

Company registration number 06236082 (England and Wales)

RELATIVE INSIGHT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

PAGES FOR FILING WITH REGISTRAR

RELATIVE INSIGHT LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Balance sheet | 1 |
| Notes to the financial statements | 2 - 9 |

RELATIVE INSIGHT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

| | Notes | 2023 | | 2022 | |
|--|-------|--------------------|-------------------------|--------------------|-------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 4 | | 107,300 | | 78,533 |
| Investments | 5 | | 785 | | 785 |
| | | | <u>108,085</u> | | <u>79,318</u> |
| Current assets | | | | | |
| Debtors | 6 | 1,336,410 | | 1,447,233 | |
| Cash at bank and in hand | | 625,112 | | 5,001,653 | |
| | | <u>1,961,522</u> | | <u>6,448,886</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(2,507,787)</u> | | <u>(2,529,753)</u> | |
| Net current (liabilities)/assets | | | <u>(546,265)</u> | | <u>3,919,133</u> |
| Total assets less current liabilities | | | <u>(438,180)</u> | | <u>3,998,451</u> |
| Creditors: amounts falling due after more than one year | 8 | | <u>(34,562)</u> | | <u>(39,381)</u> |
| Net (liabilities)/assets | | | <u><u>(472,742)</u></u> | | <u><u>3,959,070</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 14,878 | | 14,878 |
| Share premium account | | | 10,665,716 | | 10,681,167 |
| Capital redemption reserve | | | 675,391 | | 675,391 |
| Other reserves | | | 591,864 | | 369,381 |
| Profit and loss reserves | | | <u>(12,420,591)</u> | | <u>(7,781,747)</u> |
| Total equity | | | <u><u>(472,742)</u></u> | | <u><u>3,959,070</u></u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 22 October 2023 and are signed on its behalf by:

Mr B J Hookway
Director

Company registration number 06236082 (England and Wales)

RELATIVE INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Relative Insight Limited is a private company limited by shares incorporated in England and Wales. The registered office is Fraser House, White Cross Business Park, Lancaster, LA1 4XQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

1.2 Going concern

The company has incurred a loss in the period. Even so, the balance sheet remains in a positive position. The group has undergone a period of transition in recent years with additional funding being obtained through rounds of fundraising and a cost cutting exercise being undertaken shortly after the year end date. The directors are confident that as a result of these measures the group will return to profitability in the near future.

In the short term the directors have no reason to doubt that the investors will continue to support the group going forward, with further planned capital raising supporting the cashflow of the company. Based upon this the directors are confident that the group will be able to meet its obligations as they fall due, accordingly the financial statements have been prepared on a going concern basis.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for subscriptions and project income, stated net of Value Added Tax.

Turnover relating to subscription work is recognised over the period of the subscription and any amount relating to the period after the year end is carried forward as deferred income in creditors.

1.4 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.

RELATIVE INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(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:

| | |
|--------------------|-----|
| Computer equipment | 33% |
|--------------------|-----|

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 the Statement of comprehensive income.

1.5 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

RELATIVE INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.7 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.

1.8 Financial instruments

The Company 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.

Fair value measurement of financial instruments

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 Statement of comprehensive income.

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

RELATIVE INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Taxation

Tax is recognised in the Statement of comprehensive income 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 reporting date in the countries where the Company operates and generates income.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

RELATIVE INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Retirement benefits

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

1.11 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

1.12 Foreign exchange

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income and costs'.

RELATIVE INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.13 Interest Income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share Based Payments

Share options are measured at their fair value using the Black-Scholes valuation model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted based on management's best estimate.

3 Employees

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

| | 2023 Number | 2022 Number |
|-------|----------------|----------------|
| Total | 85 | 67 |

RELATIVE INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Tangible fixed assets

| | Plant and machinery etc £ |
|------------------------------------|--|
| Cost | |
| At 1 April 2022 | 181,407 |
| Additions | 92,906 |
| Disposals | (300) |
| At 31 March 2023 | <u>274,013</u> |
| Depreciation and impairment | |
| At 1 April 2022 | 102,874 |
| Depreciation charged in the year | 64,139 |
| Eliminated in respect of disposals | (300) |
| At 31 March 2023 | <u>166,713</u> |
| Carrying amount | |
| At 31 March 2023 | <u>107,300</u> |
| At 31 March 2022 | <u>78,533</u> |

5 Fixed asset investments

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Shares in group undertakings and participating interests | <u>785</u> | <u>785</u> |

6 Debtors

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 395,370 | 247,935 |
| Corporation tax recoverable | - | 220,149 |
| Amounts owed by group undertakings | 604,446 | 514,524 |
| Other debtors | 336,594 | 464,625 |
| | <u>1,336,410</u> | <u>1,447,233</u> |

RELATIVE INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans | 367,422 | 7,500 |
| Trade creditors | 154,013 | 255,190 |
| Corporation tax | 1,443 | - |
| Other taxation and social security | 191,412 | 592,664 |
| Other creditors | 1,793,497 | 1,674,399 |
| | <u>2,507,787</u> | <u>2,529,753</u> |

8 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | 34,562 | 39,381 |
| | <u>34,562</u> | <u>39,381</u> |

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter

We draw attention to note 1.2 of the financial statements, which describes the directors policies in relation to the going concern status of the group. Our opinion is not modified in this respect.

| | |
|---------------------------|-----------------------|
| Senior Statutory Auditor: | Jenny McCabe |
| Statutory Auditor: | MHA Moore and Smalley |
| Date of audit report: | 25 October 2023 |

10 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ | £ |
| | 315,572 | 202,936 |
| | <u>315,572</u> | <u>202,936</u> |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.