

**THE INSIGHTS GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**



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**THE INSIGHTS GROUP LIMITED**

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**COMPANY INFORMATION**

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**Directors**

AM Lothian  
AJ Lothian  
CJS Clark  
PM Lothian  
JM Lothian  
SMH Lothian

**Registered number**

SC166543

**Registered office**

Terra Nova  
3 Explorer Road  
Dundee  
Angus  
Scotland  
DD2 1EG

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**THE INSIGHTS GROUP LIMITED**

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**CONTENTS**

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	Pages
<b>Group strategic report</b>	1 - 6
<b>Directors' report</b>	7 - 11
<b>Independent auditors' report</b>	12 - 15
<b>Consolidated statement of comprehensive income</b>	16
<b>Consolidated balance sheet</b>	17
<b>Company balance sheet</b>	18
<b>Consolidated statement of changes in equity</b>	19
<b>Company statement of changes in equity</b>	20
<b>Consolidated Statement of cash flows</b>	21 - 22
<b>Notes to the financial statements</b>	23 - 50

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**THE INSIGHTS GROUP LIMITED**

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Introduction**

The directors present their Strategic report and the audited consolidated financial statements of the Group for the year ended 31 March 2021.

**Business review**

Turnover for the year was £42.9M, a decrease of 41.5% on the previous year (2020 : £73.3M).

Operating loss for the year was £2.3M, a decrease of 126.6% on the previous year (2020: Operating profit of £8.6M).

While COVID-19 impacted our 2019/20 turnover and profit performance, that proved to be relatively immaterial in comparison to the impact on our 2020/21 results. 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. As restrictions on physical (social) distancing and travel grew in April and May, our turnover reduced to around 25% of our prior year performance.

The investment Insights made in technology and digital transformation, in the two years prior, proved essential to managing the impact of the pandemic, enabling us to launch our first virtual offering within six weeks of fiscal year 2020/21 commencing. By October, the business was back in a breakeven position and, by year-end, monthly turnover had improved markedly.

To mitigate the impact of the pandemic on our profitability, we took several difficult decisions. This included making redundancies, furloughing employees, and deferring or cancelling elements of our employee compensation schemes. Additionally, in many of the countries where we have an entity, Insights applied for and was granted government assistance.

Given the challenges of the year, we are delighted we finished the year in a solid financial position. 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 our community.

In addition to COVID-19, Brexit also provided challenges to the business in 2020/21. With our extensive footprint of European subsidiaries and strong forward planning, Brexit was managed with minimal business interruption.

The Group's balance sheet shows net current assets of £21.8M (2020: £24.4M). Net assets are £30.6M (2020: £34.0M) and shareholders' funds are £30.7M (2020: £33.9M). The decrease in net assets reflects the loss incurred 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").

Our financial year 2020/21 was dominated by responding to the challenges of COVID-19. In addition to the impacts noted above, employees from both operating entities had to quickly adapt from working in office environments to remote working. All interaction with Insights and Vidatec customers also moved on-line.

Insights has now completed year three of a five-year strategy "to be irresistibly attractive to our customers by investing in our people and our global Insights community". Despite the significant impact of COVID-19 to our business, we remain committed to our Strategic Programme which is moving us towards new digital offerings enabling lifelong learning journeys and becoming one global organisation, with consistent policies, systems, and processes.

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## THE INSIGHTS GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### **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.

As reported in our 2019/20 Directors Report, Insights concluded the acquisition of the minority shareholding in our JV with our South African partner, Connemara Consulting (Pty) Limited.

Vidatec has continued to build out its portfolio of web and mobile applications with a mission to improve people's lives through technology. Vidatec has developed a portfolio which will serve customers well, in particular during the current pandemic. Engage4 is an engagement and well-being app ideally placed to improve workforce engagement in a remote working environment.

#### **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 Learning & Development Limited is a global organisation with employees in 16 countries and with a presence in over 80 countries. We work with some of the world's biggest companies, helping their people to increase self-awareness, improve relationships, and solve real and pressing business issues.

Through the framework of a common language we help people better understand themselves and others, communicate with impact, tackle pressing business challenges and become more effective teams by putting people right at the heart of everything we do.

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. Our people are guided by our values of making a difference, delivering results, working together, enabling success and enjoying the journey.

Vidatec's purpose is improving people's experience of life through technology.

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**THE INSIGHTS GROUP LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 benchmark 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 in the UK and overseas, to build more connected and compassionate communities through the gift of our bespoke 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. The Insights Foundation's global and visionary team works with leaders in education, wellbeing, youth, and welfare organisations through the gift of Insights Discovery.

In financial year 2020/21, we also donated Explore licences to the Expedia Group Academy, a complimentary education programme designed to help displaced or furloughed travel workers expand their skill sets, develop professional networks and open career opportunities while the industry starts the road to recovery from the impact of the COVID-19 crisis.

We feel we also have a role to play in combating Climate Change, which is why we support 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.

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**THE INSIGHTS GROUP LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 CO<sub>2</sub>e emissions, we have examined our emissions from energy consumption in our owned facility and vehicle (Scope 1). 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 CO<sub>2</sub>e conversion factors. For air travel our travel provider, CTM, provided a CO<sub>2</sub>e emissions report.

Insights energy consumption within our own facilities in fiscal year 2020/21 was 242,268kWh (2019/20: 319,121kWh)

	2021	2020
	kg CO <sub>2</sub> e	kg CO <sub>2</sub> e
Owned assets	56,482	82,076
Business travel	-	636,430
Leased assets	<u>26,015</u>	<u>44,692</u>
Total	<u>82,497</u>	<u>763,198</u>
Intensity ratio (kg CO <sub>2</sub> e per FTE)	303	2,510

**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 are making 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 monthly. 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.

**Principal risks and uncertainties**

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

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.

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**THE INSIGHTS GROUP LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Epidemic/Pandemic risk**

The COVID-19 pandemic realised two risks for Insights Group Limited. The first was the resulting global economic downturn where we saw a significant impact to Travel & Tourism, Transportation and associated Manufacturing sectors. This impacted both Insights and Vidatec.

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.

**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**

Insights is subject to competitive pressure from other vendors in the Learning and Development market. While we are confident of the value we bring to our clients, price pressure is a risk to our future financial performance. We mitigate this risk by continuously improving and differentiating our offering.

**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 bank borrowings. Flexibility is maintained by retaining surplus cash in readily accessible bank deposit and current accounts.

**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 through a natural hedge with costs incurred in local currency.

**Tax**

The Group obtains regular advice to ensure it is aware of any risks. There is, however, always the risk of legislative changes.

**Information security**

The Group takes all aspects of Information Security seriously and takes steps to protect its data, in compliance with GDPR and related legislation which is emerging in the Americas and Asia Pacific.

**Intellectual property rights**

Insights takes Intellectual Property Protection very seriously. We partner 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.

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**THE INSIGHTS GROUP LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Brexit**

We prepared well for Brexit and, as a result, operations were minimally disrupted with no impact on our customer or employee experience. We are still managing the impact of Brexit on custom delays and increased cost. This is now an issue rather than a risk.

**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.

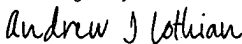
**Financial key performance indicators**

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

	2021	2020
	£	£
Turnover	42,911,332	73,312,920
Operating (loss)/profit	(2,302,681)	8,644,607
(Loss)/profit before taxation	(2,338,358)	8,464,021
Net assets	30,591,475	33,974,644
Turnover per full time equivalent headcount	85,823	127,279
EBITDA (Earnings before Interest, Tax, Depreciation, Amortisation)	<u>398,501</u>	<u>12,644,438</u>

This report was approved by the board on 30 November 2021 and signed on its behalf.

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**AJ Lothian**

Director

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**THE INSIGHTS GROUP LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the audited consolidated financial statements for the year ended 31 March 2021.

**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;
- 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
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**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 loss for the year attributable to the owners of the parent Company, after taxation and minority interests, amounted to £2,938,489 (2020 - profit £6,365,063).

Dividends totalling £Nil (2020: £1,500,000 ) were declared during the year. At the year-end £Nil was still payable (2020: £225,000). Post year end dividends totalling £1,500,000 relating to the 2021/22 financial year end were declared and paid.

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**THE INSIGHTS GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Directors**

The directors who served during the year were:

AM Lothian  
AJ Lothian  
CJS Clark  
PM Lothian  
JM Lothian  
SMH Lothian

**Future developments**

Financial year 2021/22 will be year four of our five-year strategic programme. Despite the impact of COVID-19, our plan is to 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 was critical in providing our customers an alternative experience during the COVID-19 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.

Insights will also deliver its first major platform upgrade in over five years. The platform launched on a trial basis during the financial year. Next year will see its full market launch and a range of new learning experiences for our customers and community.

**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. Next financial year will see the deployment of our new Microsoft Dynamics 365 ERP and CRM solutions.

**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.

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**THE INSIGHTS GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Vidatec**

Vidatec is transforming from a software services company to the development of products. Product development will be focused on achieving our mission: Improving people's experience of life through technology.

This is an exciting development for the business and reflects the confidence we have in the market and in our team. Our current product offerings are:

Engage4 is a platform that enables individuals, teams and entire organisations to drive positive change within their workplace culture, with a focus on improving wellbeing, communication and engagement.

CareZapp is a technology enabled support platform for care at home, that connects existing care and supports services around a supported person, while also offering economies of scale to the organisations in the care sector.

Vidatec has seen a recovery of revenue as customers resume spending activity following the pandemic. Revenue is up 20% Year on Year for the first six months of FY21/22, £955k v £802k. Following the cost saving measures put in place during FY20/21 EBITDA has recovered to £55k from -£327k in the same period last year. The company returned a Net Loss of £38k compared to a loss in FY20/21 of £413k for the same period.

**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.

From mid-March 2020 most Insights employees moved to remote working due to the COVID-19 pandemic and the Group supported home-working to ensure this was a safe and sustainable change that considered both physical and mental health.

Additionally, all resourcing and ongoing employee engagement and development activities, are carried out in line with local legislation relating to the geographical location of activity and will be structured to negate any direct or indirect discrimination whilst encouraging diversity and inclusion throughout the organisation.

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**THE INSIGHTS GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Going concern**

While the impact of COVID-19 has brought our Going Concern Assessment into sharper focus, we have been delighted with the response from our employees and our broader community in the creative and determined way they have responded to the challenges of the pandemic.

The key actions taken during the year were as follows: transforming our learning and development offering to be delivered virtually; delaying dividend and bonus payments; utilising government backed support schemes; temporarily reducing working hours; reducing non-salary related operating expenses and triggering a redundancy programme.

We also applied for and were granted additional funding through the UK Government CLBIL scheme. This provided additional liquidity over and above the cash reserves we have been able to build and maintain during the year.

In relation to all loans, we confirm that no breaches of debt covenants have occurred or are projected at this time.

Our H1 2021/22 results have been strong with revenue and profit over plan. Demonstrating how far we have come; September 2021 was our highest revenue and profit month in our trading history. Our cash balance remains strong, and we anticipate repaying our CLBIL loan in full by the end of our fiscal year.

To summarise our Going Concern Assessment, our H2 2020/21 and H1 2021/22 financial performance, in combination with our healthy cash balance form the basis of our confidence that the Insights Group 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.

**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 31st August 2021 we completed the acquisition of the minority interest in our joint venture with Connemara and established a wholly owned subsidiary in South Africa.

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**THE INSIGHTS GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 30 November 2021 and signed on its behalf.

DocuSigned by:

*Andrew J Lothian*

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**AJ Lothian**  
Director

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**THE INSIGHTS GROUP LIMITED**

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

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**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 2021 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 2021; 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

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**THE INSIGHTS GROUP LIMITED**

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

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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 2021 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:

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**THE INSIGHTS GROUP LIMITED**

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

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- 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;
- 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](http://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.

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**THE INSIGHTS GROUP LIMITED**

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

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**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  
30 November 2021

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**THE INSIGHTS GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	2021 £	2020 £
Turnover	4	42,911,332	73,312,920
Cost of sales		(10,370,995)	(17,344,982)
<b>Gross profit</b>		<b>32,540,337</b>	<b>55,967,938</b>
Administrative expenses		(37,354,546)	(47,684,683)
Other operating income	5	2,511,528	361,352
<b>Operating (loss)/profit</b>	6	<b>(2,302,681)</b>	<b>8,644,607</b>
Interest receivable and similar income	10	129,180	15,612
Interest payable and similar expenses	11	(164,857)	(196,198)
<b>(Loss)/profit before taxation</b>		<b>(2,338,358)</b>	<b>8,464,021</b>
Tax on (loss)/profit	12	(789,656)	(2,010,019)
<b>(Loss)/profit for the financial year</b>		<b>(3,128,014)</b>	<b>6,454,002</b>
Currency translation differences		(255,155)	(160,538)
<b>Other comprehensive expense for the year</b>		<b>(255,155)</b>	<b>(160,538)</b>
<b>Total comprehensive (expense)/income for the year</b>		<b>(3,383,169)</b>	<b>6,293,464</b>
<b>(Loss)/profit for the year attributable to:</b>			
Non-controlling interests		(189,525)	88,939
Owners of the parent Company		(2,938,489)	6,365,063
		<b>(3,128,014)</b>	<b>6,454,002</b>

The notes on pages 23 to 50 form part of these financial statements.

**THE INSIGHTS GROUP LIMITED**  
**REGISTERED NUMBER: SC166543**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	14	13,938,863	13,758,943
Tangible assets	15	2,442,481	2,791,613
		<u>16,381,344</u>	<u>16,550,556</u>
<b>Current assets</b>			
Stocks	17	802,695	713,521
Debtors: amounts falling due after more than one year	18	430,383	113,987
Debtors: amounts falling due within one year	18	12,581,710	17,955,011
Cash at bank and in hand	19	20,385,196	18,266,225
		<u>34,199,984</u>	<u>37,048,744</u>
Creditors: amounts falling due within one year	20	(12,419,694)	(12,660,062)
<b>Net current assets</b>		<u>21,780,290</u>	<u>24,388,682</u>
<b>Total assets less current liabilities</b>		<u>38,161,634</u>	<u>40,939,238</u>
Creditors: amounts falling due after more than one year	21	(7,570,159)	(6,964,594)
<b>Net assets</b>		<u>30,591,475</u>	<u>33,974,644</u>
<b>Capital and reserves</b>			
Called up share capital	26	143,872	143,872
Capital redemption reserve		2	2
Profit and loss account		30,547,997	33,741,641
<b>Equity attributable to owners of the parent Company</b>		<u>30,691,871</u>	<u>33,885,515</u>
Non-controlling interests		(100,396)	89,129
<b>Total equity</b>		<u>30,591,475</u>	<u>33,974,644</u>

The financial statements on pages 16 to 50 were approved and authorised for issue by the board and were signed on its behalf on 30 November 2021.

DocuSigned by:

*Andrew J Lothian*

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**AJ Lothian**  
Director

**THE INSIGHTS GROUP LIMITED**  
**REGISTERED NUMBER: SC166543**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	14	2,962,302	3,385,488
Investments	16	1,576,752	1,576,752
		<u>4,539,054</u>	<u>4,962,240</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	18	482,802	471,717
Debtors: amounts falling due within one year	18	5,638,582	5,638,582
Cash at bank and in hand	19	200,000	-
		<u>6,321,384</u>	<u>6,110,299</u>
Creditors: amounts falling due within one year	20	(10,796,918)	(10,773,693)
<b>Net current liabilities</b>		<u>(4,475,534)</u>	<u>(4,663,394)</u>
<b>Total assets less current liabilities</b>		<u>63,520</u>	<u>298,846</u>
<b>Net assets</b>		<u>63,520</u>	<u>298,846</u>
<b>Capital and reserves</b>			
Called up share capital	26	143,872	143,872
Capital redemption reserve		2	2
Profit and loss account brought forward		154,972	350,671
(Loss)/profit for the year		(235,326)	1,304,301
Other changes in the profit and loss account		-	(1,500,000)
Profit and loss account carried forward		<u>(80,354)</u>	<u>154,972</u>
		<u>63,520</u>	<u>298,846</u>

The financial statements on pages 16 to 50 were approved and authorised for issue by the board and were signed on its behalf on 30 November 2021.

*Andrew J Lothian*

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**AJ Lothian**  
Director

**THE INSIGHTS GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
<b>At 1 April 2019</b>	132,690	2	29,119,699	29,252,391	190	29,252,581
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	6,365,063	6,365,063	88,939	6,454,002
Currency translation differences	-	-	(160,538)	(160,538)	-	(160,538)
<b>Total comprehensive income for the year</b>	-	-	6,204,525	6,204,525	88,939	6,293,464
Dividends: Equity capital (note 13)	-	-	(1,500,000)	(1,500,000)	-	(1,500,000)
Shares issued during the year	11,182	-	-	11,182	-	11,182
Dividend paid to minority interest	-	-	(82,583)	(82,583)	-	(82,583)
<b>Total transactions with owners</b>	11,182	-	(1,582,583)	(1,571,401)	-	(1,571,401)
<b>At 31 March and 1 April 2020</b>	143,872	2	33,741,641	33,885,515	89,129	33,974,644
<b>Comprehensive expense for the year</b>						
Loss for the year	-	-	(2,938,489)	(2,938,489)	(189,525)	(3,128,014)
Currency translation differences	-	-	(255,155)	(255,155)	-	(255,155)
<b>Other comprehensive expense for the year</b>	-	-	(255,155)	(255,155)	-	(255,155)
<b>Total comprehensive expense for the year</b>	-	-	(3,193,644)	(3,193,644)	(189,525)	(3,383,169)
<b>At 31 March 2021</b>	143,872	2	30,547,997	30,691,871	(100,396)	30,591,475

The notes on pages 23 to 50 form part of these financial statements.

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**THE INSIGHTS GROUP LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	132,690	2	350,671	483,363
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,304,301	1,304,301
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>1,304,301</u>	<u>1,304,301</u>
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital (note 13)	-	-	(1,500,000)	(1,500,000)
Shares issued during the year	11,182	-	-	11,182
<b>Total transactions with owners</b>	<u>11,182</u>	<u>-</u>	<u>(1,500,000)</u>	<u>(1,488,818)</u>
<b>At 31 March and 1 April 2020</b>	143,872	2	154,972	298,846
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(235,326)	(235,326)
<b>Total comprehensive expense for the year</b>	<u>-</u>	<u>-</u>	<u>(235,326)</u>	<u>(235,326)</u>
<b>At 31 March 2021</b>	<u>143,872</u>	<u>2</u>	<u>(80,354)</u>	<u>63,520</u>

The notes on pages 23 to 50 form part of these financial statements.

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**THE INSIGHTS GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

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	2021 £	2020 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(3,128,014)	6,454,002
<b>Adjustments for:</b>		
Amortisation of intangible assets	2,179,179	3,237,398
Depreciation of tangible assets	522,003	762,433
Loss on disposal of tangible assets	18,645	26,083
Interest payable and similar expenses	164,857	196,198
Interest received and similar income	(129,180)	(15,612)
Taxation charge	473,260	1,667,685
Increase in stocks	(89,174)	(17,009)
Decrease in debtors	3,181,009	2,898,457
(Decrease)/increase in creditors	(2,805,840)	520,778
Corporation tax received/(paid)	1,402,636	(3,846,279)
<b>Net cash generated from operating activities</b>	<b>1,789,381</b>	<b>11,884,134</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(2,409,832)	(651,278)
Purchase of tangible fixed assets	(159,413)	(613,183)
Cash Paid for acquisitions net cash acquired	-	(1,948,607)
Interest received	129,180	15,612
<b>Net cash used in investing activities</b>	<b>(2,440,065)</b>	<b>(3,197,456)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	11,182
New secured loans	5,000,000	1,200,000
Repayment of loans	(1,603,963)	(1,939,250)
Loans repaid to directors	(225,000)	-
Dividends paid	-	(3,457,583)
Interest paid	(164,857)	(196,198)
<b>Net cash generated from/(used in) financing activities</b>	<b>3,006,180</b>	<b>(4,381,849)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,355,496</b>	<b>4,304,829</b>

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**THE INSIGHTS GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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	2021 £	2020 £
Cash and cash equivalents at beginning of year	<b>18,266,225</b>	14,026,003
Foreign exchange gains and losses	<b>(236,525)</b>	(64,607)
<b>Cash and cash equivalents at the end of year</b>	<b><u>20,385,196</u></b>	<b><u>18,266,225</u></b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b><u>20,385,196</u></b>	<b><u>18,266,225</u></b>
	<b><u>20,385,196</u></b>	<b><u>18,266,225</u></b>

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 impact of COVID-19 on the continuing ability to prepare the financial statements on the going concern basis is considered in the Directors' report on page 10 of the financial statements.

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.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 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 preparing a Statement of cash flow, under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its cash flow is included in the cash flow of its own consolidated 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.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.5 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.

**2.6 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.

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THE INSIGHTS GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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**2. Accounting policies (continued)**

**2.7 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.

**2.8 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.

**2.9 Interest income**

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

**2.10 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.

**2.11 Borrowing costs**

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

**2.12 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.

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THE INSIGHTS GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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**2. Accounting policies (continued)**

**2.13 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 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.

The fair value of these cash-settled share based payment arrangements is recognised as an expense 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.

At 31 March 2021 the likelihood of achieving the market value condition was considered remote such that no expense was recognised during the year and the carrying value liability was nil.

**2.14 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 date, 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.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.15 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

**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.

**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.

**2.16 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.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.16 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
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.

**2.17 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.18 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**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.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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

At 31 March 2021 the likelihood of achieving the market value condition was considered remote such that no expense was recognised during the year and the carrying value liability was nil.

There are no key accounting estimates or judgements made in the preparation of the financial statements.

**4. Turnover**

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

	2021 £	2020 £
Provision of learning solutions to businesses and web and mobile software development	<b>42,911,332</b>	73,312,920
	<u><b>42,911,332</b></u>	<u>73,312,920</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	<b>9,126,639</b>	16,031,867
Rest of Europe	<b>16,403,221</b>	26,783,556
Rest of the world	<b>17,381,472</b>	30,497,497
	<u><b>42,911,332</b></u>	<u>73,312,920</u>

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**5. Other operating income**

	2021 £	2020 £
Other operating income	20,519	277,805
Government grants receivable	2,491,009	83,547
	2,511,528	361,352

**6. Operating (loss)/profit**

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

	2021 £	2020 £
Depreciation of tangible assets	522,003	762,433
Amortisation of intangible assets, including goodwill	2,179,179	2,299,398
Goodwill impairment	-	938,000
Other operating lease rentals	1,592,401	1,659,620
	1,592,401	1,659,620

**7. Auditors' remuneration**

	2021 £	2020 £
Auditing of the Financial statements of the Group and the Company	121,500	97,500
Auditing of the Financial statements of subsidiaries	59,000	88,057
	121,500	97,500

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

Taxation compliance services	38,028	60,739
All other services	6,500	65,893
	44,528	126,632

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 (2020: £4,500).

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**8. Employees**

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

	2021 £	2020 £
Wages and salaries	24,351,648	29,743,475
Social security costs	2,802,453	3,087,025
Cost of defined contribution scheme	1,626,587	1,487,085
	<u>28,780,688</u>	<u>34,317,585</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Key management	10	10	7	7
Staff members	490	566	-	-
	<u>500</u>	<u>576</u>	<u>7</u>	<u>7</u>

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**9. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	1,939,254	2,021,907
Company contributions to defined contribution pension schemes	94,697	138,739
	<u>2,033,951</u>	<u>2,160,646</u>

During the year retirement benefits were accruing to 6 directors (2020 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £428,887 (2020 - £422,108).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

During the year NIL directors received shares under the long term incentive schemes (2020 -NIL)

The total accrued pension provision of the highest paid director at 31 March 2021 amounted to £NIL (2020 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 March 2021 amounted to £NIL (2020 - £NIL).

**10. Interest receivable and similar income**

	2021 £	2020 £
Other interest receivable	129,180	15,612
	<u>129,180</u>	<u>15,612</u>

**11. Interest payable and similar expenses**

	2021 £	2020 £
Bank interest payable	164,857	196,198
	<u>164,857</u>	<u>196,198</u>

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**12. Tax on (loss)/ profit**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on (loss)/profits for the year	-	788,549
Adjustments in respect of previous periods	165,259	(649,958)
	<u>165,259</u>	<u>138,591</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	946,558	2,020,665
	<u>946,558</u>	<u>2,020,665</u>
<b>Total current tax</b>	<u>1,111,817</u>	<u>2,159,256</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(215,777)	(86,955)
Changes to tax rates	-	(8,139)
Adjustments in respect of previous periods	(106,384)	(54,143)
<b>Total deferred tax</b>	<u>(322,161)</u>	<u>(149,237)</u>
<b>Taxation on profit on ordinary activities</b>	<u>789,656</u>	<u>2,010,019</u>

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**12. Tax on (loss)/ profit (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(2,338,358)</u>	<u>8,464,021</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(444,288)	1,608,164
<b>Effects of:</b>		
Expenses not deductible for tax purposes	307,145	880,505
Higher rate taxes on overseas earnings	350,372	369,695
Adjustments to tax charge in respect of prior periods	172,752	(279,031)
Non-taxable income	(51,046)	(48,125)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(425,070)
Effect of tax rate and law changes	-	(8,137)
Deferred tax not recognised	454,721	(87,982)
<b>Total tax charge for the year</b>	<u><u>789,656</u></u>	<u><u>2,010,019</u></u>

**Factors that may affect future tax charges**

A change to the future UK corporation tax rate was announced in the March 2020 Budget. The rate will no longer drop to 17% with effect from 1 April 2020 but will remain at the previous rate of 19%. This change has not been substantively enacted at the balance sheet date and therefore is not recognised in these financial statements. The effect of this change is not material.

**13. Dividends**

	2021 £	2020 £
Dividends paid of £Nil (2020: £10.08) per ordinary share	-	1,275,000
Dividends proposed of £Nil (2020: £1.78) per ordinary share	-	225,000
	<u>-</u>	<u>1,500,000</u>

An interim dividend of £1,500,000 was paid after the balance sheet date. This dividend relates to financial year ending 31 March 2022.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**14. Intangible assets****Group**

	Intellectual property, trademarks and customer relationships £	Development costs £	Goodwill £	Total £
<b>Cost</b>				
At 1 April 2020	8,215,959	1,595,296	14,654,480	24,465,735
Additions	169,717	2,240,115	-	2,409,832
Disposals	-	-	(89,398)	(89,398)
Reclassified to tangible fixed assets	-	(85,651)	-	(85,651)
Foreign exchange movement	52,259	(47,670)	-	4,589
At 31 March 2021	<u>8,437,935</u>	<u>3,702,090</u>	<u>14,565,082</u>	<u>26,705,107</u>
<b>Accumulated Amortisation</b>				
At 1 April 2020	4,204,306	1,040,793	5,461,693	10,706,792
Charge for the year on owned assets	631,527	294,004	1,253,648	2,179,179
On disposals	-	-	(89,398)	(89,398)
Reclassified to tangible fixed assets	-	(21,491)	-	(21,491)
Foreign exchange movement	20,612	(29,450)	-	(8,838)
At 31 March 2021	<u>4,856,445</u>	<u>1,283,856</u>	<u>6,625,943</u>	<u>12,766,244</u>
<b>Net book value</b>				
At 31 March 2021	<u>3,581,490</u>	<u>2,418,234</u>	<u>7,939,139</u>	<u>13,938,863</u>
At 31 March 2020	<u>4,011,653</u>	<u>554,503</u>	<u>9,192,787</u>	<u>13,758,943</u>

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**THE INSIGHTS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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

	<b>Intellectual property £</b>
<b>Cost</b>	
At 1 April 2020	7,357,213
At 31 March 2021	<u>7,357,213</u>
<b>Accumulated Amortisation</b>	
At 1 April 2020	3,971,725
Charge for the year	423,186
At 31 March 2021	<u>4,394,911</u>
<b>Net book value</b>	
At 31 March 2021	<u>2,962,302</u>
At 31 March 2020	<u>3,385,488</u>

**THE INSIGHTS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**15. Tangible assets**

**Group**

	Land and buildings £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2020	3,029,150	452,809	3,828,769	52,581	7,363,309
Additions	-	27,052	128,525	3,836	159,413
Reclassified from intangible assets	-	-	85,651	-	85,651
Disposals	-	(117,216)	(1,008,678)	(56,417)	(1,182,311)
Exchange adjustments	-	(14,147)	(131,526)	500	(145,173)
At 31 March 2021	<u>3,029,150</u>	<u>348,498</u>	<u>2,902,741</u>	<u>500</u>	<u>6,280,889</u>
<b>Accumulated Depreciation</b>					
At 1 April 2020	1,587,476	278,757	2,652,914	52,549	4,571,696
Charge for the year on owned assets	(128,844)	101,479	545,345	4,023	522,003
Reclassified from intangible assets	-	-	21,491	-	21,491
Disposals	-	(117,216)	(990,034)	(56,416)	(1,163,666)
Exchange adjustments	-	(12,704)	(100,506)	94	(113,116)
At 31 March 2021	<u>1,458,632</u>	<u>250,316</u>	<u>2,129,210</u>	<u>250</u>	<u>3,838,408</u>
<b>Net book value</b>					
At 31 March 2021	<u>1,570,518</u>	<u>98,182</u>	<u>773,531</u>	<u>250</u>	<u>2,442,481</u>
At 31 March 2020	<u>1,441,674</u>	<u>174,052</u>	<u>1,175,855</u>	<u>32</u>	<u>2,791,613</u>

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

	2021 £	2020 £
Freehold	1,570,518	1,441,674
	<u>1,570,518</u>	<u>1,441,674</u>

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**THE INSIGHTS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**16. Investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2020	1,576,752
At 31 March 2021	<u>1,576,752</u>

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**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

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**THE INSIGHTS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**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 Kupfergraben4/4a, D-10117 Berlin
Insights Sverige AB (sold 31/3/21)	Sweden	Ordinary	100%	Learning solutions to businesses	Notarievagen 5, 17746 Jarfalla
Insights Denmark ApS	Denmark	Ordinary	100%	Learning solutions to businesses	Marselisborg Havnevej 56-58, 8000 Aarhus C

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**THE INSIGHTS GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**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 Basilica, 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	50%	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

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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
Dog.Fish Mobile India Private Limited	India	Ordinary	100%	Web and mobile software development	Flat No,202, Bld No. 15, New Om Complex CHS Ltd, Shanti Vidya Nagari, Hatkesh, Mira Road (East) Mumbai MH 401107

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 2021:

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

**17. Stocks**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Raw materials and consumables	<b>802,695</b>	713,521
	<b>802,695</b>	713,521

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 2021**

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	482,802	471,717
Deferred tax asset	430,383	113,987	-	-
	<u>430,383</u>	<u>113,987</u>	<u>482,802</u>	<u>471,717</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 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Due within one year</b>				
Trade debtors	9,106,168	12,891,158	-	-
Amounts owed by group undertakings	-	-	5,627,400	5,627,400
Other debtors	583,416	440,411	11,182	11,182
Prepayments and accrued income	2,372,610	1,911,634	-	-
Tax recoverable	519,516	2,711,808	-	-
	<u>12,581,710</u>	<u>17,955,011</u>	<u>5,638,582</u>	<u>5,638,582</u>

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

**19. Cash at bank and in hand**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	20,385,196	18,266,225	200,000	-
	<u>20,385,196</u>	<u>18,266,225</u>	<u>200,000</u>	<u>-</u>

**THE INSIGHTS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**20. Creditors: Amounts falling due within one year**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Bank loans	4,029,223	1,238,751	-	-
Payments received on account	3,170,585	1,873,612	-	-
Trade creditors	1,349,470	2,786,508	-	-
Amounts owed to group undertakings	-	-	10,772,840	10,500,914
Other taxation and social security	1,315,629	1,412,968	-	-
Other creditors	-	225,000	-	225,000
Accruals and deferred income	2,554,787	5,123,223	24,078	47,779
	<u>12,419,694</u>	<u>12,660,062</u>	<u>10,796,918</u>	<u>10,773,693</u>

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

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Bank loans	7,570,159	6,964,594
	<u>7,570,159</u>	<u>6,964,594</u>

**22. Bank loans**

Analysis of the maturity of loans is given below:

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
<b>Amounts falling due within one year</b>		
Bank loans	4,029,223	1,238,751
<b>Amounts falling due 1-2 years</b>		
Bank loans	6,336,928	2,277,502
<b>Amounts falling due 2-5 years</b>		
Bank loans	1,233,231	4,687,092
	<u>11,599,382</u>	<u>8,203,345</u>

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 March 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.

Term loan F was received during the year under the government CLBIL scheme. It is denominated in GBP and is repayable over 3 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 April 2022 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 2020 £	Cash flows £	New bank loan £	At 31 March 2021 £
Cash at bank and in hand	18,266,225	(2,881,029)	5,000,000	20,385,196
Debt due after 1 year	(6,964,594)	(605,565)	-	(7,570,159)
Debt due within 1 year	(1,238,751)	2,209,528	(5,000,000)	(4,029,223)
	<u>10,062,880</u>	<u>(1,277,066)</u>	<u>-</u>	<u>8,785,814</u>

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**24. Financial instruments**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u><b>30,074,780</b></u>	<u>31,597,794</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>15,503,640</b></u>	<u>16,338,076</u>

**25. Deferred taxation****Group**

	<b>2021 £</b>	<i>2020 £</i>
At beginning of year	113,987	(35,250)
Adjustments in respect of prior periods	106,384	54,143
Credited to consolidated statement of comprehensive income	210,012	86,955
Impact of foreign exchange	-	8,139
<b>At end of year</b>	<u><b>430,383</b></u>	<u>113,987</u>

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Accelerated capital allowances	118,740	24,835
Short term timing differences	105,306	89,152
Losses	206,337	-
	<u><b>430,383</b></u>	<u>113,987</u>

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**25. Deferred taxation (continued)**

	2021 £	2020 £
<b>Comprising:</b>		
Asset	434,700	120,982
Liability	(4,317)	(6,995)
	<u>430,383</u>	<u>113,987</u>

**26. Called up share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
126,500 (2020 - 126,500) Ordinary shares of £0.50 each	63,250	63,250
126,500 (2020 - 126,500) 'A' Ordinary shares of £0.50 each	63,250	63,250
6,190 (2020 - 6,190) 'B' Ordinary shares of £1.00 each	6,190	6,190
11,182 (2020 - 11,182) 'C' Ordinary shares of £1.00 each	11,182	11,182
	<u>143,872</u>	<u>143,872</u>

**27. 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.

**28. 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 £1,626,587 (2020 - £1,487,085). Contributions totalling £95,174 (2020 - £89,415) were payable to the fund at the reporting date and are included in creditors.

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**THE INSIGHTS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**29. 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:

	<b>Group 2021</b>	<i>Group 2020</i>
	£	£
Not later than 1 year	<b>909,429</b>	1,083,669
Later than 1 year and not later than 5 years	<b>1,432,883</b>	1,784,210
Later than 5 years	<b>478,459</b>	-
	<u><b>2,820,771</b></u>	<u>2,867,879</u>

**30. 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 £23,770 (2020: £44,657) were incurred with a legal firm of which one of the directors is a partner. Expenses of £6,000 (2020: £6,000) were incurred with a financial services firm of which one of the directors is a director. Expenses of £30,882 (2020: £34,358) were incurred with a learning and development business of which one of the directors spouse is the owner. No balances remain unpaid at year end. See note 9 for disclosure of the directors' remuneration.

During the year a loan from the directors of £225,000 was repaid by the Group.

The Group launched a Long Term Incentive Plan during the last financial year, an equity based scheme designed for private companies. The scheme runs until 31 March 2023 and is connected to The Insights Group Limited valuation. During the year six directors held shares under the scheme.

The directors use their judgement to determine whether the key terms of the scheme will be met and provide for an expected pay out. As at 31 March 2021, the directors are of the opinion that a number of key terms will not be met and so have not recognised any expected pay-out.

**31. Post balance sheet events**

Completion of the acquisition of the minority interest in our joint venture with Connemara Consulting (Pty) Limited and establishment of our wholly owned subsidiary in South Africa.

**32. Ultimate controlling party**

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