
THE INSIGHTS GROUP LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**



THE INSIGHTS GROUP LIMITED

COMPANY INFORMATION

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

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THE INSIGHTS GROUP LIMITED

CONTENTS

	Pages
Group strategic report	1 - 6
Directors' report	7 - 11
Independent auditors' report	12 - 14
Consolidated statement of comprehensive income	15
Consolidated balance sheet	16 - 17
Company balance sheet	18
Consolidated statement of changes in equity	19 - 20
Company statement of changes in equity	21 - 22
Consolidated Statement of cash flows	23 - 24
Notes to the financial statements	25 - 54

THE INSIGHTS GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The directors present their Strategic report and the audited consolidated financial statements of the Group for the year ended 31 March 2020.

Business review

Turnover for the year was £73.3M, an increase of 6.4% on the previous year (2019 : £68.9M).

Operating profit for the year was £8.6M, a decrease of 39.8% on the previous year (2019: £14.4M). Operating profit decreased due to investment in our Strategic Programme which rose from £1.4M in 2018/19 to £5.4M.

Profitability was also impacted by COVID-19. In financial year 2019/20 our business model was largely based on 'in-person' delivery, therefore the measures put in place to reduce the transmission of COVID-19 had a significant impact on our financial results.

As concern about face to face events grew, our revenue became impacted in March 2020, historically our busiest month. The Group estimates the impact of the pandemic was to lower turnover by £2.9M and operating profit by £2.4M.

While the investments made through 2018/19 and 2019/20 in our virtual offerings were not available in our current financial year, they were released in April mitigating some of the on-going impact of COVID-19 on the Group's future performance.

The Group's balance sheet shows net current assets of £24.4M (2019: £16.9M). Net assets are £34.0M (2019: £29.3M) and shareholders' funds are £33.7M (2019: £29.1M). The increase in our assets is driven by an increase in our cash balance due to the accumulation of profits earned in the year.

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

After a three year programme of both acquiring our joint venture subsidiaries and building our technology capability through the acquisition of Vidatec, the current financial year saw a pause in acquisitions with the focus on consolidating the acquired entities and realizing synergies.

Insights has now completed year two of a five-year strategy "to be irresistibly attractive to our chosen 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.

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 clients to be. This means that across our global community of offices we can service our customers in a way that is efficient and effective and that enables us to give the best customer experience.

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

- Further improving our on-demand and real-time 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 INSIGHTS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

- The implementation of our Enterprise Processes 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 New Markets, including Asia, Africa, Middle East and South America
- Investing in the upskilling and development of our employees and attracting new talent.

Insights continues to work with our South African partner, Connemara Consulting (Pty) Limited to manage Insights Learning & Development Africa Pty Limited a 50-50 ILD controlled joint venture. It remains our intention to buy all of Connemara's interest in ILD Africa at the end of March 2021.

Vidatec has continued to build out its portfolio of web and mobile applications with a mission to improve people's life's through technology. Vidatec has developed a portfolio which will serve its 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 is a global organisation with employees in 15 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.

The June 2017 acquisition of Vidatec provided the Group with a software capability, specifically in mobile application development. Opportunities to further leverage this capability into Insights Learning and Development were paused to allow both companies to focus on their current customer base. Opportunities for collaboration are however significant and remain a potential source of value creation for the Group. Collaborative activities increased from April 2020 around design services and web application development for Insights Explore, a new entry level digital profile which brings the power of Discovery to front-line employees.

THE INSIGHTS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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

The Board of Directors of The Insights Group Limited consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of shareholders as a whole. 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 and Vidatec. Reviews focus on our People including the review of our employee engagement scores and our Customers, which includes a review of our Net Promoter Score. In service of our shareholders, creditors, employees and government stakeholders, we review our financial performance and the progress of our strategic programme.

Activities undertaken include:

- Regularly reviewing our compensation structure and annual salary and benefit awards to ensure that remuneration benchmark within our market and that employees share in the success of the business.
- Overseeing the financing arrangements of the Group including both approval of long-term financing agreements and through the application of our dividend policy.
- Ensuring our suppliers 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.

THE INSIGHTS GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Streamlined energy and carbon reporting

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

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

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

Insights energy consumption within our own facilities in fiscal year 2019/20 was 319,121kWh.

	kg CO ₂ e
Owned assets	82,076
Business travel	636,430
Leased assets	<u>44,692</u>
Total	<u>763,198</u>
Intensity ratio (kg CO ₂ e per FTE)	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 Willis Towers Watson, we measure our employee engagement annually with year on year improvement in our engagement scores center to our strategic objectives.

Matters impacting employees are regularly discussed with them, additionally we have an internal communication framework to ensure that employees are always informed.

Insights Group uses a number of approaches to connect Group performance to employee remuneration, including a Long Term Incentive Plan (LTIP) which is an equity based scheme designed for private companies. The scheme runs for five years and is connected to Insights Group valuation. Only those in the most senior management positions are invited to participate.

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.

THE INSIGHTS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Epidemic/Pandemic risk

The COVID-19 pandemic realised two risks for Insights Group. 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 revenue 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 though 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.

THE INSIGHTS GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Brexit

The Group is monitoring the ongoing Brexit process and has taken professional advice on the potential risks. A detailed analysis of the risks and operational challenges to our business has been undertaken and we believe we now have a clear view of Brexit related risks and their potential impact on the business.

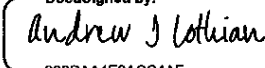
To mitigate both financial and operational risks, we have begun to execute on some elements of our "no-deal" contingency plans. If a "no-deal" Brexit remains a possible outcome, other elements of our plan will be triggered.

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:

	2020	2019
	£	£
Turnover	73,312,920	68,926,868
Operating profit	8,644,607	14,355,478
Profit before taxation	8,464,021	14,218,959
Net assets	33,974,644	29,252,581
Turnover per full time equivalent headcount	127,279	125,817
EBITDA (Earnings before Interest, Tax, Depreciation, Amortisation)	<u>12,644,438</u>	<u>17,323,542</u>

This report was approved by the board on 30 November 2020 and signed on its behalf.

DocuSigned by:

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AJ Lothian
 Director

THE INSIGHTS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2020.

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 and Company 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 UK Accounting Standards 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 also 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and to 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 profit for the year, after taxation and minority interests, amounted to £6,365,063 (2019: £11,598,266).

Dividends totalling £1,500,000 (2019: £3,100,000) were declared during the year. At the year end £225,000 was still payable (2019: £2,100,000).

THE INSIGHTS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Directors

The directors of the group who were in office during the year and up to the date of signing the financial statements were:

AM Lothian
AJ Lothian
CJS Clark
PM Lothian
L Clark (resigned 27 March 2020)
JM Lothian
SMH Lothian

Future developments

Financial year 2020/21 will be year three 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.

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 crisis. 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. Financial year 2019/20 saw us move our digital platform, Insights On-line, into the cloud.

Insights will also deliver its first major platform upgrade in over 5 years and our first all-digital offering, Insights Explore which will offer our customers bite-sized content at a lower cost entry point satisfying a significant opportunity in our market.

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 customers 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 customer's 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.

THE INSIGHTS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

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. Engage4 was released to market in April 2020,

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.

While COVID-19 has impacted Vidatec's revenues in the first half of calendar year 2020 there are indications that the second half of the year will see more opportunities as companies seek to respond digitally to the challenges they face.

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.

THE INSIGHTS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Going concern

The impact of COVID-19 has brought our Going Concern Assessment and indeed efforts to ensure the long-term stability of the Insights Group into sharper focus this year. We have been delighted with the response from our outstanding employees and our broader community in the creative and determined way they have responded to the challenges brought on by the pandemic.

The key actions we have taken are as follows: delaying dividend and bonus payments; implementing remote working; transforming our learning and development offering to be delivered virtually; launching Insights Explore, our first all-digital profile; utilising government backed support schemes; temporarily reducing working hours and reducing non-salary related operating expenses and triggering a redundancy programme. Despite redundancy costs, these measures have resulted in us returning to sustained profitability before the end of Q2 in the current financial year.

In 2020/21 we applied for and been granted additional funding through the UK Government CLBIL scheme. This provides additional liquidity over and above the cash reserves we have been able to build and maintain in the last six months. We also confirm that no breaches of debt covenants are projected at this time.

Our final going concern consideration is our scenario planning. We have modelled a number of scenarios including a 'severe but plausible' scenario which give us confidence that, while additional restructuring of our costs would be required, the business is capable of financing current levels of debt at lower volumes than we are currently generating. In the 'severe but plausible' scenario, Insights has based projections on revenues and costs aligned to current physical distancing measures and travel restrictions being in place globally until March 2021. In this scenario we expect over 90% of revenue will come from our new on-line solutions and that we will receive almost no revenue from face to face events.

To summarise our Going Concern Assessment, our Q2 results, 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 remain in force at the reporting date.

THE INSIGHTS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Post balance sheet events

While our cash position remains relatively healthy, the impact of COVID-19 to the business has been significant. To help us manage our liquidity through this period, we have applied for a £5,000,000 term loan under the UK government CLBIL scheme.

Effective from 31st July 2020, we have closed our Italian legal entity. We will service our Italian clients from our Swiss entity.

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 2020 and signed on its behalf.

DocuSigned by:

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AJ Lothian
Director

THE INSIGHTS GROUP LIMITED

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2020 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 2020; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

THE INSIGHTS GROUP LIMITED

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

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify 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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2020 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 set out on page 7, 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.

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

Use of this report

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

THE INSIGHTS GROUP LIMITED

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received 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 2020

THE INSIGHTS GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover	4	73,312,920	68,926,868
Cost of sales		(17,344,982)	(13,639,527)
Gross profit		55,967,938	55,287,341
Administrative expenses		(47,684,683)	(40,931,863)
Other operating income	5	361,352	-
Operating profit	6	8,644,607	14,355,478
Interest receivable and similar income	10	15,612	5,595
Interest payable and similar expenses	11	(196,198)	(134,892)
Other finance expense		-	(7,222)
Profit before taxation		8,464,021	14,218,959
Tax on profit	12	(2,010,019)	(2,620,503)
Profit for the financial year		6,454,002	11,598,456
Currency translation differences		(160,538)	670,000
Adjustment relating to obtaining non-controlling interests		-	(3,768,338)
Other comprehensive expense for the year		(160,538)	(3,098,338)
Total comprehensive income for the year		6,293,464	8,500,118
Profit for the year attributable to:			
Non-controlling interests		88,939	190
Owners of the parent Company		6,365,063	11,598,266
		6,454,002	11,598,456

The notes on pages 25 to 54 form part of these financial statements.

THE INSIGHTS GROUP LIMITED
REGISTERED NUMBER: SC166543

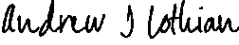
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	13,758,943	16,402,630
Tangible assets	15	2,791,613	2,947,355
		<u>16,550,556</u>	<u>19,349,985</u>
Current assets			
Stocks	17	713,521	696,512
Debtors: amounts falling due after more than one year	18	113,987	-
Debtors: amounts falling due within one year	18	17,955,011	18,824,111
Cash at bank and in hand	19	18,266,225	14,026,003
		<u>37,048,744</u>	<u>33,546,626</u>
Creditors: amounts falling due within one year	20	<u>(12,660,062)</u>	<u>(16,613,185)</u>
Net current assets		24,388,682	16,933,441
Total assets less current liabilities		40,939,238	36,283,426
Creditors: amounts falling due after more than one year	21	(6,964,594)	(6,995,595)
Provisions for liabilities			
Deferred taxation	25	-	(35,250)
		<u>-</u>	<u>(35,250)</u>
Net assets		33,974,644	29,252,581
Capital and reserves			
Called up share capital	26	143,872	132,690
Capital redemption reserve		2	2
Profit and loss account		33,741,641	29,119,699
Total equity attributable to owners of the parent		33,885,515	29,252,391
Non-controlling interests		89,129	190
Total equity		33,974,644	29,252,581

THE INSIGHTS GROUP LIMITED
REGISTERED NUMBER: SC166543

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2020.

DocuSigned by:

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AJ Lothian
Director

The notes on pages 25 to 54 form part of these financial statements.

THE INSIGHTS GROUP LIMITED
REGISTERED NUMBER: SC166543

COMPANY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	3,385,488	3,808,674
Investments	16	1,576,752	4,836,133
		<u>4,962,240</u>	<u>8,644,807</u>
Current assets			
Debtors: amounts falling due after more than one year	18	471,717	350,000
Debtors: amounts falling due within one year	18	5,638,582	3,527,400
		<u>6,110,299</u>	<u>3,877,400</u>
Creditors: amounts falling due within one year	20	(10,773,693)	(12,038,844)
Net current liabilities		<u>(4,663,394)</u>	<u>(8,161,444)</u>
Total assets less current liabilities		<u>298,846</u>	<u>483,363</u>
Net assets		<u>298,846</u>	<u>483,363</u>
Capital and reserves			
Called up share capital	26	143,872	132,690
Capital redemption reserve		2	2
Profit and loss account brought forward		350,671	1,175,953
Profit for the year		1,304,301	2,274,718
Other changes in the profit and loss account		(1,500,000)	(3,100,000)
		<u>154,972</u>	<u>350,671</u>
Profit and loss account carried forward		154,972	350,671
Total equity		<u>298,846</u>	<u>483,363</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2020.

DocuSigned by:

Andrew J Lothian

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AJ Lothian

Director

The notes on pages 25 to 54 form part of these financial statements.

THE INSIGHTS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

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

The notes on pages 25 to 54 form part of these financial statements.

THE INSIGHTS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 April 2018	126,500	2	23,338,522	23,465,024	381,249	23,846,273
Comprehensive income/(expense) for the year						
Profit for the year	-	-	11,598,266	11,598,266	190	11,598,456
Currency translation differences	-	-	670,000	670,000	-	670,000
Adjustment relating to obtaining non-controlling interests	-	-	(3,768,338)	(3,768,338)	-	(3,768,338)
Acquisition of minority interests	-	-	381,249	381,249	(381,249)	-
Other comprehensive expense for the year			(2,717,089)	(2,717,089)	(381,249)	(3,098,338)
Total comprehensive income/(expense) for the year			8,881,177	8,881,177	(381,059)	8,500,118
Dividends: Equity capital (note 13)	-	-	(3,100,000)	(3,100,000)	-	(3,100,000)
Shares issued during the year	6,190	-	-	6,190	-	6,190
Total transactions with owners	6,190	-	(3,100,000)	(3,093,810)	-	(3,093,810)
At 31 March 2019	132,690	2	29,119,699	29,252,391	190	29,252,581

The notes on pages 25 to 54 form part of these financial statements.

THE INSIGHTS GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

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

The notes on pages 25 to 54 form part of these financial statements.

THE INSIGHTS GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	126,500	2	1,175,953	1,302,455
Comprehensive income for the year				
Profit for the year	-	-	2,274,718	2,274,718
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	2,274,718	2,274,718
Contributions by and distributions to owners				
Dividends: Equity capital (note 13)	-	-	(3,100,000)	(3,100,000)
Shares issued during the year	6,190	-	-	6,190
Total transactions with owners	6,190	-	(3,100,000)	(3,093,810)
At 31 March 2019	132,690	2	350,671	483,363

The notes on pages 25 to 54 form part of these financial statements.

THE INSIGHTS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	6,454,002	11,598,456
Adjustments for:		
Amortisation of intangible assets	3,237,398	2,231,928
Depreciation of tangible assets	762,433	736,137
Loss on disposal of tangible assets	26,083	13,565
Interest payable and similar expenses	196,198	134,892
Interest receivable and similar income	(15,612)	(5,595)
Tax on profit	1,667,685	2,620,503
(Increase) in stocks	(17,009)	(68,872)
Decrease in debtors	2,898,457	276,161
Increase/(decrease) in creditors	520,778	(4,026,925)
Corporation tax paid	(3,846,279)	(4,212,131)
Net cash generated from operating activities	11,884,134	9,298,119
Cash flows from investing activities		
Purchase of intangible fixed assets	(651,278)	(234,307)
Purchase of tangible fixed assets	(613,183)	(731,468)
Acquisition of non-controlling interest	-	(3,768,388)
Cash paid for acquisitions net of cash acquired	(1,948,607)	(4,112,272)
Interest receivable and similar income	15,612	5,595
Net cash used in investing activities	(3,197,456)	(8,840,840)
Cash flows from financing activities		
Issue of ordinary shares	11,182	6,190
New secured loans	1,200,000	3,930,000
Repayment of loans	(1,939,250)	(2,397,988)
Dividends paid	(3,457,583)	(1,000,000)
Interest payable and similar expenses	(196,198)	(134,892)
Net cash (used in)/generated from financing activities	(4,381,849)	403,310
Net increase in cash and cash equivalents	4,304,829	860,589
Cash and cash equivalents at beginning of year	14,026,003	12,548,450
Foreign exchange gains and losses	(64,607)	616,964
Cash and cash equivalents at the end of year	18,266,225	14,026,003

THE INSIGHTS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

	2020	2019
	£	£
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	18,266,225	14,026,003
	<u>18,266,225</u>	<u>14,026,003</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis 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 consistently applied:

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.2 Going concern

The impact of COVID-19 has brought our Going Concern Assessment and indeed efforts to ensure the long-term stability of the Insights Group into sharper focus this year. We have been delighted with the response from our outstanding employees and our broader community in the creative and determined way they have responded to the challenges brought on by the pandemic.

The key actions we have taken are as follows: delaying dividend and bonus payments; implementing remote working; transforming our learning and development offering to be delivered virtually; launching Insights Explore, our first all-digital profile; utilising government backed support schemes; temporarily reducing working hours and reducing non-salary related operating expenses and triggering a redundancy programme. Despite redundancy costs, these measures have resulted in us returning to sustained profitability before the end of Q2 in the current financial year.

In 2020/21 we applied for and been granted additional funding through the UK Government CLBIL scheme. This provides additional liquidity over and above the cash reserves we have been able to build and maintain in the last six months. We also confirm that no breaches of debt covenants are projected at this time.

Our final going concern consideration is our scenario planning. We have modelled a number of scenarios including a 'severe but plausible' scenario which give us confidence that, while additional restructuring of our costs would be required, the business is capable of financing current levels of debt at lower volumes than we are currently generating. In the 'severe but plausible' scenario, Insights has based projections on revenues and costs aligned to current physical distancing measures and travel restrictions being in place globally until March 2021. In this scenario we expect over 90% of revenue will come from our new on-line solutions and that we will receive almost no revenue from face to face events.

To summarise our Going Concern Assessment, our Q2 results, in combination with our healthy cash balance form the basis of our confidence that the Insights Group comfortably conforms to all 'going-concern' tests.

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.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

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.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 2020 the likelihood of achieving the market value condition was considered highly 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.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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:

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.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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.

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.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.23 Financial instruments (continued)

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.

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

In the process of applying the Group's accounting policies, management has made the following judgements and estimates that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Recoverable amount of Vidatec cash generating unit

Annually, the Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cashgenerating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

The recoverable amount of the Vidatec CGU is a source of significant estimation uncertainty and determining this involved the use of significant assumptions. See note 14 for details of the key assumptions and sensitivity analysis.

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Turnover

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

	2020 £	2019 £
Provision of learning solutions to businesses and web and mobile software development	73,312,920	68,926,868
	<u>73,312,920</u>	<u>68,926,868</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	16,031,867	16,911,896
Rest of Europe	26,783,556	26,311,948
Rest of the world	30,497,497	25,703,024
	<u>73,312,920</u>	<u>68,926,868</u>

5. Other operating income

	2020 £	2019 £
Research and development credit	277,805	-
Government grants receivable	83,547	-
	<u>361,352</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible assets	762,433	736,136
Amortisation of intangible assets, including goodwill	2,299,398	2,231,928
Goodwill impairment	938,000	-
Other operating lease rentals	1,659,620	1,230,768
	<u>5,659,451</u>	<u>4,202,832</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Auditors' remuneration

	2020 £	2019 £
Auditing of the Financial statements of the Group and the Company	97,500	88,370
Auditing of the Financial statements of subsidiaries	88,057	80,330
	<u>185,557</u>	<u>168,700</u>
Fees payable to the Group's auditors and their associates in respect of:		
Taxation compliance services	60,739	73,838
All other services	65,893	29,694
	<u>126,632</u>	<u>103,532</u>

8. Employees

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

	2020 £	2019 £
Wages and salaries	29,743,475	26,718,377
Social security costs	3,087,025	2,841,384
Other pension costs	1,487,085	1,426,859
	<u>34,317,585</u>	<u>30,986,620</u>

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

	Group 2020 No.	<i>Group 2019 No.</i>	Company 2020 No.	<i>Company 2019 No.</i>
Key management	10	10	7	7
Staff members	566	503	-	-
	<u>576</u>	<u>513</u>	<u>7</u>	<u>7</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	2,021,907	2,940,011
Company contributions to defined contribution pension schemes	138,739	55,668
	<u>2,160,646</u>	<u>2,995,679</u>

During the year retirement benefits were accruing to 6 directors (2019 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £422,108 (2019 - £797,366).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £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 (2019 - £NIL).

During the year 6 directors received shares under the long term incentive schemes (2019 -NIL)

10. Interest receivable and similar income

	2020 £	2019 £
Other interest receivable	15,612	5,595
	<u>15,612</u>	<u>5,595</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	196,198	134,892
	<u>196,198</u>	<u>134,892</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. Tax on profit

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	788,549	537,815
Adjustments in respect of previous periods	(649,958)	(1,123,574)
	<u>138,591</u>	<u>(585,759)</u>
Foreign tax		
Foreign tax on income for the year	2,020,665	3,139,881
Foreign tax in respect of prior periods	-	(617)
	<u>2,020,665</u>	<u>3,139,264</u>
Total current tax	<u>2,159,256</u>	<u>2,553,505</u>
Deferred tax		
Origination and reversal of timing differences	(86,955)	216,204
Changes to tax rates	(8,139)	(21,719)
Adjustments in respect of previous periods	(54,143)	(127,487)
	<u>(149,237)</u>	<u>66,998</u>
Taxation on profit on ordinary activities	<u>2,010,019</u>	<u>2,620,503</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	<u>8,464,021</u>	<u>14,218,959</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,608,164	2,701,602
Effects of:		
Expenses not deductible for tax purposes	880,505	475,898
Higher rate taxes on overseas earnings	369,695	796,221
Adjustments to tax charge in respect of prior periods	(279,031)	(185,064)
Non-taxable income	(48,125)	(78,265)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(425,070)	(988,349)
Effect of tax rate and law changes	(8,137)	(21,719)
Deferred tax not recognised	(87,982)	(79,821)
Total tax charge for the year	<u><u>2,010,019</u></u>	<u><u>2,620,503</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

	2020 £	2019 £
Dividends paid of £10.08 (2019: £7.91) per ordinary share	1,275,000	1,000,000
Dividends proposed of £1.78 (2019: £16.60) per ordinary share	225,000	2,100,000
	<u><u>1,500,000</u></u>	<u><u>3,100,000</u></u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Intangible assets**Group**

	Intellectual property, trademarks and customer relationships £	Development costs £	Goodwill £	Total £
Cost				
At 1 April 2019	8,859,711	399,877	14,596,525	23,856,113
Additions	234,288	416,990	57,955	709,233
Reclassified	(749,286)	749,286	-	-
Foreign exchange movement	(128,754)	29,143	-	(99,611)
At 31 March 2020	<u>8,215,959</u>	<u>1,595,296</u>	<u>14,654,480</u>	<u>24,465,735</u>
Accumulated amortisation				
At 1 April 2019	4,022,047	336,603	3,094,833	7,453,483
Charge for the year on owned assets	687,870	182,668	1,428,860	2,299,398
Reclassified	(503,465)	503,465	-	-
Impairment charge	-	-	938,000	938,000
Foreign exchange movement	(2,146)	18,057	-	15,911
At 31 March 2020	<u>4,204,306</u>	<u>1,040,793</u>	<u>5,461,693</u>	<u>10,706,792</u>
Net book value				
At 31 March 2020	<u>4,011,653</u>	<u>554,503</u>	<u>9,192,787</u>	<u>13,758,943</u>
At 31 March 2019	<u>4,837,664</u>	<u>63,274</u>	<u>11,501,692</u>	<u>16,402,630</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Intangible assets (continued)

One of the Group's CGUs, Vidatec, has suffered from the economic implications of Covid-19 with a decrease in forecasted sales and a reduction in demand from existing customers. As a result there has been a sharp decline in sales across the cash-generating unit and goodwill was impaired by £938,000. The remaining goodwill in the Vidatec cash generating unit is £1,330,000.

The recoverable amount of the Vidatec cash-generating unit is a source of significant estimation uncertainty. The recoverable amount was determined using a value-in use calculation which required the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the directors covering a ten-year period. Cash flows beyond the ten-year period are extrapolated using an estimated terminal revenue growth rate.

The key assumptions in the value-in-use calculation are the revenue growth rate and the discount rate. The discount rate was assumed to be 25%. If this were to increase to 30%, the impairment would have been £1,391,000; and if it were to increase to 35%, the impairment would have been £1,683,000. The terminal revenue growth rate is assumed to be 4%. If this decreased to 1%, the impairment would have been £1,695,000.

Company

	Intellectual property £
Cost	
At 1 April 2019	7,357,213
At 31 March 2020	7,357,213
Accumulated amortisation	
At 1 April 2019	3,548,539
Charge for the year	423,186
At 31 March 2020	3,971,725
Net book value	
At 31 March 2020	3,385,488
At 31 March 2019	3,808,674

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Tangible assets**Group**

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2019	3,029,150	384,272	3,365,613	52,581	6,831,616
Additions	-	84,344	528,839	-	613,183
Disposals	-	(22,457)	(143,089)	-	(165,546)
Exchange adjustments	-	6,650	77,406	-	84,056
At 31 March 2020	<u>3,029,150</u>	<u>452,809</u>	<u>3,828,769</u>	<u>52,581</u>	<u>7,363,309</u>
Accumulated depreciation					
At 1 April 2019	1,539,632	231,594	2,069,608	43,427	3,884,261
Charge for the year on owned assets	47,844	58,301	647,166	9,122	762,433
Disposals	-	(16,775)	(122,688)	-	(139,463)
Exchange adjustments	-	5,637	58,828	-	64,465
At 31 March 2020	<u>1,587,476</u>	<u>278,757</u>	<u>2,652,914</u>	<u>52,549</u>	<u>4,571,696</u>
Net book value					
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>
At 31 March 2019	<u>1,489,518</u>	<u>152,678</u>	<u>1,296,005</u>	<u>9,154</u>	<u>2,947,355</u>

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

	2020 £	2019 £
Freehold	1,441,674	1,489,518
	<u>1,441,674</u>	<u>1,489,518</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	4,836,133
Additions	29,558
Transfers intra group	(3,288,939)
At 31 March 2020	1,576,752

Direct subsidiary undertakings

The following were subsidiary and related undertakings of the company:

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

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 (UK) Limited (dissolved 21/01/20)	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	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

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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%	Learning solutions to businesses	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
Insights AS (dissolved 31/8/19)	Norway	Ordinary	100%	Learning solutions to businesses	Marselisborg Havnevej 56-58, 8000 Aarhus C

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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	Scion House, Stirling University, Stirling, FK9 4NF
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 2020:

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

17. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	713,521	696,512
	713,521	696,512

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 2020**

18. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	471,717	350,000
Deferred tax asset	113,987	-	-	-
	113,987	-	471,717	350,000

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 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Amounts falling due within one year				
Trade debtors	12,891,158	16,170,952	-	-
Amounts owed by group undertakings	-	-	5,627,400	3,527,400
Other debtors	440,411	397,224	11,182	-
Prepayments and accrued income	1,911,634	1,573,484	-	-
Tax recoverable	2,711,808	682,451	-	-
	17,955,011	18,824,111	5,638,582	3,527,400

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

19. Cash at bank and in hand

	Group 2020 £	<i>Group 2019 £</i>
Cash at bank and in hand	18,266,225	14,026,003
	18,266,225	14,026,003

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Bank loans	1,238,751	1,947,000	-	-
Payments received on account	1,873,612	1,809,673	-	-
Trade creditors	2,786,508	3,115,409	-	-
Amounts owed to group undertakings	-	-	10,500,914	9,630,348
Other taxation and social security	1,412,968	1,843,004	-	-
Other creditors	225,000	3,990,652	225,000	2,402,867
Accruals and deferred income	5,123,223	3,907,447	47,779	5,629
	<u>12,660,062</u>	<u>16,613,185</u>	<u>10,773,693</u>	<u>12,038,844</u>

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

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

	Group 2020 £	<i>Group 2019 £</i>
Bank loans	6,964,594	6,995,595
	<u>6,964,594</u>	<u>6,995,595</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

22. Bank loans

Analysis of the maturity of loans is given below:

	Group 2020 £	<i>Group 2019 £</i>
Amounts falling due within one year		
Bank loans	1,238,751	<i>1,947,000</i>
	1,238,751	<i>1,947,000</i>
Amounts falling due 1-2 years		
Bank loans	2,277,502	<i>1,947,000</i>
	2,277,502	<i>1,947,000</i>
Amounts falling due 2-5 years		
Bank loans	4,687,092	<i>5,048,595</i>
	4,687,092	<i>5,048,595</i>
Total bank loans	8,203,345	<i>8,942,595</i>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 2023.

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

The revolving credit facility is a multicurrency revolving loan facility in an aggregate amount equal to the revolving facility commitment. It is repayable by 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 2019 £	Cash flows £	Acquisition of subsidiaries £	New bank loan £	Other non- cash changes £	At 31 March 2020 £
Cash at bank and in hand	14,026,003	3,098,207	(57,955)	1,200,000	-	18,266,255
Debt due after 1 year	(6,995,595)	-	-	-	(68,999)	(7,064,594)
Debt due within 1 year	(1,947,000)	1,939,250	-	(1,200,000)	68,999	(1,138,751)
	<u>5,083,408</u>	<u>5,037,457</u>	<u>(57,955)</u>	<u>-</u>	<u>-</u>	<u>10,062,910</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

24. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>
Financial assets		
Financial assets measured at amortised cost	<u>31,597,794</u>	<u>30,594,179</u>
Financial liabilities		
Financial instruments measured at amortised cost	<u>16,338,076</u>	<u>19,956,103</u>

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

25. Deferred taxation

Group

	2020	2019
	£	£
At beginning of year	(35,250)	26,550
Adjustments in respect of prior periods	54,143	127,490
Charged to Statement of comprehensive income	86,955	(194,485)
Impact of foreign exchange	8,139	5,195
At end of year	113,987	(35,250)

Company

	2019
At beginning of year	4,275
Charged to other comprehensive income	(4,275)
At end of year	-

	Group	Group
	2020	2019
	£	£
Accelerated capital allowances	24,835	(35,250)
Short term timing differences	89,152	-
	113,987	(35,250)

	2020	2019
	£	£
Comprising:		
Asset - due after one year	120,982	-
Liability	(6,995)	(35,250)
	113,987	(35,250)

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

26. Called up share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
126,500 (2019 - 126,500) Ordinary shares of £0.50 (2019 £1.00) each	63,250	126,500
126,500 (2019 - Nil) 'A' Ordinary shares of £0.50 each	63,250	-
6,190 (2019 - 6,190) 'B' Ordinary shares of £1.00 each	6,190	6,190
11,182 (2019 - Nil) 'C' Ordinary shares of £1.00 each	11,182	-
	143,872	132,690
	143,872	132,690

On 4 April 2019 the share capital was amended to convert the 126,500 Ordinary shares of £1 each into 126,500 Ordinary shares and 126,500 'A' Ordinary shares of £0.50 each. On 20 February 2020 11,182 'C' Ordinary shares of £1 were issued in relation to the new LTIP scheme.

The Ordinary shares hold dividend and voting rights. The 'A' Ordinary shares hold dividend rights but no voting rights. The 'B' and 'C' Ordinary shares hold neither dividend nor voting rights.

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 £1,487,085 (2019 - £1,426,859). Contributions totalling £89,415 (2019 - £78,614) were payable to the fund at the reporting date and are included in creditors.

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:

	Group 2020	Group 2019
	£	£
Not later than 1 year	1,083,669	1,226,549
Later than 1 year and not later than 5 years	1,784,210	1,296,904
	2,867,879	2,523,453
	2,867,879	2,523,453

THE INSIGHTS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 £44,657 (2019: £38,052) were incurred with a legal firm of which one of the directors is a partner. No balances remain unpaid at year end. See note 9 for disclosure of the directors' remuneration.

The Insights Group launched a Long Term Incentive Plan during the financial year, an equity based scheme designed for private companies. The scheme runs until 31 March 2023 and is connected to the Insights Group valuation. During the year six directors received 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 2020, 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

While our cash position remains relatively healthy, the impact of COVID-19 to the business has been significant. To help us manage our liquidity through this period, we have applied for a £5,000,000 term loan under the UK government CLBIL scheme.

Effective from 31st July 2020, we have closed our Italian legal entity. We will service our Italian clients from our Swiss entity.

32. Ultimate controlling party

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