investment in the French entity was at nil which was the carrying value of the receivable asset.

Movements in non-current investments	Shares in £'000
Cost or valuation	
At 31 December 2021	586,104
Additions	30,629
At 31 December 2022	616,733
Impairment	
At 31 December 2021	586,104
Impairment loss	30,629
At 31 December 2022	616,733
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****15 Subsidiaries**

Details of the company's direct subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% held
Northgate Arinso Hungary Korlatolt Felelossegu Tarsasag	HU-1138 Budapest, Népfürdő utca 22., Building B, 13th floor	Ordinary	100
NorthgateArinso Malaysia Sdn Bhd	10th Floor, Menara Hap Seng, No 1&3 Jalan P Ramlee, 50250 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Ordinary	100
NorthgateArinso Spain SLU.	Calle Marques De La Ensenada Num 1, Planta 6, 18004 Granada - (Granada)	Ordinary	100
Rebus HR Group Ltd	Appleby Services (Bermuda) Ltd, Canon's Court, 22 Victoria Street, Hamilton, Bermuda, HM 12, Bermuda	Ordinary	100
Rebus Human Resources Limited	C/O Corporation Service Company (UK) Limited, 5 Churchill Place, 10th Floor, London, E14 5HU	Ordinary	100
NorthgateArinso Belgium NV	Route de Lennik 451, 1070 Anderlecht, Belgium	Ordinary	100
NorthgateArinso Israel Limited	Aba Hilel Silver St, 16 Ramat Gan, Tel Aviv, Israel	Ordinary	100
ARINSO Luxembourg SARL	32-36, Boulevard D'Avranches, L-1160 Luxembourg, Luxembourg	Ordinary	100
NorthgateArinso HR Services LLC	125047, 4th Floor, Lesnoy Lane 4, office 531, C1, Moscow, Russia	Ordinary	100
NorthgateArinso France Holdings SAS	9-11 Rue du Debarcadere, 92700 Colombes, France	Ordinary	100

Details of the company's indirect subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% held
NGA Human Resources Oy	Italahdenkatu 22A, 00210, Helsinki, Finland	Ordinary	100
ARINSO Mexico SA de CV	Belisario Dominguez No 64, Col Miguel Hidalgo, Delegacion Tiaipan C.P. 14260, Mexico	Ordinary	100
NGA Outsourcing Malaysia Sdn Bhd	2nd floor, No12B (B), Jalan SJ6, Taman Selangor Darui Ehsan	Ordinary	100
NGA Outsourcing Singapore Pte Ltd	24 Raffles Place, 20-03 Clifford Centre, 048621, Singapore	Ordinary	100
NIS Payroll Solutions (India) Private Limited	A-41 shubham, CoOperative Housing Society Ltd, Akurli Road (Kandivali (East)), Mumbai, 400101, India	Ordinary	100
Northgate Information Solutions China Ltd	7th Floor, Ruttonjee House, 11 Duddell Street, Central, Hong Kong, Hong Kong	Ordinary	100
NGA HR Sp z o.o.	Chorzowska 146, 40-101 Katowice, Poland	Ordinary	100
NorthgateArinso Singapore PTE Ltd	24 Raffles Place, 20-03 Clifford Centre, 048621, Singapore	Ordinary	100
NGA Human Resources Sweden AB	Wallingatan 34, 11124, Stockholm, Sweden	Ordinary	100
NorthgateArinso Switzerland Ltd	Hotelstrasse 1, Postfach 311, 8058, Zurich	Ordinary	100
NorthgateArinso Thailand Company Ltd	No.1, Empire Tower, 47th Floor, Unit 4703, South Sathorn Road, Sathorn District, Bangkok, 10120	Ordinary	100
NorthgateArinso Danismanlik Insan Kaynaklari Ve Teknoloji Hizmetleri Ltd Sti	Barbaros Mah Cigdem Sk. Agaoglu My Off. Ism. N.1.K.4/18 ÖFS.1815, Atasehir, Istanbul, Turkey	Ordinary	100
NorthgateArinso Austria GMBH	p.A. TPA Steuerberatung GmbH, Wiedner Gurtel 13, 1100 Wien, Sitz in politischer Gemeinde Wien	Ordinary	100
NGA HR India Pvt Ltd	3rd Floor, Madhu Industrial Estate, Pandurang Budhkar Marg Worli, Mumbai, India	Ordinary	100
NorthgateArinso Information Technology Services (Dalian) Co	5F Bldg 11 Dalian Software Park, 5 Digital Square, Dalian, Liaoning, 116023, China	Ordinary	100
NorthgateArinso Canada ULC	4500, 855 - 2nd Street S.W., Calgary, Alberta, T2P4K7	Ordinary	100
NGA Outsourcing Canada ULC	4500, 855 - 2nd Street S.W., Calgary, Alberta, T2P4K7	Ordinary	100
NorthgateArinso Brazil Informatica Ltda	Alameda Madeira Numero 53, 5 andar, conjunto 52, Alphaville, municio de Barueri, Sao Paulo, Brazil	Ordinary	100
NGA Human Resources Denmark AS	Rådhuspladsen 16 1550 København V, Denmark	Ordinary	100
NorthgateArinso LLC	810 Hesters Crossing, Suite 250, Round Rock, TX 78681	Ordinary	100
NorthgateArinso Deutschland GmbH	Waldeckerstrasse 11, 64546 Morfelden - Walldorf, Germany	Ordinary	100
ARINSO Argentina S.A.	Viamonte 1646 Piso 6 Of. "22" - CABA, Argentina	Ordinary	100
NGA Japan KK (NGA Japan Kabushiki Kaisha)	Deegrans Mitahijirizaka 601, 11-27, Mita 4-Chome, Minatoku, Tokyo.	Ordinary	100
Arinso France SAS	9-11 Rue du Debarcadere, 92700 Colombes, France	Ordinary	100
ARINSO Australia Pty Ltd	Level 11, 307 Queen Street, Brisbane, QLD 4000, Australia	Ordinary	100
Alight NGA Holdings LLC	C/o Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808.	Ordinary	100

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****16 Contracts with customers**

Contracts in progress	December 2022 Year end £'000	December 2021 Year end £'000	December 2020 Year end £'000
Contract assets	2,198	1,901	1,246
Contract liabilities	(885)	(994)	(2,391)

At 31 December 2022, amounts of £1,427k (December 2021: £631k) are included in trade and other receivables arising from contracts which are due for settlement after more than 12 months. At 31 December 2022, amounts of £837k (December 2021: £443k) are included in trade and other payables which are due for settlement after more than 12 months.

Contract assets have increased since the prior period whilst contract liabilities have decreased. These balances will change year on year dependent on the achievement of the identified performance obligations in the customer contracts at the balance sheet date and the agreed billing arrangements with customers.

17 Trade and other receivables

	Current		Non-current	
	December 2022 £'000	December 2021 £'000	December 2022 £'000	December 2021 £'000
Trade receivables	3,310	2,065	-	-
Contract assets (note 16)	771	1,270	1,423	631
Amounts owed by fellow group undertakings	1,065	803	-	-
Other receivables	87	-	-	-
Prepayments and accrued income	1,800	2,169	282	426
Total	7,033	6,307	1,705	1,057

Amounts owed by fellow group undertakings comprises mainly the sale of goods and services to Alight Solutions. These amounts are repayable on demand and are expected to be fully settled in the next 12 months. See note 28 for further information.

18 Borrowings

Borrowings held at amortised cost	Current		Non-current	
	December 2022 £'000	December 2021 £'000	December 2022 £'000	December 2021 £'000
Other loans	-	111	-	-

There were no external borrowings at 31 December 2022 (December 2021: 1 year repayable by instalments).

The company repaid the loan of £111k during 2022, in quarterly instalments with an interest rate of 4.7% and 6.5% respectively.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****19 Trade and other payables**

	Current		Non-current	
	December 2022	December 2021	December 2022	December 2021
	£'000	£'000	£'000	£'000
Trade payables	2,282	3,515	-	-
Contract liabilities (note 16)	48	551	837	443
Amounts owed to fellow group undertakings	218,009	215,072	85,060	48,334
Other tax and social security	734	440	-	-
Accruals	7,213	6,144	81	81
Total	228,286	225,722	85,978	48,858

Amounts owed to fellow group undertakings includes loan advances, interest, management fees and the purchase of goods and services. See note 28 for further information.

20 Lease liabilities

Maturity analysis	December 2022	December 2021
	£'000	£'000
Within one year:	11	16
In two to five years:	-	2
Total undiscounted liabilities	11	18

The company's obligations under leases are secured by the title to the leased assets. Lease obligations are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as above.

Amounts recognised in profit or loss include the following:	December 2022	December 2021
	£'000	£'000
Interest on lease liabilities	5	16

No new leases have been entered into and the movement above is due to the related cash outflows.

21 Deferred taxation

The following shows the unrecognised deferred tax assets identified by the company and movements thereon during the reporting period.

	Losses b'fwd	CY Losses	Gross	Net @25%
	£'000	£'000	£'000	£'000
Trade losses (pre 1 April 2017)	8,593	-	8,593	2,148
Trade losses (post 1 April 2017)	26,876	33,542	60,418	15,105
NTLRD (post 1 April 2017)	7,992	-	7,992	1,998
Connected party capital losses	-	-	-	-
Total tax losses	43,461	33,542	77,003	19,251
TWDV			27,654	6,913
NBV			(89)	(22)
Capital allowances in excess of depreciation			27,565	6,891
Total unrecognised deferred tax asset			104,569	26,142

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

At 31 December 2022, the company had an unrecognised deferred tax asset in respect of unused tax losses and capital allowances in excess of depreciation of £26,142k (Dec 2021: £31,715k). The total carried forward trading losses for which no deferred tax asset is recognised is £77,004k as at 31 December 2022 (2021: £43,461k).

22 Provisions for liabilities

	December 2022	December 2021
	£'000	£'000
Other provisions	-	837
Total	-	837

Movements on provisions:	Other provisions	Total
	£'000	£'000
At 31 December 2021	837	837
Release of provisions	(837)	(837)
At 31 December 2022	-	-

The £837k release of provisions in the year relate to previously anticipated software license costs which after management review are now not expected to be paid.

23 Retirement benefit schemes**Defined contribution schemes**

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £833k (December 2021: £632k). At 31 December 2022 there was £124k payable to the pension scheme (December 2021: £1k).

24 Share capital

Ordinary share capital issued and fully paid	December 2022	December 2021	December 2022	December 2021
	#	#	£'000	£'000
Ordinary B shares of 1p each	1,955,688,890	1,955,688,888	19,557	19,557

Two Ordinary B shares of 1p were issued in the year to NIS Acquisition, one being in exchange for a receivable from NorthgateArinso Nederland B.V., and one in exchange for the 100% ownership of NorthgateArinso France Holdings SAS.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

25 Contingent liabilities

At 31 December 2021 the company was a participant in a financing arrangement that NGA HR had with Wells Fargo providing up to £15m of additional financing secured on German, Belgian and US trade receivables held by other members of the NGA group of companies. The company was not itself able to draw on these facilities but acted as a guarantor in respect of the arrangement, which was extended until June 2022 and is now terminated.

There are no other significant contingent liabilities in this entity other than bank guarantees entered into in the normal course of business. The following facilities with Barclays were available as on 31 December 2022.

- Bonds, Guarantees, Indemnities & Standby LC's facility in Euros equivalent to less than £1m
- Company Barclaycard facility of less than £20K GBP which was closed in 2023

26 Capital commitments

At 31 December 2022, and 31 December 2021, the company had no capital commitments due to expensing intangibles and recharging around the group through the management fee mechanism.

27 Events after the reporting date

Since the balance sheet date, the company has received £9.5m of cash, net of repayments, from Alight Solutions LLC. This has been used to fund normal business operations in the company and its subsidiaries.

Funds were also injected into the company as part of two recapitalisation exercises of its subsidiaries.

On 2 June 2023, the company increased its investment in the Belgian subsidiary of €31m, immediately followed by the repayment of €23m of netting debt and loan balances by Belgium to the company, \$5m repayment of netting debt by NGA Canada to the company, and a new loan payable by the company to NIS Acquisitions of \$3m was created.

On 24 July 2023, the company increased its investment in NGA France Holdings by €13m. This was used to increase its investment in the French operating entity, which could then repay its netting debt payable of €5.7m to the company and increase its investment in NGA Italy. NGA Italy subsequently repaid its netting debt payable of €7.3m to the company.

On 29th November, the company acquired 100% of the share capital in NorthgateArinso Canada ULC (NGA Canada) from the Belgian subsidiary for €1. Subsequently, Alight Solutions LLC loaned US \$47m to NISA, with US \$43m of this being loaned to the company for it to invest in its newly acquired direct subsidiary, NGA Canada. This facilitated the settlement of several intercompany debt balances which have historically generated material foreign exchange movements. On 30th November, all funds issued by Alight Solutions LLC were sent back.

NorthgateArinso LLC, the wholly owned Russian subsidiary, is now in the process of being liquidated and is being managed by a specialist company in Russia. The director of the entity is no longer employed by the business, and as such the statement confirming the balances outstanding between the company and the Russian entity have been signed by the EMEA Financial Controller.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****28 Related party transactions****Remuneration of key management personnel**

The Company has availed the exemption under FRS 101 paragraph 8(j) not to disclose the Key Management Personnel Compensation & transactions with parent companies and wholly owned subsidiaries.

Other transactions with related parties

During the period the company entered the following transactions with related parties. This table excludes transactions of a balance sheet nature such as settling of intercompany balances and cash movements.

	Sale of goods / services		Purchase of goods / services	
	December	December	December	December
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Alight Solutions Europe Ltd	2,726	3,671	534	362
Alight Solutions Private Limited	6	-	-	-
PT Alight Solutions Indonesia	-	-	13	-
Alight Solutions Europe sp. z o.o.	3	-	164	-
Alight Inc	-	-	1,122	485
Alight Solutions LLC	1,446	186	241	222
NorthgateArinso Nederland BV	2,856	1,740	1,604	1,841
Arinso International Philippines	-	-	-	780
Total	7,037	5,597	3,678	3,690

	Interest income (expense)		Management fee income (expense)	
	December	December	December	December
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Alight Solutions Europe Ltd	(18)	(41)	-	-
Alight Solutions LLC	(562)	(140)	-	114
NorthgateArinso Nederland BV	(615)	110	167	705
Arinso International Philippines	-	(458)	-	-
Total	(1,195)	(529)	167	819

The Company is the direct subsidiary of NIS Acquisitions Limited and the ultimate parent is Alight Inc. See note 30 for further information on this.

The company has created a bad debt provision in respect of all intercompany receivables except for amounts due from Alight Solutions.

The company has long-term loans with its subsidiaries which are receivable/payable as per the terms agreed.

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

The details and breakdown of loans are disclosed below:

- USD 350K due from Northgate Arinso Belgium BV @ 3.32% annually
- EUR 14M due from Northgate Arinso Deutschland GmbH @ 1.69% annually
- EUR 4M due from Arinso Iberica S.L.U @ 1.64% annually
- ILS 1.1M due from Northgate Arinso Israel Limited @ 1.35% annually
- GBP 594K due from NGA Japan GK @ 1.83% annually
- JPY 6M due from NGA Japan GK @ 1.19% annually
- EUR 2M owed to Alight Solutions Europe Limited @ 6.7% annually
- GBP 85M owed to Alight Solutions LLC @ average interest rate of 1.77% annually
- USD 361K owed to NIS Acquisitions Limited @ 3.32% annually
- EUR 12M owed to Northgate Arinso Nederland BV @ 1.69% annually

The latter two loans above, owed by the company have subsequently been extended to be long term debt.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	December 2022	December 2021
	£'000	£'000
PT Alight Solutions Indonesia	13	-
Alight Solutions Europe sp. z o.o.	112	-
Northgate Arinso Nederland BV	6,399	30,911
NIS Holdings BV	-	809
Arinso International Philippines	14,859	16,629
Alight Solutions Europe Ltd	559	358
Alight Solutions LLC	1,931	38,188
Alight Inc	1,682	485
Total	10,696	121,456

Amounts due from related parties	December 2022	December 2021
	£'000	£'000
Alight Solutions Private Limited	6	-
Alight Solutions Europe Ltd	538	581
Alight Solutions (Thailand) Co. Ltd.	7	-
Alight Solutions LLC	514	222
Total	1,065	803

A significant portion of the company's services was rendered to the international customers of its related parties. The company also receives services from its international related parties. These services include costs of consultants having various projects during the period; work on a single project for a certain period of time and other costs recharged by the company to its related parties. Pricing of the group is on a standard cost-plus mark-up basis with appropriate percentages determined by management.

Most companies within the group do not actually collect/pay the amounts due to/from related parties rather these amounts are netted and accounted by the company. The result of netting is subject to interest rate at GBP 3 Month Libor rate +3% if it is a receivable for the company and GBP 3 Month Libor Rate +2.75% if it is payable for the company. The computation is based on the monthly

NORTHGATE INFORMATION SOLUTIONS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

outstanding intercompany balances, as a result of netting agreements. Interest income and expense from these transactions are presented as part of financial income and cost (notes 9 & 10).

The company has an existing management service agreement with various related parties whereby functions performed by different parties called as back-office providers and is remunerated on a cost plus markup basis. Charges for these services are first pooled in the company from different related parties and then these are remunerated back to all the entities in the group on a cost plus mark-up basis from the company. The fees for the management services are presented as the net amount in the statement of comprehensive income (note 3).

The company also has transactions with other companies within the group which are neither a parent nor subsidiary but establish relationship by way of common control i.e., ultimately controlled by the same parent. These transactions are shown in the disclosure above.

29 Controlling party

On 31 December 2022 the immediate parent company is NIS Acquisitions Limited, a company registered in England and Wales, and the ultimate parent company is Alight, Inc., a company registered in United States of America, and now listed on the NYSE.

The smallest group in which the results of the company are consolidated is that headed by Tempo Acquisition LLC, a company registered in United States of America. Copies of the group accounts can be obtained from the registered office at 4 Overlook Pt, Lincolnshire, IL 60069-4337, United States.

The largest group in which the results of the company are consolidated is that headed by Alight Inc, a company registered in United States of America. Copies of the group accounts can be obtained from the registered office at 345 Park Avenue, New York, NY 10154, United States.

30 Prior period restatement

The presentation of the prior period results for the period ended 31 December 2021 has been restated to remove the disclosure of Non-GAAP performance measures. Previously operating loss before impairment of investments and significant restructuring, one-off items and property provisions' and bad debt credits was disclosed as an adjusted profit measure on the Statement of Comprehensive Income. The presentational adjustment does not have any impact on the prior period balance sheet or the company's profit for the period ended 31 December 2021.