Insight Investment Services Limited

Directors' report and financial statements

Year ended 31 December 2019

Registered No: 4471826

A BNY MELLON COMPANY℠

Insight INVESTMENT

Contents

Directors' report	3
Strategic report	6
Statement of Directors' responsibilities	11
Independent auditor's report to the members of Insight Investment Services Limited	12
Statement of profit or loss and other comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Statement of cash flows	17
Notes to the financial statements	18

Directors' report

The Directors present their report and audited financial statements for the year ended 31 December 2019.

Result and dividends

Insight Investment Services Limited ("the Company") recorded a loss before tax for the financial year of £5,000 (profit before tax of £2,000 in 2018). No dividends (2018: £nil) have been approved and paid by the Directors.

Principal activities and business review

The principal activity of Insight Investment Services Limited ("the Company") is the provision of business and other related services to Insight Investment Management Limited and its subsidiaries. The company recharges all of the expenses it incurs to Insight Investment Management Global Limited, Insight Investment Management Funds Limited and Insight Investment International Limited. The recharge is predominantly done pro-rata based on income in the subsidiaries.

The Directors do not envisage any change in the Company's activity in the foreseeable future.

The Company is part of a group made up of Insight Investment Management Limited, Insight Investments Management (Global) Limited, Insight Investments Management (Global) Limited, Insight Investment Australia Pty Ltd, Insight Investment International Limited, Insight Investment Funds Management Limited and Insight Investment Management (Europe) Limited of which is defined as Insight. Insight is a subsidiary of The Bank of New York Mellon Group otherwise defined as the Group.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 6 to 10. In addition, the Directors' report on pages 3 to 5 includes the Company's objectives, policies and processes for managing its capital; its financial risk management objective and its exposures to credit and liquidity risk.

The Company is in a net liability position. The Company has been issued a letter of financial support from its immediate parent company, Insight Investment Management Limited, as the Company generates no revenues but recovers its costs its costs via a service charge mechanism. For this reason the Company has adequate liquidity and capital. The directors perform an annual going concern review that considers, under a stress test scenario, the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Due to COVID-19, management has performed an assessment to determine whether there are any material uncertainties arising due to the pandemic that could cast significant doubt on the ability of the Company to continue as a going concern. No significant issues have been noted. In reaching this conclusion, management considered:

- The financial impact of the uncertainty on the Company's balance sheet;
- Stress tests on reasonable plausible scenarios such as significant reduction in revenue over time. This incorporates a reduced level of management and performance related fees charged on assets under management and maintaining these reduced levels for at least a year with the expectation that the volume of assets under management could fall due to COVID-19;

- Liquidity position based on current and projected cash resources. The Company's current cash/liquidity position is able to sustain its current operational costs for at least a year even with a significantly reduced revenue scenario;
- Reverse stress tests, and;
- The Company's operational resilience with respect to the impact of the pandemic on existing processes and key stakeholders such as suppliers, employees, customers and its existing IT systems and infrastructure.

Based on the above assessment of the Company's financial position, COVID-19 impact, liquidity and capital, the directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Proposed dividend

The directors do not recommend the payment of a final dividend.

Audit information

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will continue in office.

Political and charitable contributions

The Company made no political contributions during the year (2018: £nil). Donations to UK charities amounted to £nil (2018: £nil), however Insight staff worked closely in 2019 with some of our chosen charitable partners, with various fund raising events organised throughout the year.

Employees

Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

Our employee policy is consistent with the BNY Mellon group wide policy. Please refer to BNY Mellon International Asset Management Group Limited Directors' report for further information.

Significant changes in fixed assets

Additions and disposals of fixed assets are detailed in the notes to the financial statements.

Directors

The Directors who held office during the period and at date of approval of the financial statements are as follows:

- Abdallah Nauphal
- Atul Manek

International financial reporting standards

These accounts are prepared in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) and its interpretations as endorsed by the European Union (EU) and effective at 31 December 2019.

By order of the Board

Atul Manek
Director

Registered Office:
160 Queen Victoria Street
London
EC4V 4LA

23 April 2020

Strategic report

The Directors present their strategic report for the year ended 31 December 2019.

Business update, strategy and objectives

The Company continued to operate as the service company to the Insight group.

The Company invested in infrastructure development to support the business during the period with a view to ensuring its systems and technology can accommodate the needs of a growing and international business.

The business will continue to invest in and develop its IT systems and infrastructure in the coming period as the Insight group continues to expand in all its geographies of operation.

Further details on the wider Insight group's strategy and risks can be found in Insight Investment Management Limited's strategic report.

Business review

The Company made a loss before taxation of £5,000 (2018: profit before tax of £2,000).

The company is in net liability position. The immediate parent company, Insight Investment Management Limited, has confirmed its intention to provide financial support, if required, to the Company.

Key risks and uncertainties

The Directors have identified financial and liquidity risk as the most pressing for the Company. Further details on how the Company manages the financial and liquidity risks that it faces are disclosed in note 17 to the financial statements.

Capital management

The capital of the Company is equivalent to total shareholders' equity. The distributable reserves of the Company are managed through Insight's Capital and Funding Policy in order to maximise capital efficiency within the Group. When relevant, dividends would be paid from reserves available for distribution to the immediate parent undertaking in accordance with parameters set out at a Group level.

The above description of the Company's capital management policy forms an integral part of the financial statements.

Other macro environmental risks

Other macro environmental risks include global hazards and health risks to which employees and the Company's other stakeholders are exposed to on a periodic basis. These include health outbreaks such as Coronavirus disease ("COVID-19"), hazards such as fire outbreaks and weather related events such as storms and floods. These risks have challenging impacts on the Company's operations including employees' health and safety, restrictions on travel and mobility, global markets performance among others. The risks are carefully monitored and mitigated on an ongoing basis to minimise exposure.

COVID-19 considerations

Subsequent to 31 December 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and has led to an increased level of uncertainty among Companies and global financial markets. Management has concluded that the impact of COVID-19 is a non-adjusting post balance sheet event in respect of the financial statements for the year ended 31 December 2019. Below is a consideration of the impact of the uncertainty on the Company's financial statements and operational resilience.

Financial statement consideration

Particular focus has been on the Company's key areas of significant judgment and estimation uncertainty.

- As at Q1 2020, there has been no material change in management fee revenue.
- The Company continues to closely monitor the impact of market volatility on its balance sheet. The Company currently has sufficient liquidity in excess of its regulatory requirement to absorb any short-term needs
- No provisions have arisen as a result of management's actions in response to the pandemic.

Company's operational resilience

Management has assessed the impact of COVID-19 on the Company's existing operational processes and its potential impact on its key stakeholders.

- Employees: The Company's employees including offshore workforce are remotely working from home supported by the Company's enhanced existing technology and IT infrastructure.
- Customers: There has been no significant interruptions on customer related processes and activities. The Company has continued to sufficiently administer services to its customers.
- Suppliers: Through the Company's proactive outreach programme to its third party providers, management has continued to assess and monitor its contractual risk resulting from the COVID 19 pandemic. No significant issues have been noted to-date.
- The Company is adequately financed and is able to utilise existing cash. As at Q1 2020, the Company had sufficient headroom above regulatory capital requirements.

The Company's key information technology systems and infrastructure including those outsourced have not been significantly impacted as a result of COVID-19 and continues to operate as expected.

Corporate governance

Governance of the Company is carried out through the Board of Directors. The Board has legal and regulatory responsibility for all aspects of the business and ancillary activities of the various legal entities within the Insight group. A number of committees support the Board, including:

- Executive Management Committee (EMC) is the key business management committee for the Company and its subsidiaries responsible for strategy and execution, operational management and finance.
- The Risk Committee oversees the management of risks within the Company and manages the production of statutory and regulatory financial information. Membership consists of two Non-Executive Directors and three Independent Non-Executive Directors and the Chief Risk Officer of the Company also attends all meetings. The Risk Committee receives reports on the overall business environment and key business trends and the processes and procedures for the identification, evaluation and management of the risks facing the business.
- Remuneration Committee considers recommendations and where appropriate recommends to the relevant employing entity, items in relation to terms, conditions, remuneration and incentives for staff employed within the Insight group. The Remuneration Committee aims to ensure that recommendations are consistent with regulatory requirements. The Remuneration Committee comprises of two non-executive Directors representing the BNY Mellon Group and one independent non-executive Director.

Section 172 Statement

Under section 414 of the UK 2006 Companies Act (the "Act"), the Company is required to include a section 172 statement, describing how it has had regard to those matters set out in section 172 of the Act during the period in question. In addressing these matters, we would like to expand on the following:

Business Relationship with suppliers, customers and others

Insight considers its clients to be one of the most important stakeholders of our business model. In an environment where the needs of clients are rapidly evolving, Insight considers client engagement as a key element of promoting the success of the Company. Insight aims to achieve a deep understanding of clients' needs.

From the Greenwich Associates UK Investment Consultant Research study (the "Study"), Insight was voted the 2019 Greenwich Associates Quality Leader for 'Overall U.K. Institutional investment Management Service Quality' having achieved a high score based on positive citations from a significant number of institutional clients. A large part of Insight's success stems from effective engagement with clients, an approach that is heavily endorsed by the Board.

Similarly, consultants are seen as a key source of success for the business. They typically act as advisors to pension schemes, insurance companies, wealth platforms and other types of financial institutions. Insight's consultant engagement continues to be very high, as evidenced by the 2019 Greenwich Consultant Survey. In the 2019 study, UK consultants surveyed ranked Insight first for Overall LDI Quality for the ninth consecutive year and first for Overall Fixed Income Quality for the sixth year running.

Insight continues to engage with clients, either directly or via our network of consultants, in a deep and meaningful way using strategies and processes developed over several years to help find solutions that are of material value to our clients.

Suppliers

Insight's Payment Practices policy stipulates that the Company should aim to pay suppliers for their goods and services within 30 business days from the date of receipt of their invoices. The Company is satisfied that the bulk of invoices meet this target as reflected within Insight's publicly available payment practice reports.

Insight recognises that key stakeholders can have a material impact on the long-term success of the business and so incorporates the interests of these stakeholders when making strategic long-term decisions. The Company believes that having due regard to the interests of its stakeholders is a dynamic and ongoing process which requires thoughtful monitoring and assessment.

Employees

Another critical stakeholder is, of course, Insight's staff base. New members of staff receive induction training and the opportunity to meet the CEO and the Head of Human Resources. This typically takes place a few weeks after joining Insight which gives new joiners the opportunity to review how Insight does things and make suggestions of how things could be improved, which is then taken on board by HR representatives.

Insight is a strong believer in developing its staff. This is visible through the training programs available which are designed to encourage staff and manager development.

Insight also operates a structured graduate scheme. For the period in question, the graduate scheme that was in progress included investment, business management and technology - key areas of the business. The graduate intakes will be rotating between different areas of the business for six months at a time between November 2019 and September 2020.

Insight completed a staff survey during the period; the results showed a range of 80-89% of colleagues having confidence in the leadership of Insight, believing that Insight sets high standards of performance and that colleagues enjoyed working at Insight and would recommend Insight as a place to work with there being confidence in the long-term growth prospects of our business.

Insight recognises that diversity of thought, talent and experience is critical to the continued success of our business, industry and society. We understand that diversity is multi-dimensional, from national origin and disability, to gender and social background; it needs to be tackled all the way from school age all the way up to Board level; and we still have much to do in many areas if we want to make a difference at the industry level. Throughout the year, there have been multiple initiatives to push for greater diversity addressing education for culture, development, selection and leadership.

Impact on the Community and Environment

Insight's Parent Company, BNY Mellon earned a position on the Climate Change 'A List' by CPD for the seventh year in a row in recognition of its efforts to cutting emissions, mitigating climate risks and developing the low carbon economy, all of which Insight are adopting.

Insight is committed to contributing to a sustainable world where people succeed and economies thrive. We do this by providing quality services to clients, supporting stability in a constantly changing world, and using our resources to deliver positive impact for stakeholders, communities and society. Some of our recent initiatives include moving to environmentally friendly printing, carbon neutral flights, reducing plastics in our offices and charity engagement.

During the period, Insight continued to review the various ESG working groups in addition to the formalisation of the CSR committee to ascertain how best the Company can play a meaningful role in these issues.

The Board are focusing on finding solutions to make key CSR/ESG activities embedded into the operations of the Company and for them to form part of the Company's culture.

High Standards of Business Conduct

The directors recognise that as part of the objective to promote the success of the business, maintaining a high standard of business conduct when dealing with stakeholders such as regulatory bodies and vendors is vital. Insight's interactions with these stakeholders throughout the period are set out below.

Regulatory/Trade bodies

Due to the breadth of the business as well as Insight's position in the market in which it operates, the Company recognises the importance of keeping up to date with industry regulations and best practices. To this end, the Company maintains regular interaction with key regulatory bodies such as the FCA and the CBI in Ireland. Insight strives to maintain a flexible and open relationship with these and other regulatory bodies that have an interest in the Company's operations.

During the period, Insight has met with the FCA to discuss issues such as the cessation of LIBOR, Operational Resilience, levels of liquidity as well as Brexit. Each meeting with regulatory bodies provides the Company with an opportunity to express how it is tackling various issues and gain some insight into the expectations from these bodies.

Insight has taken a leading role in increasing awareness around UK government proposals to reform the Retail Price Index (RPI) methodology. If the proposed changes were to go ahead, future returns for RPI-linked assets and pension benefits would decline by around 1% per annum. Many pension scheme members are likely to be disadvantaged without being fully aware of the proposed changes or the consultation which commenced on 11 March 2020. There is also the potential for a significant impact on the funding position of pension schemes that have CPI-linked benefits and have hedged those using index-linked gilts. To raise awareness, we have published a detailed white paper, and engaged with clients and the broader press to ensure that a wide range of stakeholders understand the proposed changes and are able share their views within the consultation.

In addition to this, as a way to represent its clients' interests, Insight also has meaningful engagement with other key organisations such as the Bank of England, the Investment Association, ISDA Working Group and Pensions Europe. The Company has been active in forums held by key organisations to help tackle issues such as LIBOR replacement and clearing exemption for pension funds.

Acting fairly between members of the company in a Shareholder relationship

Insight's Board of Directors includes representatives from its corporate shareholder BNY Mellon. It maintains an open relationship with BNY Mellon where ideas and strategic objectives are exchanged and shared. The Insight board are fully committed to ensuring due regard to the interests of other stakeholders as described above.

Future prospects

Brexit

The UK's withdrawal from the European Union ("Brexit") is expected to have a lower impact following the results of the UK General election. Additionally the majority of the Company's customers continue to be domiciled outside the European Union.

The Company continues to monitor the UK's withdrawal from the European Union and is proactively engaging with clients on their key concerns and considerations.

Covid-19

Since the start of January 2020, the outbreak of coronavirus, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Directors consider this to be a non-adjusting subsequent event and do not believe there is any financial impact to the Financial Statements as at 31 December 2019 as a result of this subsequent event. No other important events affecting the Company have occurred since the end of the financial year.

Dividend declaration

No dividends are proposed (2018: £NIL).

For and on behalf of the Board

Atul Manek
Director

Registered Office:
160 Queen Victoria Street
London
EC4V 4LA

23 April 2020

Statement of Directors' responsibilities

In respect of the strategic report and the Directors' report and the financial statements

The Directors are responsible for preparing the strategic report and the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Insight Investment Services Limited

Opinion

We have audited the financial statements of Insight Investment Services Limited ("the company") for the year ended 31 December 2019 which comprise the statement of profit and loss and other comprehensive income, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RJMcKechnie

Paul McKechnie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

24 April 2020

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Administrative expenses		**(209,544)**	(211,126)
Other income/ (expense)	2	**(83)**	874
Management service charge		**210,818**	211,357
Operating profit		**1,191**	1,105
Interest receivable and similar income	3	**80**	129
Interest payable and similar income	3	**(1,276)**	(1,232)
		(1,196)	(1,103)
Profit/ (loss) before tax	4	**(5)**	2
Taxation	7	**(189)**	(487)
Total comprehensive income/(loss) for the year		**(194)**	(485)

There are no items of other comprehensive income during the year therefore no statement of other comprehensive income has been presented.

All amounts in the statement of profit or loss and other comprehensive income are in respect of continuing operations.

The notes on pages 18 to 44 form part of these financial statements.

Statement of financial position
For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Assets			
Property, plant and equipment	8	**2,219**	2,210
Intangible assets	9	**38,632**	29,980
Deferred tax asset	10	**490**	504
Non-current assets		**41,341**	**32,694**
Other investments	11	**40**	40
Trade and other receivables	12	**19,842**	19,543
Cash and cash equivalents	13	**7,249**	30,608
Current assets		**27,131**	50,191
Total assets		**68,472**	**82,885**
Equity			
Issued capital	14	**-**	-
Reserves	14	**232**	232
Retained earnings	14	**(23,579)**	(23,385)
Total equity		**(23,347)**	(23,153)
Liabilities			
Trade and other payables	15	**91,819**	106,038
Total current liabilities		**91,819**	106,038
Total equity and liabilities		**68,472**	82,885

The notes on pages 18 to 44 form part of these financial statements.

These financial statements were approved by the Board of Directors on 23 April 2020 and were signed on its behalf by:

Atul Manek Director	**Abdallah Nauphal** Director

Company registration number: 4471826

Statement of changes in equity
For the year ended 31 December 2019

	Note	Share Capital £'000	Retained earnings £'000	Other reserves £'000	Total £'000
Balance at 31 December 2017		-	(22,900)	230	(22,670)
Total comprehensive income for the year					
Loss after tax		-	(485)	-	(485)
Total comprehensive income for the year		**-**	**(485)**	**-**	**(485)**
Contributions by and distributions to owners of the Company					
Restricted stock grant	14	-	-	2	2
Total contributions by and distributions to owners of the Group		**-**	**-**	**2**	**2**
Balance at 31 December 2018		-	(23,385)	232	(23,153)
Total comprehensive income for the year					
Loss after tax		-	(194)	-	(194)
Total comprehensive income for the year		**-**	**(194)**	**-**	**(194)**
Balance at 31 December 2019		**-**	**(23,579)**	**232**	**(23,347)**

The notes on pages 18 to 44 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Profit for the year		**(194)**	(485)
Adjustments for:			
Tax charge	7	**189**	487
Depreciation	8	**918**	855
Amortisation of intangibles	9	**9,705**	8,529
Amortisation of restricted stock grant	14	**-**	2
Interest income and foreign exchange gain	3	**(80)**	(129)
Interest expense and foreign exchange loss	3	**1,276**	1,232
		11,814	10,491
Decrease/(Increase) in trade and other receivables	12	**10**	(2,589)
Increase/(Decrease)/Increase in trade and other payables	15	**(14,219)**	(6,028)
Cash generated from operations		**(2,395)**	1,874
Interest paid		**(1,276)**	(1,232)
Taxes paid		**(484)**	197
Net cash from operating activities		**(4,155)**	839
Cash flows from investing activities			
Interest received and foreign exchange gain		**80**	129
Acquisition of property, plant and equipment	8	**(927)**	(1,743)
Software development expenditure	9	**(18,357)**	(12,023)
Disposal of other current investments	11	**-**	(1)
Net cash from investing activities		**(19,204)**	(13,638)
Net decrease in cash and cash equivalents		**(23,359)**	(12,799)
Cash and cash equivalents at 1 January	13	**30,608**	43,407
Cash and cash equivalents at 31 December	13	**7,249**	30,608

The notes on pages 18 to 44 form part of these financial statements.

Notes to the financial statements

1. Significant accounting policies

Insight Investment Services Limited (the "Company") is a company domiciled in the United Kingdom. The financial statements were authorised for issue by the Directors on 23 April 2020. The Company and its subsidiaries operate as a single asset management business and consider themselves a single segment investment management business.

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and its interpretations as endorsed by the EU and effective at 31 December 2019.

The accounting policies set out below have been applied in respect of the financial year ended 31 December 2019.

b) Basis of preparation

The financial statements are prepared on a going concern basis.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 6 to 10. In addition, the Directors' report on pages 3 to 5 includes the Company's objectives, policies and processes for managing its capital; its financial risk management objective and its exposures to credit and liquidity risk.

The Company is in a net liability position. The Company has been issued a letter of financial support from its immediate parent company, Insight Investment Management Limited, as the Company generates no revenues but recovers its costs its costs via a service charge mechanism. For this reason the Company has adequate liquidity and capital. The directors perform an annual going concern review that considers, under a stress test scenario, the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Due to COVID-19, management has performed an assessment to determine whether there are any material uncertainties arising due to the pandemic that could cast significant doubt on the ability of the Company to continue as a going concern. No significant issues have been noted. In reaching this conclusion, management considered:

- The financial impact of the uncertainty on the Company's balance sheet;
- Stress tests on reasonable plausible scenarios such as significant reduction in revenue over time. This incorporates a reduced level of management and performance related fees charged on assets under management and maintaining these reduced levels for at least a year with the expectation that the volume of assets under management could fall due to COVID-19;
- Liquidity position based on current and projected cash resources. The Company's current cash/liquidity position is able to sustain its current operational costs for at least a year even with a significantly reduced revenue scenario;
- Reverse stress tests, and;
- The Company's operational resilience with respect to the impact of the pandemic on existing processes and key stakeholders such as suppliers, employees, customers and its existing IT systems and infrastructure.

Based on the above assessment of the Company's financial position, COVID-19 impact, liquidity and capital, the directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements are presented in Sterling, rounded to the nearest thousand. They are prepared on the historical cost basis except for financial assets and derivative assets or liabilities used for hedging revenues, which are stated at their fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Disclosures about critical accounting estimates and the related assumptions are included in the appropriate notes to the Accounts. Actual results may differ from these estimates.

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

c) Use of estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets/liabilities. Actual results in future periods could differ for such estimates. Estimates and assumptions are mainly used in the following areas of the financial statements and are disclosed in the corresponding notes:

- Determining fair values of financial instruments;
- Measurement and timing of provisions;
- Measurement of deferred tax assets; and
- Measurement of the intangible assets.

d) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

f) Other investments

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises financial assets at fair value through profit and loss when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial assets are designated as fair value through profit and loss with gains and losses taken to the statement of profit or loss and other comprehensive income as they arise. Fair value is determined by reference to quoted market prices on the statement of financial position date.

g) Dividends

Dividend income is recognised in the Statement of profit and loss and other comprehensive income on the date the entity's right to receive payments is established.

Dividends are recognised as a liability at the date that they are declared, to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

h) Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

i) Trade and other payables

Trade and other payables are initially measured at fair value, and can be subsequently measured at amortised costs using the effective interest rate method if considered material.

j) Financial instruments

Financial instruments cover a wide range of financial assets, including financial investments, trade receivables and cash and cash equivalents and financial liabilities, trade payables, and borrowings. Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. The company derecognises a financial asset when the contractual rights to receive cash flows have expired or been forfeited by the company. A financial liability is derecognised when, and only when the liability is extinguished.

Initial measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through the profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Under IFRS 9, for the purpose of subsequent measurement, a financial asset is classified, on initial recognition, as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") debt instrument; FVOCI-equity investment; or FVTPL. The classification of financial assets depends on (i) the purpose for which they were acquired, (ii) the business model in which a financial asset is managed, and (iii) its contractual cash flow characteristics. This classification determines the subsequent measurement basis. The following accounting policies apply to the subsequent measurement of financial assets.

Measurement basis	**Accounting policies**
Financial assets at FVTPL	These financial assets are subsequently measured at fair value. Net gains and losses, including interest and dividend income, are recognised in profit or loss.
Amortised cost	These financial assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
Debt investments at FVOCI	These financial assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI.) On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These financial assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial assets classification and measurement

Non-derivative financial instruments comprise investments in securities, trade and other debtors, cash and cash equivalents, loans and borrowings and trade and other creditors.

Financial assets are measured at amortised cost if meeting both of the following conditions and are not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company generally does not hold assets for trading.

Assessment of whether cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that would change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers the following:

- contingent events that would change the amount or timing of cash flows;
- leverage features;

- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets; and
- features that modify consideration for the time value of money – e.g. periodic reset of interest rates.

Impairment of financial assets (including trade and other debtors)

The economic useful life impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

Measurement of Expected Credit losses (ECL)

ECLs are a probability weighted estimate of credit losses and are measured as follows:

- Financial assets that are not credit impaired at the reporting date: the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit impaired at the reporting date – the difference between the gross carrying amount and the present value of estimated future cash flows; and
- Financial guarantee contracts – the expected payments to reimburse the holder less any amounts that the Company expects to recover.

k) Revenue

Revenue is based on terms specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Revenue is recognised when, or as, a performance obligation is satisfied by transferring control of a good or service to a customer.

A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognised by measuring the Company's progress in satisfying the performance obligation in a manner that reflects the transfer of goods and services to the customer. Revenue from a performance obligation satisfied at a point in time is recognised at the point in time the customer obtains control of the promised good or service.

The amount of revenue recognised reflects the consideration the Company expects to be entitled to in exchange for the promised goods and services. Taxes assessed by a governmental authority that are both imposed on, and concurrent with, a specific revenue producing transaction, are collected from a customer and are excluded from revenue.

Nature of Services and Revenue Recognition

Investment management fees are dependent on the overall level and mix of Assets Under Management ("AUM"). The management fees, expressed in basis points, are charged for managing those assets. Management fees are typically subject to fee schedules based on the overall level of assets managed and products in which those assets are invested.

Investment management fee revenue also includes transactional and account based fees. These fees along with distribution and servicing fees are recognised when the services have been complete. Clients are generally Institutional investors. The revenue is recognised monthly in arrears for services performed. They are generally billed on a monthly or quarterly basis in arrears.

Performance fees are generally calculated as a percentage of the applicable portfolio's performance in excess of a benchmark index or a peer group's performance. Performance fees are only recognised on crystallization date when the quantum of the fee can be estimated reliably and it is highly probable that a significant revenue reversal will not occur. No other performance fee revenue is recognised during the financial year as it is possible that a significant revenue reversal could subsequently occur.

Disaggregation of Contract Revenue

Contract revenue is included in fee revenue on the Statement of profit and loss. Revenue within the scope of the IFRS 15 standard is reported in the revenue line. Certain fee and other revenue is covered under accounting guidance other than IFRS 15, primarily foreign exchange and other trading revenue, investment and other income.

Contract Balances

The Company's customers are billed based on fee schedules that are agreed upon in each customer contract.

Contract assets represent accrued revenues that have not yet been billed to the customers due to contingent factors other than the passage of time. Contract assets are usually billed on a monthly or quarterly basis in arrears. There were no impairments recorded on contract assets in 2019.

Both receivables from customers and contract assets are included in trade and other receivables on the balance sheet.

Changes in contract assets and liabilities primarily relate to either party's performance under the contracts.

Any changes in the balances of contract assets and contract liabilities would result in changes arising from business combinations, impairment of a contract asset and changes in the timeframe for a right to consideration becoming unconditional or a performance obligation to be satisfied. No such instances were noted.

Unsatisfied Performance Obligations

In relation to the revenue the Company has booked, there are no performance obligations outstanding as at year ended 31 December 2019.

l) Administrative expenses

Certain expenses are incurred and paid by the Company on behalf of other Insight companies and these expenses are re-charged across Insight on an accrual basis. The recharge is predominantly calculated on a pro-rata basis based on income in the subsidiaries within the Insight Group Companies (Insight Investment Funds Management Limited, Insight Investment Management Limited, Insight Investment Management (Global) Limited, Insight Investment International Limited ,formerly Pareto Investment Management Limited, and Insight Investment Services Limited).

m) Tax

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

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided: goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries which are deemed as capital items for tax purposes and therefore will be subject to that regime. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, and is calculated using the enacted future tax rate at the date of the financial statement.

n) Interest receivable and similar income/Interest payable and similar charges

Interest receivable and similar income comprises income on funds invested, dividend income and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Interest payable and similar charges comprise of interest expense on financial liabilities measured at amortised cost.

Foreign currency gains and losses are reported on a net basis.

The Company recognises dividend income when the Company's right to receive payment is established.

o) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

p) Pension schemes

All employees performing services on behalf of the group are contractually employed by Insight Investment Management Limited and employees are members of a defined contribution scheme, the Insight Group Pension Plan. Obligations for contributions to defined contribution pension plans are recognised as an employee expense in the statement of comprehensive income in the periods during which services are rendered by employees.

q) Long-Term Incentive Plans (LTIPs)

LTIPs form a large part of the company's remuneration policy to employees such that the company participates in a number of LTIP plans concurrently. When LTIP payments are made to employees, the fair value of these payments at the grant date serves as the basis for calculating the personnel expenses. LTIPs that are subject to the completion of a service period are expensed over the respective service period.

LTIPs are valued based on the fair value of Insight as calculated by a third party. LTIPs are settled through payments of cash and are recognised as a liability and are adjusted through the income statement for changes in fair value of the underlying instrument until final settlement.

r) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment is assessed for impairment where there is an indication of impairment. Where impairment exists, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss recognised in the statement of profit or loss and other comprehensive income. The depreciation charge for the asset is then adjusted to reflect the asset's revised carrying amount.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation

The cost of equipment, including fixtures and fittings, vehicles and computer hardware, less estimated residual value, is written off in equal instalments over the expected lives of the following assets:

Computer equipment	3/4 years
Purchased software	3 years/lesser of the estimated useful life or 5 years
Fixtures, fittings and equipment	5 years

s) Intangible assets

Software development costs

Costs associated with the development of software for internal use, subject to de minimis limits, are capitalised only if the software is technically feasible and the Company has both the intent and sufficient resources to complete the development. In addition costs are capitalised only if the asset can be reliably measured, will generate future economic benefits and there is an ability to use or sell the asset.

Only costs that are directly attributable to bringing that asset into working condition for its intended use are included in its measurement. These costs include all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in a manner intended by management. Other development expenditure, including software research development costs, are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. The useful life of software development costs is deemed to be finite and amortisation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over four years.

Capitalised development expenditure is assessed for impairment where there is an indication of impairment. Where impairment exists, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss recognised in the statement of profit or loss and other comprehensive income. The amortisation charge for the asset is then adjusted to reflect the asset's revised carrying amount.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

t) Changes in accounting policy and disclosures

New standards, interpretations and amendments effective from 1 January 2019

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and introduces a single on-balance sheet accounting model for lessees. Lessor accounting remains similar to previous accounting policies.

Lessee

Lessees recognise a right-of-use ("ROU") asset and a corresponding lease liability representing its obligation to make lease payments. The asset is depreciated over the lease term, and the financial liability measured at amortised cost using the effective interest method.

As a result of recognising operating leases on-balance sheet, assets increased by £ nil and increased financial liabilities by the same amount with no effect on net assets or opening profit and loss account.

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4 Determining whether an arrangement contains a lease.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Transition

The Company applied the modified retrospective approach and there was no impact on the net assets or opening profit and loss account as the assets and liabilities increased by the same amounts.

Leases classified as operating leases under IAS 17

At transition, lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate (IBR) as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company assessed the following when applying IFRS 16 to determine whether leases previously classified as operating leases under IAS 17 were to be reclassified as finance leases under the new standard:

- The Company's internal-use software does not meet the definition of a lease under IFRS 16 as the contract conveys only the right to receive access to the supplier's software over the contract term and therefore does not contain a lease.
- Intangible assets to be recognised as a result of the internal-use software under IFRS 16 do not meet the definition of an asset as the Company does not have exclusive ownership and control over the software products.
- The Company sub-leases part of the premises located on 160 Queen Victoria Street from the ultimate parent company. Under IAS 17, the sub-lease contracts were classified as operating leases. On transition to IFRS 16, the sub-lease contracts remain classified as operating leases.

Leases classified as finance leases under IAS 17

The Company did not recognise any finance leases under IAS 17.

2. Other operating income/(expense)

	2019	2018
	£'000	£'000
Other operating income/(expense)	**(83)**	874
	(83)	874

3. Financial income and financial expense recognised in profit or loss

	2019	2018
	£'000	£'000
Interest income on other financial assets	**80**	116
Foreign exchange gain	**-**	13
Interest receivable and similar income	**80**	129

Interest expense on financial liabilities	**(1,264)**	(1,232)
Foreign exchange loss	**(12)**	-
Interest payable and similar income	**(1,276)**	(1,232)

4. Profit before tax

	2019	2018
	£'000	£'000
Profit before tax is stated after charging:		
Auditor's remuneration for:		
Audit services	**11**	11
Depreciation of property, plant and equipment	**918**	855
Amortisation of intangibles	**9,705**	8,529

The majority of administration expenses borne by the Company have been allocated to fellow subsidiary undertakings though a management service charge.

5. Personnel expenses

Included within administrative expenses are the following aggregate payroll costs related to direct employees:

	2019	2018
	£'000	£'000
Wages and salaries	**82,840**	90,120
Compulsory social security contributions	**7,135**	6,369
Contributions to defined contribution plans	**4,516**	4,248
(Income)/Expense arising from share-based payments	**(16)**	(1,134)
	94,475	99,603

The above staff costs relate to the employment of staff by Insight Investment Management Limited (contractual party), which are recharged from BNY Mellon Accounts Payable to Insight Investment Services Limited and then subsequently recharged to Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Insight Investment International Limited. It must be noted that Insight Investment Services Limited employs no staff.

6. Remuneration of directors

	2019	2018
	£'000	£'000
Aggregate directors' remuneration:		
Directors' emoluments	**25**	23
Long term incentive schemes	**17**	23
	42	46
Highest paid director:		
Directors' emoluments	**19**	17
Long term incentive schemes	**12**	16
	31	33

The aggregate amount of remuneration paid to or receivable by directors in respect of qualifying services is disclosed above. Qualifying services include services as a director of the company, as a director of any of its subsidiary undertakings or otherwise in connection with the management of the affairs of the Company or any of its subsidiary undertakings. The amounts are disclosed irrespective of which BNY Mellon group company actually makes the payment to the directors. Previously, only remuneration paid by this Company had been included in the disclosure. The comparatives have therefore been amended.

7. Tax Expense

	2019	2018
	£'000	£'000
Analysis of the charge for the period		
Taxation is based on loss before tax for the year and comprises:		
Current tax charge for the year	174	-
Adjustments in respect of prior periods	1	193
	175	193
Deferred tax charge/ (credit)		
Origination/ reversal of timing differences	94	390
Effect of decrease in tax rate	(4)	59
Adjustments in respect of prior periods	(76)	(155)
	14	294
Tax on profit on ordinary activities	189	487
Reconciliation of effective tax rate		
Profit on ordinary activities before tax	(5)	2
Tax charge on profit on ordinary activities at standard rate of 19% (2018: 19%)	-	-
Non-deductible expenses	274	55
Adjustments in respect of prior years	(74)	38
Impact of change in rates	(4)	59
Effects of group relief/ other reliefs		335
Other	(7)	-
	189	487

Factors that may affect future and total tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The enacted rate cut was cancelled in Finance Bill 2020 and the UK corporation tax rate from 1 April 2020 will be 19%. Deferred tax balances reflect the latest enacted rate of 17%.

8. Property, plant and equipment

	Computer equipment £'000	Total £'000
Cost		
Balance at 1 January 2018	7,935	7,935
Acquisitions	1,743	1,743
Disposals	-	-
Balance at 31 December 2018	**9,678**	**9,678**
Balance at 1 January 2019	9,678	9,678
Acquisitions	927	927
Disposals	-	-
Balance at 31 December 2019	**10,605**	**10,605**
Depreciation and impairment losses		
Balance at 1 January 2018	6,613	6,613
Depreciation charge for the year	855	855
Disposals	-	-
Balance at 31 December 2018	**7,468**	**7,468**
Balance at 1 January 2019	7,468	7,468
Depreciation charge for the year	918	918
Disposals	-	-
Balance at 31 December 2019	**8,386**	**8,386**
Carrying amounts		
At 1 January 2018	1,322	1,322
At 31 December 2018	2,210	2,210
At 31 December 2019	**2,219**	**2,219**

9. Intangible assets

	Software development costs	Software under construction	Total
	£'000	£'000	£'000
Cost			
Balance at 1 January 2018	46,973	4,653	51,626
Acquisitions - internally developed	769	11,653	12,422
Transfers	10,346	(10,346)	-
Disposals	-	-	-
Balance at 31 December 2018	**58,088**	**5,960**	**64,048**
Balance at 1 January 2019	58,088	5,960	64,048
Acquisitions - internally developed	725	17,632	18,357
Transfers	18,389	(18,389)	-
Disposals	-	-	-
Balance at 31 December 2019	**77,202**	**5,203**	**82,405**
Amortisation and impairment losses			
Balance at 1 January 2018	25,539	-	25,539
Amortisation for the year	8,529	-	8,529
Disposals	-	-	-
Balance at 31 December 2018	**34,068**	**-**	**34,068**
Balance at 1 January 2019	34,068	-	34,068
Amortisation for the year	9,705	-	9,705
Disposals	-	-	-
Balance at 31 December 2019	**43,773**	**-**	**43,773**
Carrying amounts			
At 1 January 2018	21,833	4,653	26,486
At 31 December 2018	24,020	5,960	29,980
At 31 December 2019	**33,429**	**5,203**	**38,632**

Software under construction relates to internal software development projects that are incomplete at the statement of financial position date. These projects are designed to protect and enhance the capacity of the firm and the assets capitalised as a result will not be amortised until they are completed and brought into use.

10. Deferred tax asset

	2019	2018
	£'000	£'000
Deferred tax asset	**490**	504
	490	504

Movement in temporary differences during the year

At 1 January	**504**	797
Credit/ (Debit) to income during the year	**76**	(448)
Prior year adjustments	**(90)**	155
	490	504

Deferred tax has been recognised in full & consists of the following

Excess of depreciation over capital allowances	**490**	504
Other	**-**	-
	490	504

11. Other investments - current

	2019	2018
	£'000	£'000
Financial assets at fair value through profit and loss	**40**	40
	40	40

Other investments relate to holdings in the Insight Liquidity Funds plc ("ILF"). The ILF is an umbrella open ended investment company. The Company's investment is in the ILF Sterling Liquidity fund. The aim of the fund is to provide a flexible and stable alternative to bank deposits for institutional and professional investors. The fund carries an AAAm rating from Standard & Poors and has same day settlement terms.

12. Trade and other receivables

	2019	2018
	£'000	£'000
Amounts receivable from related parties	**10,742**	9,134
Other receivables	**2,953**	4,518
Prepayments	**3,522**	3,574
Tax receivable	**2,625**	2,317
	19,842	19,543

13. Cash and cash equivalents

	2019	2018
	£'000	£'000
Bank balances	7,249	30,608
Cash and cash equivalents in the statement of cash flows	**7,249**	30,608

14. Capital and reserves

	Equity: Ordinary shares of £1 each £	Total £
Allotted, called up and fully paid		
At 1 January 2018	1	1
Issued during the year	-	-
Cancelled during the year	-	-
At 31 December 2018	1	1
At 1 January 2019	1	1
Issued during the year	-	-
Cancelled during the year	-	-
At 31 December 2019	**1**	**1**

Issued capital

Issued share capital of the company consists of 1 share of £1.

The amounts shown above in respect of equity capital are to the nearest pound Sterling. The amount on the statement of financial position of the Company is disclosed to the nearest thousand pounds Sterling.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.
For more information about the Company's capital management policy, please refer to the capital management policy section within the Strategic report.

14. Capital and reserves (continued)

	Share premium £'000	Retained earnings £'000	Other reserves £'000	**Total £'000**
Reconciliation of movement in capital and reserves				
Balance at 1 January 2018	-	(22,900)	230	**(22,670)**
Total recognised income and expenses	-	(485)	-	**(485)**
Restricted stock grant	-	-	2	**2**
Rounding adjustment	-	-	-	**-**
Balance at 31 December 2018	**-**	**(23,385)**	**232**	**(23,153)**
Balance at 1 January 2019	-	(23,385)	232	**(23,153)**
Total recognised income and expenses	-	(194)	-	**(194)**
Restricted stock grant	-	-	(0)	**(0)**
Balance at 31 December 2019	**-**	**(23,579)**	**232**	**(23,347)**

The amounts shown above in respect of equity capital are to the nearest pound Sterling. The statement of financial position of the Company is disclosed to the nearest thousand pounds Sterling.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. There has been no movement in the issued share capital during the year.

For more information about the Company's capital management policy, please refer to the capital management policy section within the Strategic report.

During 2011, The Bank of New York Mellon Corporation launched a share ownership scheme for staff it identifies as key to the continued success of The Bank of New York Mellon's asset management offering. This restricted stock scheme grants shares in The Bank of New York Mellon Corporation to employees, with the intention being that these instruments will track The Bank of New York Mellon's share price. Shares are held in Trust for the first three years before being transferred to employees. As these are essentially shares held in a parent, the Company recognises them as treasury stock and at recognition recorded the cost of the grant within other reserves together with an equal and opposite credit capturing the fact that the parent was funding this with a capital contribution.

15. Trade and other payables

	2019	2018
	£'000	£'000
Amounts payable to related parties	**34,052**	33,030
Tax payable	**-**	-
Other payables	**617**	1,509
Accrued expenses	**57,150**	71,499
	91,819	106,038

16. Related party disclosures

	2019	2018
	£'000	£'000
At the end of the year, the Company had the following balances with related parties:		
Debtors		
BNY Mellon Group undertakings		
Insight Investment Funds Management Limited	**6,855**	5,502
Insight Investment Management Limited	**2,432**	2,723
Insight Investment International Limited	**656**	610
Insight Investment (Europe) Limited	**776**	-
Insight Investment Australia Limited	**23**	27
Other related parties	**-**	272
	10,742	9,134
Creditors		
BNY Mellon Group undertakings		
BNY Mellon Asset Management Group Limited	**(772)**	(478)
Insight North America LLC	**(1,055)**	(909)
Insight Investment Management (Global) Limited	**(31,035)**	(29,841)
The Bank of New York Mellon - London Branch	**(797)**	(1,701)
Other related parties	**(393)**	(101)
	(34,052)	(33,030)

The company incurs costs on behalf of the Insight Investment Management Limited group of companies. During the year the company recharged the following amounts:

	2019	2018
	£'000	£'000
Insight Investment Management (Global) Limited	**143,741**	144,297
Insight Investment Funds Management Limited	**59,256**	58,656
Insight Investment International Limited	**8,678**	8,402
	211,675	211,355

During the year the company incurred costs recharged from BNY Mellon International Asset Management Group Limited of £171,210,000 (2018: £143,333,000) relating to payroll costs, pensions and accounts payable services.

During the year the company incurred costs from BNY Mellon (International) Limited totalling £8,674,000 (2018: £8,858,000) in respect of outsourced Third Party Administration services.

17. Financial Instruments

Exposure to credit, market risk (which combines foreign currency risk, interest rate risk and market price risk) and liquidity risk arises in the normal course of the Company's business.

Credit Risk

The credit risk to the Company is limited to the non-payment of investment management fees, amounts owed by BNY Mellon Group undertakings together with cash at banks. At the statement of financial position date there were no significant concentrations of credit risk external to the group other than cash balances at Lloyds Bank Plc.

The credit risk policy for cash and cash equivalents is to maintain bank accounts with Lloyds Bank Plc and to invest surplus cash in the Insight Liquidity Funds plc. At the statement of financial position date the Standard and Poor's credit rating for Lloyds Bank Plc was A+.

The credit risk policy for trade and other receivables is to monitor the level of past due receivables on a regular basis. The policy does not require collateral in respect of financial assets because for the majority of client accounts, Insight has the right to deduct its management fees from the client's investment portfolio. The historical incidence of default has not been significant and in the majority of cases there is an ongoing relationship with the client.

The maximum exposure to credit risk at the statement of financial position date was as follows:

	31-Dec 2019	31-Dec 2018
	£'000	£'000
Other investments - current (note 11)	**40**	40
Trade and other receivables (note 12)	**19,842**	19,543
Cash and cash equivalents (note 13)	**7,249**	30,608
Total	**27,131**	50,191

The carrying amounts of financial assets represent the maximum credit exposure.

The ageing of trade and other receivables at the reporting date was as follows:

	31-Dec 2019	31-Dec 2018
	£'000	£'000
Neither past due nor impaired	**19,842**	19,543
Past due up to 1 month	**-**	-
Past due from 1 month to three months	**-**	-
Past due from three months to one year	**-**	-
More than 1 year past due	-	-
Total	**19,842**	19,543

17. Financial instruments (continued)

Effective interest rates and maturity analysis

Income-earning financial assets and interest-bearing financial liabilities earn/bear interest on a floating rate basis. Management deem interest rate risk immaterial and do not actively manage this risk. The following table indicates the periods in which they mature and the effective interest rate earned/ borne.

	2019		2018	
	Cash and cash equivalents	Current asset investments	Cash and cash equivalents	Current asset investments
Effective rate	0.30%	0.59%	0.28%	0.53%
	£'000	£'000	£'000	£'000
One year or less	7,249	40	30,608	40

The annualised impact of an increase or decrease of 50 basis points in interest rates at the statement of financial position date would be to increase / (decrease) equity and profit or loss by £30,000 / (£30,000) (2018: £175,000 / (£175,000).

This calculation assumes that the change occurs at the statement of financial position date and is applied to risk exposures existing at that date and is stated net of tax assuming the current corporation tax rate of 19% (2018: 19%).

Market price risk

The Company holds investments in the Insight Liquidity Funds plc (see note 11) as part of its capital management policy. Market price risk is managed by monitoring the holding and the rating of the fund. Exposure at the year end was £40,000 / (£40,000) (2018: £39,000 / (£39,000).

The annualised impact of an increase or decrease of 50 basis points in interest rates at the statement of financial position date would have an immaterial impact on both equity and profit or loss.

This calculation assumes that the change occurs at the statement of financial position date and is applied to risk exposures existing at that date and is stated net of tax assuming the current corporation tax rate of 19% (2018: 19%).

17. Financial instruments (continued)

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off-statement of financial position instruments. The Company monitors liquidity risk and does not have any borrowings or overdrafts and therefore has negligible liquidity risk especially given the large cash balances and liquid current asset investments on the statement of financial position.

The following are the contractual maturities of financial liabilities at the statement of financial position date:

	31-Dec 2019	31-Dec 2018
	£'000	£'000
One month or less	34,244	33,995
Between one month and three months	-	7
Between three months and one year	11,929	16,633
Between one year and five years	45,646	55,403
Over five years	-	-
Total	**91,819**	**106,038**

The above amounts are based on the undiscounted value of trade and other payables.

Foreign currency risk

The Company has minimal exposure to foreign currency risk in relation to services received that are invoiced by suppliers in a currency other than Sterling. The currencies that give rise to this risk are primarily US Dollars and Euros.

The Company does not have other monetary assets and liabilities held in currencies other than Sterling.

Therefore the Company's currency risk as at the Statement of Financial Position date was immaterial and accordingly no sensitivity analysis has been presented.

17. Financial instruments (continued)

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

	31-Dec 2019	31-Dec 2018
	£'000	£'000
Carrying amount		
Current asset investments designated at fair value through profit and loss (note 11)	40	40
Trade and other receivables at fair value (note 12)	19,842	19,543
Cash and cash equivalents (note 13)	7,249	30,608
Other financial liabilities measured at fair value – trade and other payables (note 15)	91,819	106,038
Fair value		
Current asset investments designated at fair value through profit and loss (note 11)	40	40
Trade and other receivables at fair value (note 12)	19,842	19,543
Cash and cash equivalents (note 13)	7,249	30,608
Other financial liabilities measured at fair value – trade and other payables (note 15)	91,819	106,038

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Current asset investments

Fair value is based on quoted market prices at the statement of financial position date without any deduction for transaction costs.

17. Financial instruments (continued)

Trade & other receivables / payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
At 31 December 2019				
Financial assets designated at fair value through profit or loss	40	-	-	40
Total	**40**	**-**	**-**	**40**
At 31 December 2018				
Financial assets designated at fair value through profit or loss	40	-	-	40
Total	**40**	**-**	**-**	**40**

During the year there have been no transfers between Levels.

18. Pension schemes

At 31 December 2019 all employees performing services on behalf of the Company are contractually employed by the Company and are members of the Insight Group Personal Pension Plan (the "Plan").

This Plan is a defined contribution scheme and the Plan's assets are held independently from those of the Company under a separately administered trust.

The pension cost charge in respect of the Plan amounted to £4,516,037 (2018: £4,248,000) and is included within administrative expenses.

19. Ultimate parent undertaking

As at 31 December 2019 the Company's immediate parent company was Insight Investment Management Limited.

Copies of the financial statements for Insight Investment Management Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company's ultimate parent company as at 31 December 2019 was The Bank of New York Mellon Corporation, incorporated in the United States of America. The consolidated financial statements of the ultimate parent company may be obtained from:

The Bank of New York Mellon Corporation

240 Greenwich Street

New York

NY 10286

USA

20. Subsequent events

Since the start of January 2020, the outbreak of coronavirus, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Directors consider this to be a non-adjusting subsequent event and do not believe there is any financial impact to the Financial Statements as at 31 December 2019 as a result of this subsequent event.

No other important events affecting the Company have occurred since the end of the financial year.