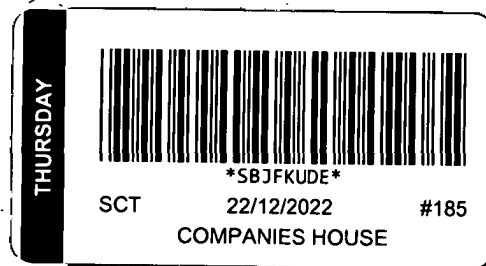


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THE INSIGHTS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



THE INSIGHTS GROUP LIMITED

COMPANY INFORMATION

Directors

AM Lothian
AJ Lothian
CJS Clark
PM Lothian
JM Lothian

Registered number

SC166543

Registered office

Terra Nova
3 Explorer Road
Dundee
Angus
Scotland
DD2 1EG

THE INSIGHTS GROUP LIMITED

CONTENTS

	Pages
Group strategic report	1 - 6
Directors' report	7 - 10
Independent auditors' report	11 - 14
Consolidated statement of comprehensive income	15
Consolidated balance sheet	16
Company balance sheet	17
Consolidated statement of changes in equity	18
Company statement of changes in equity	19
Consolidated Statement of cash flows	20 - 21
Notes to the financial statements	22 - 51

THE INSIGHTS GROUP LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Introduction

The directors present their Strategic report and the audited consolidated financial statements of the Group for the year ended 31 March 2022.

Business review

Turnover for the year was £66.5M, an increase of 55.1% on the previous year (2021 : £42.9M).

Operating profit for the year was £11.3M, compared to an operating loss in the prior year of (£2.3M).

As it did in our fiscal year ended March 2021, the COVID pandemic provided the backdrop for our operational and financial performance to March 2022. Going into the pandemic, Insights Learning and Development Limited, which contributes over 95% of the Group's turnover, delivered value primarily through face-to-face events. Our 2021/22 results demonstrate the continued success of our digital and virtual learning transfers with turnover and profit returning to pre-pandemic levels.

By the end of 2021/22, the specific cost management measures that were put in place to mitigate the impact of the pandemic on our profitability, were rescinded.

Given the challenges the business faced through the pandemic, we are delighted that we were able to achieve a 'V' shape recovery and that the business is so well placed for growth in 2022/23. This is testimony to the resilience, creativity and capability of our employees and our community who worked tirelessly to continue to bring awareness of self and others to the world.

The Group's balance sheet shows net current assets of £17.1M (2021: £21.8M). Net assets are £32.9M (2021: £30.6M) and shareholders' funds are £33.0M (2021: £30.7M). The increase in net assets reflects the profit generated in the year.

The Insights Group Limited ("The Group") is made up of two operational trading businesses, Insights Learning and Development Limited ("Insights") and Vidatec Limited ("Vidatec").

Insights remains committed to our strategy "to be irresistibly attractive to our customers by investing in our people and our global Insights community". This is being delivered through our Strategic Programme which is delivering new digital offerings enabling lifelong learning journeys and becoming one global organisation, with consistent policies, systems, and processes.

THE INSIGHTS GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Business review (continued)

At the heart of this work is the intention to create a positive, inspiring, high performing culture and working environment where our people are both supported and challenged to be the best versions of themselves and to help us to become the organisation we are helping our customers to be. This means that across our global community we can service our customers in a way that is efficient and effective with inspiring product solutions that enables us to collectively provide the best customer experience.

Continuing our strong turnover growth is also a key focus and strategic objective. We intend to deliver that through the following:

- Further improving our existing and future digital experiences. Our digital offerings have played a key role in mitigating the impact of COVID-19 on our customers who now have the option to attend both in-person and virtual classroom experiences.
- The implementation of our Enterprise Process and Systems project which will involve the deployment of Microsoft Dynamics 365 across our global footprint.
- Focusing on our largest clients in key markets such as Pharma, Financial Services and Technology through our dedicated Enterprise Channel.
- Accelerating our geographical expansion in our largest market, North America, and within newer markets, including Asia, Africa, Middle East, and South America.
- Investing in the upskilling and development of our employees and attracting new talent.

Vidatec has continued to build out its mobile and web application development capability with a mission to improve people's lives through technology. Vidatec has expanded its customer base and serves an ever-growing number of industry segments.

Vidatec also took the opportunity to use 2021/22 as a transitional year to refocus its offering on mobile and web application services.

Principal activities

The principal activity of the Group in the year was the provision of learning solutions to the business community that are designed to train and develop their employees, primarily through the Group of subsidiary companies owned by Insights Learning & Development Limited.

Insights' purpose is to create a world where people truly understand themselves and others and are inspired to make a positive difference in everything they do.

Insights is a global organisation with employees in sixteen countries and a presence in over eighty countries. We work with some of the world's largest and most prestigious organisations.

We apply our learning and development to many application areas including team building, leadership development, communication skills, sales effectiveness, and self-development.

Vidatec's purpose is improving people's experience of life through technology. This purpose is delivered through the development of mobile and web applications for a range of sectors including health and well-being, social care, travel and tourism, employee engagement, retail, and not-for-profit.

THE INSIGHTS GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Directors' statement of compliance with duty to promote the success of the Group

The Board of Directors of The Insights Group Limited consider that we have fulfilled our individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the success of the Group for the benefit of shareholders. This has been accomplished through the application of the following:

- Focusing on our long-term success, we conduct quarterly business performance reviews with the Chief Executives of both Insights Learning and Development Limited and Vidatec. Reviews focus on our people including the review of our employee engagement scores; our customers, which includes a review of our Net Promoter Score; and, in service of our shareholders, creditors, employees and government stakeholders, our financial performance and the progress of our strategic programme.
- Regularly reviewing our compensation structure, annual salary and benefit awards to ensure that remuneration benchmarks within our market and that employees share in the success of the business.
- Oversight of the financing arrangements of the Group including both approval of long-term financing agreements and through the application of our dividend policy.
- We take time to 'on-board' and provide ongoing support to our suppliers and ensure they are paid in a timely manner.
- Direct participation in events that enhance our community, including presenting and investing in numerous charity events.
- Finally, our Directors actively promote activities and investment to ensure that Insights Group acts with the utmost integrity and social and ethical responsibility.

Corporate social responsibility

Whether through increasing self-awareness or improving people's experience of life through technology, social responsibility is at the heart of our purpose.

Insights has set up the Insights Foundation which has been established to oversee our "Gift of Discovery". Our vision is to enable charitable organisations, working within areas of social need, to build more connected and compassionate communities through the gift of our learning and development solutions.

We provide individuals, charities, not for profit organisations, and community groups with the tools to educate and facilitate transformational change in the workplace and home.

As all companies do, Insights has a role to play in combating climate change and adopting sustainable business practises. We have a programme of activity that includes optimising our supply chain, reducing plastics from our packaging, reducing air-miles and offering our employee's environmentally considerate benefits. An example of our commitment to this work is our support of WeForest. We aim to plant 1 million trees over a period of ten years, for a safe, green future for ourselves, each other, and our children.

THE INSIGHTS GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Streamlined energy and carbon reporting

Insights takes its responsibility to the environment very seriously. We do so by encouraging our employees to limit business travel by making use of video conferencing applications, recycling waste and providing employees facilities and support to encourage sustainable transport to work.

In establishing our CO₂e emissions, we have examined our emissions from energy consumption in our owned facility and vehicle (Scope1). We have also assessed our carbon footprint from business travel and our leased facilities (Scope 2&3). The section 172 reporting requirement on Streamlined Energy and Carbon Reporting requires UK companies to report emissions from its UK operations. This is the scope of the information included in the table below.

The methodology used to generate this information involves establishing energy consumption from third party supplier statements and applying HMRC CO₂e conversion factors. For air travel our travel provider, CTM, provided a CO₂e emissions report.

Insights energy consumption within our own facilities in fiscal year 2021/22 was 219,674kWh (2020/21: 242,268kWh)

	2022	2021
	kg CO ₂ e	kg CO ₂ e
Owned assets	46,643	56,482
Business travel	25,571	-
Leased assets	<u>23,408</u>	<u>26,015</u>
Total	<u><u>95,622</u></u>	<u><u>82,497</u></u>
Intensity ratio (kg CO ₂ e per FTE)	326	303

Employee involvement

Our people are at the heart of our business. Our employees interact with our clients, suppliers and partners every day. Their engagement is critical to ensure we make the right decisions for our business.

Working with independent consultants, we measure our employee engagement annually with year on year improvement in our engagement scores central to our strategic objectives.

Matters impacting employees are discussed with them as standard practice. Additionally, we have an internal communication framework to ensure that employees are always informed about the Group's financial performance. All employees participate in one of the financial performance related incentive schemes operated by the Group.

To ensure we cover the topics our employees want to be informed about, they can also feedback requests to our communication champions.

THE INSIGHTS GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Principal risks and uncertainties

The Group manages competitive trading risk by continually updating the products, services and learning experience.

The Group's principal financial trading instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade creditors, arise directly from the company's operating activities.

The main risks associated with the Group's financial assets and liabilities are set out below.

Epidemic/Pandemic risk

COVID19 demonstrated the Groups vulnerability to a pandemic or epidemic. The risk manifests in two primary ways. Firstly economic impact to travel & tourism, transportation, and associated manufacturing

The second was the impact of physical (social) distancing which had a disproportionately high impact to Insights turnover generated from our classroom based learning and development activities. This risk has been partially mitigated using our virtual learning events and e-learning offerings.

Economic volatility

The economic turbulence caused by factors including post pandemic supply chain corrections, Russia-Ukraine war, Brexit and climate change have created an increased economic uncertainty. While Insights geographical and sector diversification is well placed to minimise the impact of these risks, we operate in a global economy and will therefore suffer from a global recession triggered by geo-political events.

Interest rate risk

The Group has monies in floating rate interest yielding bank accounts, therefore interest income and cashflow can be affected by movements in interest rates.

The Group has floating rate bank borrowings, therefore interest costs and cash flow can be affected by movements in interest rates. We mitigate this risk by ensuring that when entering into new loans the directors consider current and predicted interest rates and review sensitivity analysis to determine the impact of interest rate increases on future cash flows.

Price risk

The Group is subject to competitive pressure. While we are confident of the value we bring to our clients, price pressure is a risk to our financial performance. We mitigate this risk by continuously improving and differentiating our offerings.

Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generated by its operations. Major capital expenditure is approved at Board level and typically funded via a combination of bank borrowings and retained earnings.

Foreign currency risk

The Group's principal transactions are sales denominated in Sterling, Euros, US Dollars, Canadian Dollars, Singapore Dollars, Australian Dollars, Indian Rupees and Swiss Francs. As a result, the Group's cash flow can be affected by movements in the exchange rate, although the risk is mitigated though a natural hedge with costs incurred in local currency.

THE INSIGHTS GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Principal risks and uncertainties (continued)**Tax**

The Group obtains regular advice to ensure it is aware of and actively managed any tax related risks. There is, however, always the risk of legislative changes which may adversely impact our financial performance.

Information security

The Group is exposed to a number of Information Security related risks. Foremost amongst those is the risk of a data breach. Our Information Security team deploy tactics across the Group to protect our customer's and employee's data ensuring that we comply with GDPR and related legislation in the US, Asia Pacific and other regions.

Intellectual property rights

The Group partners with external counsel to ensure we proactively manage the threat of IPR violation and to ensure our IP portfolio keeps pace with our emerging products, solutions and methods.

Data Residency

On 28 June 2021 the European Commission adopted the two UK adequacy decisions under the EU's General Data Protection Regulation (EU GDPR) and Law Enforcement Directive (LED). meaning that personal data can now flow from the EU to the UK freely as the UK offers an equivalent level of protection to that in the EU.


Data residency is a growing trend within our customer base which we will manage in partnership with our cloud hosting partners, Amazon and Microsoft.

Financial key performance indicators

The Group uses several key performance indicators (KPI's) to manage its daily operations and management review. These include, but are not limited to, the KPI's detailed below:

	2022	2021
	£	£
Turnover	66,548,948	42,911,332
Operating profit/(loss)	11,278,646	(2,302,681)
Profit/(loss) before taxation	11,097,752	(2,338,358)
Net assets	32,891,108	30,591,475
Turnover per full time equivalent headcount	131,520	89,961
EBITDA (Earnings before Interest, Tax, Depreciation, Amortisation)	<u>14,508,303</u>	<u>398,501</u>

This report was approved by the board on 20 December 2022 and signed on its behalf by.

DocuSigned by:

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AJ Lothian
 Director

THE INSIGHTS GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £9,172,018 (2021: loss £2,938,489).

Dividends totalling £6,904,000 (2021: £Nil) were declared during the year. At the year-end £Nil was still payable (2021: £Nil).

THE INSIGHTS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Directors

The directors who served during the year were:

AM Lothian
AJ Lothian
CJS Clark
PM Lothian
JM Lothian
SMH Lothian (resigned 6 April 2022)

Future developments

Financial year 2022/23 will be the final year of our five year strategic period. In year five, we will maintain investment in the following key areas: Digital Transformation, Enterprise Processes and Systems, Developing our People & Culture and North America Growth.

Insights Learning and Development: Digital transformation

Our investment in creating a digital version of our learning and development offering is critical in providing our customers an alternative experience during the COVID19 pandemic. We have also made progress in moving away from a profile and event business to becoming a lifelong learning partner where we can deliver our purpose in an even more significant way.

Launched earlier in the year, Insights will also continue to develop our new platform which provides the digital experience for our customers, practitioners, and employees.

Insights Learning and Development: Enterprise processes and systems

To become irresistibly attractive to our chosen customers, not only must we develop digitally, we must also deliver excellent customer service. From the twinkle in the customer's eye, through to cash in the bank, our core processes and systems are critical to providing our customers with the experience they deserve. In 2021/22 we launched our EPS programme, which included the deployment of Microsoft D365, in our largest markets. The roll-out will continue in 2022/23.

Insights Learning and Development: Developing our people and culture

To deliver on our customers needs we have a huge imperative to invest in the development of our own teams. Our digital offerings and global footprint require specialist skills and knowledge which take time and investment to build. We want to be an employer of choice and ensure we have a flourishing culture.

Insights Learning and Development: North America Growth

While the US is our largest market and we also have long established operations in Canada, market share lags many of our European markets. We have invested in new roles and built a stronger North American leadership team to increase our growth in the region. This includes developing new partners and alliances, new marketing strategies and improved operational capability.

THE INSIGHTS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Vidatec

Vidatec has continued to grow its customer base and its capability to deliver excellence in mobile and web application development. Our solutions are grounded in our purpose: Improving people's experience of life through technology.

Vidatec will continue to build its application development capability across the market sectors we serve.

Group research and development activities

The Group, through Insights and Vidatec subsidiaries, employs a team of people in its research department to ensure the validity of its current product offerings and to understand opportunities emerging from new market developments and thinking.

The company is also investing heavily in the development of new products and solutions that it expects to bring to market next year.

Principal risks and uncertainties

For information relating to principal risks and uncertainties please refer to the detail provided in the Strategic report.

Employees

For details of how we involve employees in the management of our business please refer to the Employee involvement section of the Strategic report.

After two years of our employees working from home, Insights moved to a hybrid working pattern from March 2022. As part of this change, we transformed our office facilities in Dundee to make it more conducive to project collaboration and to create a more informal working environment.

Going concern

Our financial results from 2021/22, year to date results from 2022/23 and business forecasts all point to a strong financial performance that generate a healthy cash position.

In relation to all loans, we confirm that no breaches of debt covenants have occurred or are projected at this time. By the end of 2022/23 we project that Insights will have a loan balance of £2,068,000 further adding to our confidence in the financial strength of the business.

To summarise our Going Concern Assessment, a 12 month forecast has been carried out including a severe but plausible scenario, and we are confident that Insights comfortably conforms to all 'going concern' tests.

Engagement with suppliers, customers and others

The Group promotes its values both within the organisation and in all relationships with suppliers, customers and third parties. In all cases we act with respect, support and trust. We continually strive to improve our systems, methodologies and offering in order to provide the best service we can. We recognise that our actions impact those in our communities and act accordingly.

THE INSIGHTS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Disabled employees

Applications for employment of disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues, and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Qualifying third party indemnity provisions

The Group has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions were in force during the financial year and at the date of approval of the financial statements.

Post balance sheet events

On the 31 August 2022, Insights sold a minority interest in our South Africa legal entity. Our primary objective was to improve our Broad Based Black Economic Empowerment (BBBEE) rating. Insights full supports BBBEE legislation as a way to rebalance opportunity within the country. Insights will continue to look for ways to improve our rating in the months and years ahead.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 20 December 2022 and signed on its behalf.

DocuSigned by:

Andrew Jonathan Lothian

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AJ Lothian
Director

THE INSIGHTS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSIGHTS GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, The Insights Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheet as at 31 March 2022; the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

THE INSIGHTS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSIGHTS GROUP LIMITED

knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and tax legislation in each of the jurisdictions that the group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

THE INSIGHTS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSIGHTS GROUP LIMITED

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations; claims and litigation, and instances of fraud;
- Understanding of management's controls designed to prevent and deter irregularities;
- Review of board minutes; and
- *Identifying and testing journal entries, including those with unexpected account combinations impacting revenue and profit*

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, *forgery or intentional misrepresentations, or through collusion.*

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

THE INSIGHTS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSIGHTS GROUP LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
21 December 2022

THE INSIGHTS GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	66,548,948	42,911,332
Cost of sales		(15,301,499)	(10,370,995)
Gross profit		51,247,449	32,540,337
Administrative expenses		(40,615,135)	(37,354,546)
Other operating income	5	646,332	2,511,528
Operating profit/(loss)	6	11,278,646	(2,302,681)
Interest receivable and similar income	10	4,904	129,180
Interest payable and similar expenses	11	(185,798)	(164,857)
Profit/(loss) before taxation		11,097,752	(2,338,358)
Tax on profit/(loss)	12	(1,904,799)	(789,656)
Profit/(loss) for the financial year		9,192,953	(3,128,014)
Currency translation differences		18,753	(255,155)
Other comprehensive income/(expense) for the year		18,753	(255,155)
Total comprehensive income/(expense) for the year		9,211,706	(3,383,169)
Profit/(loss) for the year attributable to:			
Non-controlling interests		20,935	(189,525)
Owners of the parent Company		9,172,018	(2,938,489)
		9,192,953	(3,128,014)

The notes on pages 22 to 51 form part of these financial statements.

THE INSIGHTS GROUP LIMITED
REGISTERED NUMBER: SC166543

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	14,193,128	13,938,863
Tangible assets	15	3,152,258	2,442,481
Investments	16	500,000	-
		<u>17,845,386</u>	<u>16,381,344</u>
Current assets			
Stocks	17	686,929	802,695
Debtors: amounts falling due after more than one year	18	1,071,038	430,383
Debtors: amounts falling due within one year	18	20,211,344	12,581,710
Cash at bank and in hand	19	11,322,915	20,385,196
		<u>33,292,226</u>	<u>34,199,984</u>
Creditors: amounts falling due within one year	20	(16,178,496)	(12,419,694)
		<u>17,113,730</u>	<u>21,780,290</u>
Net current assets		<u>17,113,730</u>	<u>21,780,290</u>
Total assets less current liabilities		<u>34,959,116</u>	<u>38,161,634</u>
Creditors: amounts falling due after more than one year	21	(2,068,008)	(7,570,159)
Net assets		<u>32,891,108</u>	<u>30,591,475</u>
Capital and reserves			
Called up share capital	26	143,872	143,872
Capital redemption reserve		2	2
Profit and loss account		32,826,695	30,547,997
Equity attributable to owners of the parent Company		<u>32,970,569</u>	<u>30,691,871</u>
Non-controlling interests		(79,461)	(100,396)
Total equity		<u>32,891,108</u>	<u>30,591,475</u>

The financial statements on pages 23 to 51 were approved and authorised for issue by the board and were signed on its behalf on 20 December 2022.

DocuSigned by:

Andrew Jonathan Lothian

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AJ Lothian

Director

THE INSIGHTS GROUP LIMITED
REGISTERED NUMBER: SC166543

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	2,558,352	2,962,302
Investments	16	3,934,720	1,576,752
		<u>6,493,072</u>	<u>4,539,054</u>
Current assets			
Debtors: amounts falling due after more than one year	18	-	482,802
Debtors: amounts falling due within one year	18	12,375,159	5,638,582
Cash at bank and in hand	19	49,004	200,000
		<u>12,424,163</u>	<u>6,321,384</u>
Creditors: amounts falling due within one year	20	(18,385,139)	(10,796,918)
Net current liabilities		<u>(5,960,976)</u>	<u>(4,475,534)</u>
Total assets less current liabilities		<u>532,096</u>	<u>63,520</u>
Net assets		<u><u>532,096</u></u>	<u><u>63,520</u></u>
Capital and reserves			
Called up share capital	26	143,872	143,872
Capital redemption reserve		2	2
Profit and loss account brought forward		(80,354)	154,972
Profit/(loss) for the year		7,380,649	(235,326)
Treasury shares		(8,073)	-
Dividends	13	(6,904,000)	-
		<u>388,222</u>	<u>(80,354)</u>
Profit and loss account carried forward		<u>388,222</u>	<u>(80,354)</u>
Total equity		<u><u>532,096</u></u>	<u><u>63,520</u></u>

The financial statements on pages 23 to 51 were approved and authorised for issue by the board and were signed on its behalf by on 20 December 2022.

DocuSigned by:

Andrew Jonathan Lothian

AJ Lothian
 Director

THE INSIGHTS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2020	143,872	2	33,741,641	33,885,515	89,129	33,974,644
Comprehensive income for the year						
Loss for the year	-	-	(2,938,489)	(2,938,489)	(189,525)	(3,128,014)
Currency translation differences	-	-	(255,155)	(255,155)	-	(255,155)
Total comprehensive expense for the year	-	-	(3,193,644)	(3,193,644)	(189,525)	(3,383,169)
Total transactions with owners	-	-	-	-	-	-
At 31 March and 1 April 2021	143,872	2	30,547,997	30,691,871	(100,396)	30,591,475
Comprehensive income for the year						
Profit for the year	-	-	9,172,018	9,172,018	20,935	9,192,953
Currency translation differences	-	-	18,753	18,753	-	18,753
Other comprehensive income for the year	-	-	18,753	18,753	-	18,753
Total comprehensive income for the year	-	-	9,190,771	9,190,771	20,935	9,211,706
Dividends paid	-	-	(6,904,000)	(6,904,000)	-	(6,904,000)
Treasury shares	-	-	(8,073)	(8,073)	-	(8,073)
At 31 March 2022	143,872	2	32,826,695	32,970,569	(79,461)	32,891,108

The notes on pages 22 to 51 form part of these financial statements.

THE INSIGHTS GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2020	143,872	2	154,972	298,846
Comprehensive expense for the year				
Loss for the year	-	-	(235,326)	(235,326)
Total comprehensive expense for the year	-	-	(235,326)	(235,326)
Total transactions with owners	-	-	-	-
At 31 March and 1 April 2021	143,872	2	(80,354)	63,520
Comprehensive income for the year				
Profit for the year	-	-	7,380,649	7,380,649
Total comprehensive income for the year	-	-	7,380,649	7,380,649
Contributions by and distributions to owners				
Dividends paid	-	-	(6,904,000)	(6,904,000)
Treasury shares	-	-	(8,073)	(8,073)
At 31 March 2022	<u>143,872</u>	<u>2</u>	<u>388,222</u>	<u>532,096</u>

The notes on pages 22 to 51 form part of these financial statements.

THE INSIGHTS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit/(loss) for the financial year	9,192,953	(3,128,014)
Adjustments for:		
Amortisation of intangible assets	2,682,174	2,179,179
Depreciation of tangible assets	547,483	522,003
Loss on disposal of tangible assets	31,989	18,645
Interest paid	185,798	164,857
Interest received	(4,466)	(129,180)
Taxation charge	1,264,145	473,260
Decrease/(increase) in stocks	115,767	(89,174)
(Increase)/decrease in debtors	(7,587,271)	3,181,009
Increase/(decrease) in creditors	5,854,666	(2,805,840)
Corporation tax (paid)/received	(1,947,163)	1,402,636
Net cash generated from operating activities	10,336,075	1,789,381
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,917,414)	(2,409,832)
Purchase of tangible fixed assets	(1,284,957)	(159,413)
Purchase of unlisted and other investments	(500,000)	-
Interest received	4,466	129,180
Net cash used in investing activities	(4,697,905)	(2,440,065)

THE INSIGHTS GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from financing activities		
New secured loans	-	5,000,000
Repayment of loans	(7,597,806)	(1,603,963)
Loans repaid to directors	-	(225,000)
Dividends paid	(6,904,000)	-
Interest paid	(185,798)	(164,857)
Treasury shares	(8,073)	-
Net cash (used in)/ generated from financing activities	(14,695,677)	3,006,180
Net (decrease)/increase in cash and cash equivalents	(9,057,507)	2,355,496
Cash and cash equivalents at beginning of year	20,385,196	18,266,225
Foreign exchange gains and losses	(4,775)	(236,525)
Cash and cash equivalents at the end of year	11,322,914	20,385,196
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	11,322,914	20,385,196
	11,322,914	20,385,196

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

The principal activity of the Group in the year was the provision of learning solutions to the business community that are designed to train and develop their employees, primarily through the group of companies in subsidiary company Insights Learning and Development Limited.

The Insights Group Limited is a private company limited by shares and is incorporated and domiciled in Scotland, within the United Kingdom. The registered office is Terra Nova, 3 Explorer Road, Dundee, Angus, DD2 1EG, Scotland, United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied consistently, other than where new policies have been adopted:

2.2 Going concern

The ability to prepare the financial statements on the going concern basis is considered in the Directors' report on page 9 of the financial statements.

To summarise our Going Concern Assessment, a 12 month forecast has been carried out including a severe but plausible scenario, and we are confident that Insights comfortably conforms to all 'going concern' tests.

On the basis of their assessment of the Group's financial position and the expected cash flows the Group's directors have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future and a period of at least twelve months from the date of approval of the financial statements. They have therefore continued to adopt the going concern basis of preparation in preparing the annual financial statements.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

2.4 Employee Benefit Trust (EBT)

The Insights Group established an employee benefit trust (EBT) in conjunction with the operation of the Group's long term incentive scheme for the benefit of senior employees. While it is run by independent trustees, the assets and liabilities of the employee benefit trust are viewed to be ultimately under the control of the Board of directors and hence have been consolidated into the Group results.

Investments in the Company's own shares held by the EBT are presented as a deduction from Retained Earnings.

2.5 Exemptions for qualifying entity under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

- the Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements;
- from disclosing certain financial instruments disclosures, required under FRS 102 paragraph 11.39 to 11.48A and paragraph 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures
- from disclosing the Company's key management personnel compensation as required by FRS 102 paragraph 33.7; and
- from disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31 March 2020 it was a wholly owned subsidiary.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2: Accounting policies (continued)

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.14 Share based payments

On 20 February 2020 the Group granted 11,182 shares to senior employees as part of an equity based incentive scheme. The vesting period, extended by 2 years in 2022, is 5 years from 31 March 2018 with an exercise period of 2 years between 31 March 2023 and 31 March 2025. The scheme entitles employees to cash-settle the shares granted at a price linked to the market value of The Insights Group Limited over and above a predetermined valuation.

Our EBITDA performance in the year to 31 March 2022 coupled with the decision to extend the scheme by two years has changed our view of the likelihood of achieving the market value required to trigger our Long Term Incentive Plan. We now believe it is probable that we will trigger the conditions required to pay-out our share based scheme. This change has been reflected in our financial statements for 2021/22. It remains possible that our valuation projections may change again in the future.

The fair value of these cash-settled share based payment arrangements is recognised as an investments in a subsidiary with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting date and at settlement date based on their fair value. Any changes in the liability are recognised in profit or loss.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.16 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses

Development costs

Expenditure associated with developing and maintaining the Group's software products is recognised as incurred. Where, however, new product development projects are technically feasible; production for sale or licensing of is intended, a market exists, and expenditure can be measured reliably, development expenditure is capitalised until initial commercialisation of the product, and thereafter amortised on a straight-line basis over its estimated useful life, which has been assessed as 3-6 years.

Intellectual property, trademarks and customer relationships

Separately acquired intellectual property, trademarks and customer relationships are shown at historical cost. Intellectual property, trademarks and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Intellectual property, trademarks and customer relationships have a finite useful economic life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life which has been assessed as up to ten years except intellectual property and trademarks which can be reliably measured at 20 years.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.17 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

THE INSIGHTS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****2. Accounting policies (continued)****2.17 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land	- Not depreciated
Buildings	- 50 years straight-line
Motor vehicles	- 3 years straight-line
Fixtures and fittings	- 5 years straight-line
Office equipment	- 3-5 years straight-line
Computer equipment	- 3 years straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.18 Valuation of investments

Investments in subsidiaries and unlisted investments are measured at cost less accumulated impairment.

Unmarketable securities are valued at cost as these investments are not tradable and hence it is difficult to determine their fair value, unless the directors consider that there has been a permanent diminution in the value of the asset, in which case the amount of the diminution is recognised in the profit and loss account for the year.

2.19 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.20 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.22 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

THE INSIGHTS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****2. Accounting policies (continued)****2.23 Financial instruments**

The Group is applying sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.24 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies

There are no critical judgements in applying the company's accounting policies.

(b) Key accounting estimates and assumptions

(i) Share based payments

Our EBITDA performance in the year to 31 March 2022 coupled with the decision to extend the scheme by two years has changed our view of the likelihood of achieving the market value required to trigger our Long Term Incentive Plan. We now believe it is probable that we will trigger the conditions required to pay-out our share based scheme. This change has been reflected in our financial statements for 2021/22. It remains possible that our valuation projections may change again in the future.

A change in the estimated liability of 10% would move the liability by £235,797.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Provision of learning solutions to businesses and web and mobile software development	66,548,948	42,911,332
	<u>66,548,948</u>	<u>42,911,332</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	15,294,826	9,126,639
Rest of Europe	24,599,579	16,403,221
Rest of the world	26,654,543	17,381,472
	<u>66,548,948</u>	<u>42,911,332</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Other operating income

	2022 £	2021 £
Other operating income	423,413	20,519
Government grants receivable	222,919	2,491,009
	646,332	2,511,528

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Depreciation of tangible assets	547,483	522,003
Amortisation of intangible assets, including goodwill	2,682,174	2,179,179
Other operating lease rentals	1,213,262	1,592,401
	4,442,919	4,293,583

7. Auditors' remuneration

	2022 £	2021 £
Auditing of the Financial statements of the Group and the Company	128,500	121,500
Auditing of the Financial statements of subsidiaries	62,000	59,000
	190,500	180,500

Fees payable to the Group's auditors and their associates in respect of:

Taxation compliance services	7,500	38,028
Non-audit services	3,408	6,500
	10,908	44,528

The auditor's remuneration relates to the costs for all companies within the Group and was borne by Insights Learning & Development Limited. The Insights Group Limited fee was £4,500 (2021: £4,500).

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	27,748,926	24,351,648
Social security costs	3,473,858	2,802,453
Other pension costs	1,742,170	1,626,587
	32,964,954	28,780,688

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Key management	9	10	6	7
Staff members	497	467	-	-
	506	477	6	7

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	1,752,224	1,939,254
Group contributions to defined contribution pension schemes	105,681	94,697
	1,857,905	2,033,951

During the year retirement benefits were accruing to 6 directors (2021 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £412,229 (2021 - £428,887).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

The value of the Group's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

During the year no directors received shares under the long-term incentive schemes (2021 - none).

The total accrued pension provision of the highest paid director at 31 March 2022 amounted to £NIL (2021 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 March 2022 amounted to £NIL (2021 - £NIL).

10. Interest receivable and similar income

	2022 £	2021 £
Bank interest receivable	4,904	129,180
	4,904	129,180

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	185,798	164,857
	185,798	164,857

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	-	165,259
	-	165,259
Foreign tax		
Foreign tax on income for the year	2,545,961	946,558
Foreign tax in respect of prior periods	(3,694)	-
	2,542,267	946,558
Total current tax	2,542,267	1,111,817
Deferred tax		
Origination and reversal of timing differences	(484,310)	(215,777)
Changes to tax rates	(241,068)	-
Adjustments in respect of previous periods	87,910	(106,384)
	(637,468)	(322,161)
Total deferred tax	(637,468)	(322,161)
Taxation on profit on ordinary activities	1,904,799	789,656

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<u>11,097,752</u>	<u>(2,338,358)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	2,108,573	(444,288)
Effects of:		
Expenses not deductible for tax purposes	1,220,586	307,145
Higher rate taxes on overseas earnings	381,507	350,372
Adjustments to tax charge in respect of prior periods	60,632	172,752
Non-taxable income	(1,453,953)	(51,046)
Use of losses brought forward	(238,497)	-
Tax rate changes	(241,068)	-
Deferred tax not recognised	59,217	454,721
WHT suffered by overseas entities	7,805	-
Rounding	(3)	-
Total tax charge for the year	<u>1,904,799</u>	<u>789,656</u>

Factors that may affect future tax charges

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the balance sheet date. The UK fiscal statement on 23 September 2022 included measures to cancel the planned increase in the corporation tax rate to 25%. Subsequent events in the UK economy led the government to reverse the cancellation of the increase in the corporate income tax rate to 25% as announced in the September UK fiscal statement. As a result, the UK corporate income tax is due to rise as originally scheduled to 25% on 1 April 2023.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Dividends

	2022 £	2021 £
Dividends paid of £54.58 (2021: £Nil) per ordinary share	6,904,000	-
	6,904,000	-

14. Intangible assets**Group**

	Intellectual property, trademarks and customer relationships £	Development costs £	Goodwill £	Total £
Cost				
At 1 April 2021	8,437,935	3,702,090	14,565,082	26,705,107
Additions	130,597	2,494,049	292,768	2,917,414
Disposals	(396,953)	-	-	(396,953)
Foreign exchange movement	53,247	(7,076)	-	46,171
At 31 March 2022	8,224,826	6,189,063	14,857,850	29,271,739
Accumulated Amortisation				
At 1 April 2021	4,856,445	1,283,856	6,625,943	12,766,244
Charge for the year on owned assets	925,910	473,339	1,282,925	2,682,174
On disposals	(396,953)	-	-	(396,953)
Foreign exchange movement	33,334	(6,188)	-	27,146
At 31 March 2022	5,418,736	1,751,007	7,908,868	15,078,611
Net book value				
At 31 March 2022	2,806,090	4,438,056	6,948,982	14,193,128
At 31 March 2021	3,581,490	2,418,234	7,939,139	13,938,863

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Intangible assets (continued)**Company**

	Intellectual property £
Cost	
At 1 April 2021	7,357,213
At 31 March 2022	7,357,213
Accumulated Amortisation	
At 1 April 2021	4,394,911
Charge for the year	403,950
At 31 March 2022	4,798,861
Net book value	
At 31 March 2022	2,558,352
At 31 March 2021	2,962,302

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Tangible assets**Group**

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2021	3,029,150	-	348,498	2,902,741	500	6,280,889
Additions	-	123,399	368,972	792,586	-	1,284,957
Disposals	-	-	-	(150,203)	-	(150,203)
Exchange adjustments	-	-	1,056	5,076	7	6,139
At 31 March 2022	<u>3,029,150</u>	<u>123,399</u>	<u>718,526</u>	<u>3,550,200</u>	<u>507</u>	<u>7,421,782</u>
Accumulated Depreciation						
At 1 April 2021	1,458,632	-	250,316	2,129,210	250	3,838,408
Charge for the year on owned assets	34,139	-	60,492	452,682	170	547,483
Disposals	-	-	-	(118,214)	-	(118,214)
Exchange adjustments	-	-	11	1,821	15	1,847
At 31 March 2022	<u>1,492,771</u>	<u>-</u>	<u>310,819</u>	<u>2,465,499</u>	<u>435</u>	<u>4,269,524</u>
Net book value						
At 31 March 2022	<u>1,536,379</u>	<u>123,399</u>	<u>407,707</u>	<u>1,084,701</u>	<u>72</u>	<u>3,152,258</u>
At 31 March 2021	<u>1,570,518</u>	<u>-</u>	<u>98,182</u>	<u>773,531</u>	<u>250</u>	<u>2,442,481</u>

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	1,536,379	1,570,518
	<u>1,536,379</u>	<u>1,570,518</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Investments**Group**

	Investments £
Cost or valuation	
Additions	500,000
At 31 March 2022	500,000

In July 2022, Insights Business Holdings invested £500,000 in the Eos Innovation Fund 2022, an unmarketable security.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	1,576,752
Additions	2,357,968
At 31 March 2022	3,934,720

The investment addition is the fair value of share based payment options granted to directors of a subsidiary.

Direct subsidiary undertakings

The following were subsidiary and related undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity	Registered address
Insights Coaching Limited	United Kingdom	Ordinary	100%	Dormant	Terra Nova, 3 Explorer Road, Dundee DD2 1EG
Insights Business Holdings Limited	United Kingdom	Ordinary	100%	Holding of subsidiary investments	Terra Nova, 3 Explorer Road, Dundee DD2 1EG

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Investments (continued)**Indirect subsidiary undertakings**

The following were subsidiary and related undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity	Registered address
Insights Learning & Development International (EMEA) Limited	United Kingdom	Ordinary	100%	Holding of subsidiary investments	Terra Nova, 3 Explorer Road, Dundee DD2 1EG
Insights Learning & Development Limited	United Kingdom	Ordinary	100%	Learning solutions to businesses	Terra Nova, 3 Explorer Road, Dundee DD2 1EG
Insights Learning & Development (Canada) Limited	Canada	A Common	100%	Learning solutions to businesses	Suite 401, 1580 Merivale Road, Ottawa ON K2G 4B5, Canada
Insights North America Inc	USA	Ordinary	100%	Learning solutions to businesses	8611 N. Mopac Expy, Ste. 450, Austin, TX 78759
Insights France SARL	France	Ordinary	100%	Learning solutions to businesses	110 Boulevard de Grenelle, 75015 Paris
Insights Learning & Development (Singapore) PTE Limited	Singapore	Ordinary	100%	Learning solutions to businesses	22 Malacca Street, #03-02 RB Capital Building, Singapore, 048980
Insightsworld Learning Ireland Limited	Ireland	Ordinary	100%	Learning solutions to businesses	Castle House, Main Street, Rathfarmham Dublin 14
Insights Schweiz AG	Switzerland	Ordinary	100%	Learning solutions to businesses	Zugerstrasse 70, 6340 Baar ZG
Insights Group Deutschland GmbH	Germany	Ordinary	100%	Learning solutions to businesses	Am Kupfergraben 4/4a, D-10117 Berlin
Insights Denmark ApS	Denmark	Ordinary	100%	Learning solutions to businesses	Marselisborg Havnevej 56-58, 8000 Aarhus C

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Investments (continued)**Indirect subsidiary undertakings (continued)**

The following were subsidiary and related undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity	Registered address
Insights Discovery Espana SL	Spain	Ordinary	100%	Learning solutions to businesses	Calle de la Basílica, 19 2B, 28020 Madrid
Insights Learning & Development BV	Netherlands	A	100%	Holding of subsidiary investments	Nieuwe Gracht, 13 2011NB, Haarlem
Insights Learning & Development (Asia Holdings) PTE Limited	Singapore	Ordinary	100%	Learning solutions to businesses	22 Malacca Street, #03-02 RB Capital Building, Singapore, 048980
Insights Italia SRL	Italy	Ordinary	100%	Dormant	Via Bernardino, Telesio 220145, Milan
Insights Poland Sp. z.o.o.	Poland	Ordinary	100%	Learning solutions to businesses	Tymienieckiego, 30A 90-350 Lodz
Insights Learning & Development (Australia) PTY Limited	Australia	Ordinary	100%	Learning solutions to businesses	7 Winton Street, Warrawee, New South Wales 2074
IDLD Learning & Development (India) Private Limited	India	Ordinary	100%	Learning solutions to businesses	Tower B, 1102, 11th Floor, Peninsula Business Park, S.B. Road, Lower Parel, Mumbai, Maharashtra 400013
Insights L&D (Africa) (Pty) Limited	South Africa	Ordinary	100%	Learning solutions to businesses	25 Rudd Road, Illovo, Johannesburg, Gauteng 2196
Insightsworld BV	Netherlands	A Common	100%	Learning solutions to businesses	Nieuwe Gracht, 13 2011NB, Haarlem
Insightsworld BVBA	Belgium	A Common	100%	Learning solutions to businesses	Avenue de Tervueren 37, 1040 Etterbeek

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Investments (continued)**Indirect subsidiary undertakings (continued)**

The following were subsidiary and related undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity	Registered address
Vidatec Limited	United Kingdom	Ordinary	100%	Mobile applications	1st Floor, Innovation House, Luna Place, Dundee, DD2 1TP, Scotland
CareZapp Limited	Ireland	Ordinary	75%	Web and mobile software development	Century House, Harold's Cross Road, Dublin 6W

In August 2021 the Group completed the acquisition of the minority interest in a joint venture with Connemara Consulting (Pty) Limited and the establishment of our wholly owned subsidiary Insights L&D (Africa) (Pty) Limited.

The company has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 March 2022:

Insights Learning & Development International (EMEA) Limited
Insights Business Holdings Limited
Vidatec Limited

17. Stocks

	Group 2022	<i>Group 2021</i>
	£	<i>£</i>
Raw materials and consumables	686,929	<i>802,695</i>
	686,929	<i>802,695</i>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Debtors: Amounts falling due within one year and due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	-	482,802
Deferred tax asset	1,071,038	430,383	-	-
	<u>1,071,038</u>	<u>430,383</u>	<u>-</u>	<u>482,802</u>

Amounts owed by group undertakings are unsecured, bear interest at 2.25% over Bank of England base rate and are repayable at the discretion of the borrower.

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Trade debtors	16,034,930	9,106,168	-	-
Amounts owed by group undertakings	-	-	12,372,050	5,627,400
Other debtors	430,698	583,416	3,109	11,182
Prepayments and accrued income	3,183,837	2,372,610	-	-
Tax recoverable	561,879	519,516	-	-
	<u>20,211,344</u>	<u>12,581,710</u>	<u>12,375,159</u>	<u>5,638,582</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Other debtors includes loans receivable from directors in relation to the long-term incentive plan.

19. Cash at bank and in hand

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	11,322,915	20,385,196	49,004	200,000
	<u>11,322,915</u>	<u>20,385,196</u>	<u>49,004</u>	<u>200,000</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. Creditors: Amounts falling due within one year

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Bank loans	1,933,568	4,029,223	-	-
Payments received on account	3,634,900	3,170,585	-	-
Trade creditors	2,107,719	1,349,470	-	-
Amounts owed to group undertakings	-	-	16,024,062	10,772,840
Other taxation and social security	1,453,089	1,315,629	-	-
Share based payments	2,357,968	-	2,357,968	-
Accruals and deferred income	4,691,252	2,554,787	3,109	24,078
	<u>16,178,496</u>	<u>12,419,694</u>	<u>18,385,139</u>	<u>10,796,918</u>

21. Creditors: Amounts falling due after more than one year

	Group 2022	<i>Group 2021</i>
	£	£
Bank loans	2,068,008	7,570,159
	<u>2,068,008</u>	<u>7,570,159</u>

Details regarding the repayment terms, interest rates and security of bank loans are given in note 22.

22. Bank loans

Analysis of the maturity of loans is given below:

	Group 2022	<i>Group 2021</i>
	£	£
Amounts falling due within one year		
Bank loans	1,933,568	4,029,223
Amounts falling due 1-2 years		
Bank loans	2,068,008	6,336,928
Amounts falling due 2-5 years		
Bank loans	-	1,233,231
	<u>4,001,576</u>	<u>11,599,382</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

22. Bank loans (continued)

Secured Loans

The company has received loans from HSBC to assist with the deployment of the Global sales Strategy.

Term loan A is denominated in GBP and is repayable over 5 years in quarterly instalments at an interest rate of 1.5% over the Bank of England base rate. The final payment of this loan is in December 2022.

Term loan B is denominated in EURO and is repayable over 5 years in quarterly instalments at an interest rate of 1.5% over EURIBOR. The final payment of this loan is in January 2023.

Term loan C is denominated in GBP and is repayable over 5 years in quarterly instalments at an interest rate of 1.5% over the Bank of England base rate. The final payment of this loan is in December 2022.

Term loan D is denominated in EURO and is repayable over 5 years in quarterly instalments at an interest rate of 1.5% over EURIBOR. The final payment of this loan is in December 2022.

Term loan E is denominated in GBP and is repayable over 5 years in quarterly instalments at an interest rate of 1.5% over the Bank of England base rate. The final payment of this loan is in December 2023.

The revolving credit facility is a multicurrency revolving loan facility in an aggregate amount equal to the revolving facility commitment. It is repayable by December 2023 with no fixed instalments at an interest rate of 1.5% over LIBOR.

These loans are secured against the property held in the Group.

23. Analysis of net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	20,385,196	(9,062,281)	11,322,915
Debt due after 1 year	(7,570,159)	5,502,151	(2,068,008)
Debt due within 1 year	(4,029,223)	2,095,655	(1,933,568)
	<u>8,785,814</u>	<u>(1,464,475)</u>	<u>7,321,339</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

24. Financial instruments

	Group 2022	Group 2021
	£	£
Financial assets		
Financial assets measured at amortised cost	<u>27,788,543</u>	<u>30,074,780</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>13,158,514</u>	<u>15,503,640</u>

25. Deferred taxation**Group**

	2022	2021
	£	£
At the beginning of the year	430,383	113,987
Adjustments in respect of prior periods	(64,326)	106,384
Credited to consolidated statement of comprehensive income	704,981	210,012
At the end of the year	<u><u>1,071,038</u></u>	<u><u>430,383</u></u>

	Group 2022	Group 2021
	£	£
Accelerated capital allowances	(7,315)	118,740
Short-term timing differences - trading	615,305	105,306
Losses	463,048	206,337
	<u><u>1,071,038</u></u>	<u><u>430,383</u></u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

25. Deferred taxation (continued)

	2022 £	2021 £
Comprising:		
Asset	566,128	434,700
Liability	(16,582)	(4,317)
	549,546	430,383
	549,546	430,383

26. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
126,500 (2021 - 126,500) Ordinary shares of £0.50 each	63,250	63,250
126,500 (2021 - 126,500) 'A' Ordinary shares of £0.50 each	63,250	63,250
6,190 (2021 - 6,190) 'B' Ordinary shares of £1.00 each	6,190	6,190
11,182 (2021 - 11,182) 'C' Ordinary shares of £1.00 each	11,182	11,182
	143,872	143,872
	143,872	143,872

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

27. Share based payments

On 20 February 2020 the Group granted shares to Senior employees as part of an equity based incentive scheme. The vesting period, extended by 2 years in 2022, is 5 years from 31 March 2018 with an exercise period of 2 years between 31 March 2023 and 31 March 2025. The scheme entitles employees to cash-settle the shares granted at a price linked to the market value of The Insights Group Limited over and above a predetermined valuation.

	Weighted average exercise price (pence) 2022	Number 2022	<i>Weighted average exercise price (pence) 2021</i>	<i>Number 2021</i>
Outstanding at the beginning of the year	22310	10,569		-
No. of shares granted		-	22310	10,569
Outstanding at the end of the year	22310	10,569	<i>22310</i>	<i>10,569</i>

The Company established the 'The Insights Group Limited Employee Benefit Trust' (the EBT) during the year ended 31 March 2019. This is a discretionary trust established, in conjunction with the operation of the Company's employee incentive plan, for the benefit of the employees of the Company and its subsidiaries. The EBT has an independent trustee, Intertrust Fiduciary Services (Jersey) Limited.

Shares issues by the Insights Group Limited will be bought back by the EBT.

During the current financial year 1,129 shares were purchased by the EBT when a participant left the business.

The Company has provided a loan to the EBT. The movement in the balance of the loan, which is denominated in Sterling, from the Company to the EBT during the year ended 31 March 2022 is summarised in the table below.

	2022	2021
	£	£
Loan balance (from Company to the EBT) at 1 April	3,109	-
Addition to the loan from the Company to the EBT during the year	-	3,109
Loan balance (from Company to the EBT) at 31 March	3,109	3,109

28. Contingent liabilities

As disclosed in Note 16, some of the company's subsidiaries have taken advantage of the exemption available under Section 479A of the Companies Act 2006 in respect of the requirement for audit. As a condition of the exemption, the company has guaranteed the year-end liabilities of the relevant subsidiaries until they are settled in full. The only liabilities of the subsidiaries at the year-end were intercompany loans.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

29. Pension commitments

The Group operates a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,742,170 (2021 - £1,626,587). Contributions totalling £110,403 (2021 - £95,174) were payable to the fund at the reporting date and are included in creditors.

30. Commitments under operating leases

At 31 March the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	800,656	909,429
Later than 1 year and not later than 5 years	1,574,428	1,432,883
Later than 5 years	215,942	478,459
	2,591,026	2,820,771

31. Related party transactions

The Group has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102 of disclosing transactions with wholly owned companies within the Group.

During the year expenses of £18,750 (2021: £23,770) were incurred with a legal firm of which one of the directors is a partner. Expenses of £2,100 (2021: £6,000) were incurred with a financial services firm of which one of the directors is a director. Expenses of £47,138 (2021: £30,882) were incurred with a learning and development business whose owner is the spouse of a director. No balances remain unpaid at year end. See note 9 for disclosure of the directors' remuneration.

The Group launched a long-term incentive plan during the financial year ended 31 March 2020, an equity based scheme designed for private companies. The scheme now runs until 31 March 2025 and is connected to The Insights Group Limited valuation. During the year six directors held shares under the scheme.

IAs at 31 March 2022, the Group estimated liabilities of £2,357,968 in relation to the scheme.

32. Post balance sheet events

On the 31 August 2022, Insights sold a minority interest in our South Africa legal entity. Our primary objective was to improve our Broad Based Black Economic Empowerment (BBBEE) rating. Insights full supports BBBEE legislation as a way to rebalance opportunity within the country. Insights will continue to look for ways to improve our rating in the months and years ahead.

In October 2022, Insights Business Holdings invested £500,000 in the Eos Innovation Fund 2022.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

33. Ultimate controlling party

There is no one ultimate controlling party, the ultimate controlling parties being Andrew M Lothian and Andrew J Lothian.