

# **Insight Investment Services Limited**

Strategic report, Directors' report and financial statements

Registered number 04471826

31 December 2022

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# Insight Investment Services Limited

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# **Insight Investment Services Limited**

## **Board of Directors and other information**

### **Directors**

Abdallah Nauphal

Jonathan Eilbeck

Andrew Kitchen

### **Secretary**

BNY Mellon Secretaries (UK) Limited

160 Queen Victoria Street

London

EC4V 4LA

### **Auditor**

KPMG LLP

Chartered accountants

15 Canada Square

London

E14 5GL

### **Registered Office**

BNY Mellon Centre

160 Queen Victoria Street

London

EC4V 4LA

### **Registered Number**

04471826

# Insight Investment Services Limited

## Strategic report

In accordance with Section 414A(1) of the Companies Act 2006, we have prepared the Strategic report which includes a review of the business and future developments of Insight Investment Services Limited ("the Company"), a description of the principal risks and uncertainties facing the Company, and key performance indicators.

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

### Business review

The Company continued to operate as a service company to the Insight Group of companies.

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 Insight continues to expand in all its geographies of operation.

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

### Financial key performance indicators

The Company's key financial and other performance indicators during the year were as follows:

	2022 £000	2021 £000	Change £000	Change %
Profit before tax	1	1	-	-%
Net liabilities	(29,044)	(26,206)	(2,838)	11%
Admin expenses	245,466	243,086	2,380	1%

Admin expenses and net liabilities have remained relatively consistent compared to the prior year, with the effects of higher than usual inflation offset by a drive of cost cutting measures.

### Principal risks and uncertainties

The principal risks and uncertainties affecting the business have been considered and addressed in the Directors' report on pages 4 - 9.

# Insight Investment Services Limited

## Strategic report - continued

### 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 the directors have had due regard to those matters set out in section 172 of the Act. In addressing these matters, section 172 requires that the directors have regard (amongst other things) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company.

The Company provides business and other related services to the Insight group of companies. With this in mind, the directors of the Company are conscious of the potential impact that their actions could have on the long-term success of its parent company and the Insight group as a whole. The directors of the Company are also members of the board of Insight Investment Management Limited (the parent entity) and therefore appreciate the integral role of the Company as part of the larger Insight group.

The Company has no direct employees but has due regard to its prominent role in promoting the interests of Insight's employees. Through its services to the overall Insight group, the activities of the Company could be seen to have a potential impact on the interests of Insight's staff and other stakeholders.

Having due regard to the long-term interests of its sole member, the directors did not recommend a dividend payment during the period. This decision was in line with the expectations from the existing parent entity.

Due to the purpose of the Company and its structural position within Insight, the Company has undertaken limited stakeholder engagements during the period. For a more detailed assessment of how Insight has engaged with a range of stakeholders please see the Strategic Report for Insight Investment Management Limited for the year ending 31 December 2022.

### Approval

By order of the Board



Andrew Kitchen  
Director

Insight Investment Services Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

22 March 2023

# Insight Investment Services Limited

## Directors' report

31 December 2022

The directors present their report and financial statements for the year ended 31 December 2022.

### Principal activities

The principal activity of 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 Limited. Insight Investment Management Limited then recharges these expenses, along with its own, 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 revenue in the subsidiaries. The directors do not envisage any change in the Company's activity in the foreseeable future.

The Company is a wholly owned subsidiary undertaking of Insight Investment Management Limited, which is registered in England and Wales and operates in the United Kingdom.

### Results and dividends

The Company recorded a profit before tax for the financial year of £471 (2021: £769 profit). No dividends (2021: £nil) have been approved and paid by the directors.

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

### 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 2 - 3. In addition, the Directors' report on pages 4 - 9 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 current liability position. The Company has been issued a letter of financial support from its immediate parent company, Insight Investment Management Limited ("IIML"). The directors are satisfied that IIML has the intention and financial strength to continue to support the company. 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, and that the company would continue to be a going concern under a severe but plausible stress scenario.

### Political and charitable donations

The Company made no political contributions during the year (2021: £nil). Donations to UK charities amounted to £nil (2021: £nil), however Insight staff worked closely with some of our chosen charitable partners, with various fund raising events organised throughout the year.

# Insight Investment Services Limited

## Directors' report - continued

31 December 2022

### Risk management

#### *Governance and policies*

Governance of the Company is carried out through the Board of Directors. The Board has a 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:

- The Executive Management Committee ("EMC") is the key business management committee for the Company responsible for strategy and execution, operational management, and finance.
- The Risk Committee oversees the management of risks within the Company. Membership consists of two non-executive directors and three independent non-executive directors. In addition, the Chief Risk Officer and the Chief Executive Officer of the Company attend 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.
- The 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. Where appropriate, the Remuneration Committee will 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.

### Key risks and uncertainties

The main risks and uncertainties facing the business are as follows:

#### *Personnel risk*

Without the capability to attract, motivate and retain key staff, combined with instilling the right culture for the business to succeed, the Insight Group will not be able to capitalise on its commercial advantages and the opportunities arising therefrom. This risk is mitigated by having a comprehensive performance management system and competitive remuneration, including the operation of long term incentive schemes, reward benchmarking, and a focus on training and development.

#### *Strategic risk*

This is principally the risk of the business declining due to external factors (for example a sustained fall in markets) or risks stemming from internal factors (for example sustained poor long term investment performance). We seek to manage these risks by being willing to adapt our products to meet changing market needs and controlling costs effectively. We regularly review investment performance and encourage a culture of open debate on investment strategy and change through our Executive Management Committee and our Business Management Forum. We also consider the risks from the wider macro environment to take account of external risks such as geopolitical risks.

#### *Financial and liquidity risk*

Further details on how the Company manages the financial and liquidity risks that it faces are disclosed in note 17 to the financial statements.

# Insight Investment Services Limited

## Directors' report - continued

31 December 2022

### Key risks and uncertainties - continued

#### *Geopolitical and other macro-environmental risks*

The Company is exposed to geopolitical risks associated with political instability, terrorists acts, military conflicts, civil unrests and tensions between countries, which could impact its clients and cause disruption to business operations. In addition, epidemic and pandemic outbreaks are becoming more frequent and severe, and these could cause severe economic impacts on business sectors, economies and societies.

Several sanctions and other regulatory measures have been imposed on Russia due to its conflict with Ukraine which has among other things impaired normal global economic trading activities. BNY Mellon Group maintains controls, processes and policies that are designed to adhere to relevant sanctions laws and regulations in countries in which the Group operates. The Group continues to monitor any subsequent developments associated with the conflict whilst taking necessary actions where prompted. The Company continues to monitor developments and seek to manage the associated impacts on customers, service delivery and business operations.

As COVID-19 pandemic subsided during the year, BNY Mellon Group moved to a hybrid working model with the pandemic having a minimal impact on the Company's performance during the year.

#### *Climate change risk*

Insight is committed to understanding and mitigating the financial risks resulting from climate change, and is actively enhancing its focus on managing these risks. Insight has released a climate change report in line with the Task Force on Climate-related Financial Disclosures (TCFD). The report describes Insight's Governance, Climate change Strategy and Risk Management procedures around climate change. This report is available from the Insight website at:

<https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/uk-eu---climate-change-report-2022.pdf>

### Capital management

The Company's capital is managed via the Board through the Shareholder's Funds Policy and the annual Business Planning process. The day to day management of the Company's capital is delegated to the Chief Financial Officer and the Head of Finance.

The primary purpose of the Shareholder's Funds Policy is to maintain liquidity and security of the Company's capital. Shareholder funds are to be invested in either short-term cash deposits (up to 90 days maturity) with approved banks or in the Insight Liquidity Funds plc, an AAAm rated institutional cash fund.

The principal forms of capital are included in the following balances on the statement of financial position: called up issued capital and retained earnings. The Company had net liabilities of £(29.0) million as at 31 December 2022 (2021: £(26.2) million).

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



# Insight Investment Services Limited

## Directors' report - continued

31 December 2022

### 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.

### Streamlined Energy and Carbon Reporting ("SECR")

In accordance with the Companies Regulations 2018, the Company is in scope as a large unquoted entity and therefore required to report its energy use and associated greenhouse gas ('GHG') emissions resulting from energy use and employees' business travel.

The methodology used to calculate our GHG is the Greenhouse Gas Protocol Reporting Standards. We have adopted a location-based method which reflects the average emissions intensity of grids on which energy consumption occurs. We have applied the latest UK Government conversion factors available at the time of reporting and disclose the results below.

In determining the Company's organisational boundary, we have adopted the financial control approach.

#### Carbon dioxide emissions in tonnes

	2022	2021*
Scope 1&2 <sup>1</sup> Gas & purchased electricity	-	-
Scope 3 a) Other - business travel	-	-
b) Other - indirect emissions <sup>2</sup>	431.6	80.0
Carbon offset	-	-
<b>Total</b>	<b>431.6</b>	<b>80.0</b>

#### Intensity ratio

Total floor square footage area	86.8	17.2
<b>Carbon dioxide emissions in tonnes p/sq footage area</b>	<b>4.97</b>	<b>4.65</b>

The increase in emissions compared to prior year is primarily driven by employees returning to office post the pandemic which has led to increased energy consumption. The Company's energy efficiency actions form part of the wider BNYM Group and are reported in the BNY Mellon Enterprise ESG Report available at <https://www.bnymellon.com/us/en/investor-relations/overview.html>.

#### Energy consumption in KWh

	2022	2021
UK (gross)	2,097,697	366,976

\*Restated to align with current year presentation

\*In prior year, the Company was classified as a low energy user and therefore no GHG emissions were reported. However, the Comparative has been restated but this has had no material impact on the GHG disclosures.

1. Scope 1&2: The Company had no direct emissions from gas usage nor purchased electricity.
2. Scope 3: Other indirect emissions relate to emissions from natural gas, purchased electricity usage, processed fuel oils, and fluorinated gas for an allocated rental space in a building owned by another group entity. The data has been estimated based on square footage area.

# Insight Investment Services Limited

## Directors' report - continued

31 December 2022

### Directors

The directors who served during the year and up to the date of the report were as follows:

	Appointed	Resignation
Jonathan Eilbeck	-	-
Abdallah Nauphal	-	-
Andrew Kitchen	-	-

### Directors' indemnity provision

The articles of association of the Company provide that in certain circumstances the directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions of this nature have been in place during the year but have not been utilised by the directors (2021: none).

### Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

# **Insight Investment Services Limited**

## **Directors' report - continued**

*31 December 2022*

### **Auditor**

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

### **International financial reporting standards**

These accounts are prepared in accordance with applicable United Kingdom law and UK-adopted International Financial Reporting Standards (IFRS) and its interpretations as endorsed by the UK 2006 Companies Act effective at 31 December 2022.

By order of the Board



Andrew Kitchen  
Director

Insight Investment Services Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

22 March 2023

Registered number: 04471826

# **Insight Investment Services Limited**

## **Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The directors are responsible for preparing the Strategic report, 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 UK-adopted international accounting standards 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 judgments and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- 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 2022 which comprise the Statement of profit and loss and other comprehensive income, Balance Sheet, Statement of change 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

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

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- enquiring of directors as to whether they have knowledge of any actual, suspected or alleged fraud ;
- inspecting Company’s policy documentation as to the high-level policies and procedures to prevent and detect fraud, including reviewing internal auditors’ reports;
- reviewing minutes of the Board of Directors; and
- considering remuneration incentive schemes and performance targets for directors and management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to the recognition of revenue as the calculations are non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual account combinations.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements, including financial reporting legislation (including related companies’ legislation), distributable profits legislation, taxation legislation and financial services legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, anti-money laundering, market abuse regulations and financial services regulations, and health and safety legislations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **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.

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

### **Directors' responsibilities**

As explained more fully in their statement set out on page 10, 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](http://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.



**Fang Fang Zhou (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

22 March 2023



# Insight Investment Services Limited

## Statement of profit and loss and other comprehensive income for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Management service charge		245,295	242,787
Administrative expenses		(245,466)	(243,086)
Other operating income		<u>6</u>	<u>11</u>
<b>Operating profits</b>		<b>(165)</b>	<b>(288)</b>
Interest receivable and similar income	2	304	300
Interest payable and similar income	3	<u>(138)</u>	<u>(11)</u>
		166	289
<b>Profit before taxation</b>		<b>1</b>	<b>1</b>
Taxation on profit or loss	7	<u>(2,839)</u>	<u>(3,291)</u>
<b>Total comprehensive (loss)/income for the year</b>		<b><u>(2,838)</u></b>	<b><u>(3,290)</u></b>

The notes on pages 19 to 40 are integral to these financial statements.

All items dealt with in arriving at the Company's results for the financial year and prior year relate to continuing operations.

The Company has not prepared a separate statement of other comprehensive income as all the income and losses are reflected in the statement of profit and loss.

# Insight Investment Services Limited

## Balance Sheet

at 31 December 2022

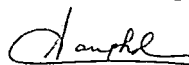
	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible fixed assets	8	4,475	6,342
Intangible assets	9	<u>52,913</u>	<u>45,945</u>
		<u>57,388</u>	<u>52,287</u>
<b>Current assets</b>			
Other investments	10	32	32
Trade and other receivables	11	10,775	26,992
Cash and cash equivalents	12	<u>33,510</u>	<u>29,564</u>
		44,317	56,588
Trade and other payables	13	(126,942)	(133,067)
Deferred tax liability	15	<u>(3,807)</u>	<u>(2,014)</u>
Net current liabilities		(86,432)	(78,493)
 Total assets less current liabilities		<u>(29,044)</u>	<u>(26,206)</u>
<b>Net liabilities</b>		<u>(29,044)</u>	<u>(26,206)</u>
 <b>Capital and reserves</b>			
Called up share capital	14	-	-
Reserves		232	232
Profit and loss account		<u>(29,276)</u>	<u>(26,438)</u>
<b>Shareholders' funds</b>		<u>(29,044)</u>	<u>(26,206)</u>

The notes on pages 19 to 40 are integral to these financial statements.

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



Andrew Kitchen  
Director



Abdallah Nauphal  
Director

22 March 2023

Company registered number: 04471826

# Insight Investment Services Limited

## Statement of changes in equity at 31 December 2022

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2021	-	232	(23,148)	(22,916)
Loss for the year	-	-	(3,290)	(3,290)
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>232</b>	<b>(26,438)</b>	<b>(26,206)</b>

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2022	-	232	(26,438)	(26,206)
Loss for the year	-	-	(2,838)	(2,838)
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>232</b>	<b>(29,276)</b>	<b>(29,044)</b>

The notes on pages 19 to 40 are integral to these financial statements.

# Insight Investment Services Limited

## Statement of Cash Flows

For the Year Ended 31 December 2022

	2022 £000	2021 £000
<b>Cash flows from operating activities</b>		
Loss for the financial year	(2,838)	(3,290)
Taxation on profit	2,839	3,291
Depreciation	1,794	1,611
Amortisation of intangibles	16,759	14,157
Interest receivable and similar income	304	300
Interest payable and similar charges	(138)	(11)
	18,720	16,058
Increase/(decrease) in trade and other receivables	15,317	(21,427)
(Decrease)/increase in trade and other payables	(6,148)	7,385
Interest received	(304)	(300)
Interest paid	138	11
	27,723	1,727
Cash generated from operations	(123)	(149)
Taxes paid		
<b>Net cash from operating activities</b>	27,600	1,578
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,950)	(4,455)
Disposal of property, plant and equipment	3,023	-
Software development expenditure	(23,727)	(16,222)
Disposal of other current investments	-	8
	(23,654)	(20,669)
<b>Net cash from investing activities</b>		
<b>Net decrease in cash and cash equivalents</b>	3,946	(19,091)
Cash and cash equivalents at 1 January	29,564	48,655
<b>Cash and cash equivalents at 31 December</b>	33,510	29,564

The notes on pages 19 to 40 are integral to these financial statements.

# Insight Investment Services Limited

## Notes to the financial statements for the year ended 31 December 2022

### 1 Accounting policies

#### 1.1 Basis of preparation

The financial statements are presented in pounds sterling (GBP), rounded to the nearest thousand. They are prepared on the historical cost basis, except for financial assets which are stated at their fair value through profit and loss.

The preparation of financial statements in accordance with UK-adopted international accounting standards 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.

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 2 to 3. In addition, the Directors' report on pages 4 to 9 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 liabilities position. The Company has been issued a letter of financial support from its immediate parent company, Insight Investment Management Limited, for 12 months from the date of the approval of the Financial Statements, as the Company generates no revenues but recovers its costs via a service charge mechanism. The immediate parent company, Insight Investment Management Limited, has confirmed its intention and ability to provide financial support for at least 12 months from the date of approval of these financial statements, if required, to the Company.

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.

The directors have had regard to management's assessment to determine whether there are any material uncertainties arising 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 and capital position;
- Liquidity position based on current and projected cash resources and regulatory requirements. 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;
- Capital and liquidity stress tests on severe but plausible scenarios, and;
- The Company's operational resilience on existing processes and key resources and relationships such as its people, clients, suppliers, and existing information technology systems and infrastructure.

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 1 Accounting policies - continued

#### 1.1 Basis of preparation - continued

Based on the above assessment of the Company's financial position, 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 Company is domiciled in the United Kingdom. The financial statements were authorised for issue by the directors on 22 March 2023. The Company and its fellow Insight Group undertakings operate as a single asset management business and consider themselves a single segment investment management business.

#### 1.2 Statement of compliance

The financial statements have been prepared in accordance with UK-adopted International Accounting Reporting Standards ("IFRS") and its interpretations as endorsed by the Companies Act 2006 effective at 31 December 2022.

The accounting policies set out below have been applied in respect of the financial year ended 31 December 2022.

#### 1.3 Pension schemes

All employees performing services on behalf of the Insight 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 in Insight Investment Services Limited and are recharged to the Insight Group as an expense in accordance with the Insight Group's service charge mechanism.

#### 1.4 Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on 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 for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 1 Accounting policies - continued

#### 1.5 Foreign currency

The Company's functional and presentational currency is pounds sterling (GBP). Transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are reported net in the statement of profit and loss and other comprehensive income within interest receivable or payable as appropriate.

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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Any resulting exchange differences are reported net in the statement of profit and loss and other comprehensive income within interest receivable or payable as appropriate.

#### 1.6 Impairment of financial assets (including trade and other debtors)

##### Recognition of Expected Credit Losses ("ECL")

Under IFRS 9, the Company generally recognises loss allowances at an amount equal to the 12-month ECL unless there has been significant increase in credit risk since origination of the instrument, in which case ECLs are recognised on a lifetime loss basis. The Company has determined that the application of IFRS 9's impairment requirements at 31 December 2022 are immaterial.

##### Measurement of 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.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents comprise solely of cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 1 Accounting policies - continued

#### 1.8 Intangible assets

##### *Software development cost*

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 five 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.

#### 1.9 Tangible fixed assets

##### **Property, plant and equipment**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

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.



# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 1 Accounting policies - continued

#### 1.9 Tangible fixed assets - continued

##### Property, plant and equipment - continued

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment 3- 4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### 1.10 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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.

Impairment losses recognised in prior periods on assets other than goodwill are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 1.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### 1.12 Accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions about future conditions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Management believes that the Company's critical accounting policies for which judgement is necessarily applied are those which relate to impairment of goodwill and intangible assets and provisions.

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 1 Accounting policies - continued

#### 1.13 Administrative expenses

The Company incurs expenses on behalf of the Insight Group. These expenses are recharged monthly in the form of a management service charge to Insight Investment Management Limited. Insight Investment Management Limited then further recharges these expenses to the revenue earning entities within Insight, namely: Insight Investment International Limited, Insight Investment Funds Management and Insight Investment Global Limited. The service charge is allocated in line with the revenue proportion contributed by each of these entities.

#### 1.14 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 balance sheet date.

#### 1.15 Trade and other receivables

Trade and other receivables are amounts due for services performed in the ordinary course of business. These are initially measured at transaction value and can be subsequently measured at amortised costs using the effective interest rate method if considered material.

#### 1.16 Trade and other payables

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

#### 1.17 Revenue

The Company's primary revenue source consists of management service charges.

##### *Management service charge*

The Company incurs expenses on behalf of the Insight Group. These expenses are recharged monthly in the form of a management service charge to Insight Investment Management Limited. Insight Investment Management Limited then further recharges these expenses to the revenue earning entities within Insight, namely: Insight Investment International Limited, Insight Investment Funds Management and Insight Investment Global Limited. The service charge is allocated in line with the revenue proportion contributed by each of these entities.

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 1 Accounting policies - continued

#### 1.18 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 comprises interest expense on financial liabilities measured at amortised cost.

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

#### 1.19 Financial instruments

Financial instruments cover a wide range of financial assets, including financial investments, trade receivables, cash and cash equivalents, financial liabilities, trade payables, and borrowings. Financial assets and financial liabilities are recognised in the Company's balance sheet 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.

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 1 Accounting policies - continued

#### 1.19 Financial instruments - continued

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*

'Principal' for these purposes is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (e.g. liquidity risk and administrative costs), as well as profit margin.

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 1 Accounting policies - continued

#### 1.19 Financial instruments - continued

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:

- 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.

#### 1.20 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.

#### 1.21 Changes in accounting policies

There were no new standards, interpretations and amendments effective from 1 January 2022 that were expected to have material impact on the Company. A number of new standards and amendments to existing standards are effective for periods beginning on or after 1 January 2023. These new standards are not expected to have material impact on the Company.

### 2 Interest receivable and similar income

	2022	2021
	£000	£000
Net foreign exchange gain	-	300
Receivable from Group undertakings	304	-
Total interest receivable and similar income	<u>304</u>	<u>300</u>

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 3 Interest payable and similar charges

	2022	2021
	£000	£000
Net foreign exchange loss	138	-
Payable to Group undertakings	-	11
Total interest payable and similar charges	<u>138</u>	<u>11</u>

### 4 Expenses and auditor's remuneration

Profit on ordinary activities before taxation is stated after charging:

Auditor's remuneration:

	2022	2021
	£000	£000
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of these financial statements pursuant to legislation	35	34
Other assurance services*	319	91
	<u>354</u>	<u>125</u>

\* Other assurance services refers to an internal controls assurance report

No benefits in kind have been provided to the auditor during the year (2021: £nil).

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 5 Staff costs

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

	2022	2021
	£000	£000
Salaries and wages	100,280	109,738
(Income) / Expenses arising from incentive scheme payments	(60)	(478)
Social security costs	9,858	8,748
Pension costs	5,865	5,346
Other staff costs	19,171	16,658
	<u>135,114</u>	<u>140,012</u>

The above staff costs relate to the employment of staff by Insight Investment Management Limited (contractual party) and subsequently recharged to Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Insight Investment International Limited. Insight Investment Services Limited employs no staff.

### 6 Directors' remuneration

The aggregate amount of remuneration paid to or receivable by directors in respect of qualifying services is disclosed below. 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. During 2022, retirement benefits were accrued for 2 (2021: 4) directors.

	2022	2021
	£000	£000
Directors' emoluments	28	19
Amounts receivable under long-term incentive schemes	21	14
	<u>49</u>	<u>33</u>

#### *Highest paid director*

	2022	2021
	£000	£000
Directors' emoluments	21	13
Amounts receivable under long-term incentive schemes	21	14
	<u>42</u>	<u>27</u>

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 7 Taxation

#### *Recognised in the statement of profit and loss and other comprehensive income*

	2022	2021
	£000	£000
<i>UK corporation tax</i>		
Current tax on profits for the period	1,065	589
Adjustments in respect of prior periods	(19)	-
Total current tax	1,046	589
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(864)	(971)
Adjustments in respect of prior periods	2,667	3,313
Effect of changes in tax rate	(10)	360
Total deferred tax	1,793	2,702
Total tax expense	2,839	3,291

#### *Factors affecting total tax change for the current period*

#### The charge for the year can be reconciled to the income per the Statement of profit and loss and other comprehensive income as follows:

	2022	2021
	£000	£000
Loss for the year	(2,838)	(3,290)
Total tax expense	2,839	3,291
Profit excluding taxation	1	1
Tax using the UK corporation tax rate of 19.00% (2021: 19.00%)	-	-
Tax rate changes	(10)	360
Non-deductible expenses	205	32
Tax exempt income	-	(235)
RDEC	-	(180)
Share options	(3)	-
Adjustments in respect of prior years	2,647	3,313
Total tax expense	2,839	3,291

The increase in the UK Corporation tax rate from 19% to 25% (effective April 2023) was enacted on 10 June 2021. This will increase the Company's future tax charge accordingly. The deferred tax position as at 31 December 2022 has been calculated based on these rates.



# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 8 Tangible fixed assets

	Computer equipment £000	Total £000
<b>Cost</b>		
At 1 January 2021	12,359	12,359
Additions	4,455	4,455
31 December 2021	16,814	16,814
1 January 2022	16,814	16,814
Additions	2,950	2,950
Disposals	(3,023)	(3,023)
At 31 December 2022	16,741	16,741
<b>Depreciation and impairment</b>		
At 1 January 2021	8,861	8,861
Depreciation charge for the year	1,611	1,611
At 31 December 2021	10,472	10,472
At 1 January 2022	10,472	10,472
Depreciation charge for the year	1,794	1,794
At 31 December 2022	12,266	12,266
<b>Net book value</b>		
At 1 January 2021	3,498	3,498
At 31 December 2021	6,342	6,342
At 31 December 2022	4,475	4,475

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 9 Intangible assets

	Software development cost £000	Software under development £000	Total £000
<b>Cost</b>			
At 1 January 2021	96,589	1,297	97,886
Additions	-	16,222	16,222
Transfer between classes	16,004	(16,004)	-
31 December 2021	112,593	1,515	114,108
1 January 2022	112,593	1,515	114,108
Additions	-	23,727	23,727
Transfer between classes	23,568	(23,568)	-
Write-off	(32,826)	-	(32,826)
At 31 December 2022	103,335	1,674	105,009
<b>Depreciation and impairment</b>			
At 1 January 2021	54,006	-	54,006
Amortisation	14,157	-	14,157
At 31 December 2021	68,163	-	68,163
At 1 January 2022	68,163	-	68,163
Amortisation	16,646	-	16,646
Write-off	(32,713)	-	(32,713)
At 31 December 2022	52,096	-	52,096
<b>Net book value</b>			
At 1 January 2021	42,583	1,297	43,880
At 31 December 2021	44,430	1,515	45,945
At 31 December 2022	51,239	1,674	52,913

Software under construction relates to internal software development projects that are incomplete at the balance sheet 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.

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 10 Other investments

	2022	2021
	£000	£000
<b>Current asset investments</b>		
Financial assets designated as fair value through profit or loss	32	32
	<u>32</u>	<u>32</u>

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.

	2022	2021
	£000	£000
Balance at 1 January	32	40
Disposals	-	(8)
Balance at 31 December	<u>32</u>	<u>32</u>

### 11 Trade and other receivables

	2022	2021
	£000	£000
Trade debtors	3	-
Amounts due from Group undertakings	330	20,543
Other debtors	3,360	2,281
Prepayments and accrued income	7,082	3,837
Tax recoverable	-	331
	<u>10,775</u>	<u>26,992</u>

### 12 Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	33,510	29,564
	<u>33,510</u>	<u>29,564</u>

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 13 Trade and other payables

	2022	2021
	£000	£000
Amounts due to Group undertakings	72,262	66,958
Accruals and deferred income	50,579	64,294
Tax payable	23	-
Other creditors	4,078	1,815
	<u>126,942</u>	<u>133,067</u>

### 14 Called up share capital

	2022	2021
	£	£
<i>Allotted, called up and fully paid</i>		
1 (2021: 1) Ordinary shares of £1 each	<u>1</u>	<u>1</u>

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

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 Directors' report.

### 15 Deferred tax assets/(liabilities)

	2022	2021
	£000	£000
Provision at 1 January	(2,014)	688
Adjustment in respect of prior years	(2,667)	(3,313)
Deferred tax credit to profit and loss for the period	874	611
Provision at 31 December	<u>(3,807)</u>	<u>(2,014)</u>

The major components of deferred tax are as follows:

#### Recognised deferred tax assets and liabilities

	2022	2021
	£000	£000
Excess of depreciation over capital allowances	753	547
Intangible assets	(4,708)	(2,741)
Research and Development Expenditure Credit (RDEC)	146	180
Other	2	-
	<u>(3,807)</u>	<u>(2,014)</u>

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 16 Related parties

At the end of the year, the Company had the following balances with related parties:

	2022	2021
	£000	£000
<b>Debtors: BNY Mellon Group undertakings</b>		
Insight Investment Management (Global) Limited	-	95
Insight Investment Australia Pty Ltd	31	17
Insight Investment (Europe) Limited	-	44
The Bank of New York Mellon - London Branch	-	20,206
Insight Investment International Limited	83	-
Other related parties	216	181
	<u>330</u>	<u>20,543</u>
<b>Creditors: BNY Mellon Group undertakings</b>		
BNY Mellon Asset Management Group Limited	(1,065)	(1,436)
Insight North America LLC	-	(1,930)
Insight Investment (Europe) Limited	(71)	-
Insight Investment Management Limited	(68,071)	(63,408)
The Bank of New York Mellon - London Branch	(1,858)	-
Other related parties	(1,197)	(184)
	<u>(72,262)</u>	<u>(66,958)</u>

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

	2022	2021
	£000	£000
<b>BNY Mellon Group undertakings</b>		
Insight Investment Management Limited	245,295	242,787

Insight Investment Services Limited is a service company incurring expenses on behalf of the Insight Group of companies. Insight Investment Services Limited recharges all of its expenses to the revenue earning entities of the Insight Group (Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited, and Insight Investment International Limited) via Insight Investment Management Limited.

During the year the Company incurred costs recharged from BNY Mellon International Asset Management Group Limited of £201,074,000 (2021: £196,009,000) relating to payroll cost, pensions and accounts payable services.

During the year the Company incurred costs from BNY Mellon (International) Limited totalling £10,752,000 (2021: £10,679,000) in respect of outsourced Third Party Administration services

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 16 Related parties - continued

#### *Senior management personnel*

During the year, senior management personnel's remuneration was as follows:

	2022	2021
	£000	£000
Short term employee benefits	38	26
Long term incentive schemes	30	17
	<u>68</u>	<u>43</u>

The above includes the costs of annually awarded long term incentive grants amortised over the relevant vesting periods of one to three years.

### 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 and investments held within the Insight Liquidity Fund plc. At the Balance Sheet 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 ("ILF"). At the Balance Sheet date the Standard and Poor's credit rating for Lloyds Bank Plc was A+, and for ILF was AAAm. 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 Balance Sheet date was as follows:

	2022	2021
	£000	£000
Other investments (note 10)	32	32
Trade and other receivables (note 11)	10,775	26,992
Cash and cash equivalents (note 12)	33,510	29,564
	<u>44,317</u>	<u>56,588</u>

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 17 Financial instruments - continued

#### *Credit risk - continued*

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:

	2022	2021
	£000	£000
Neither past due nor impaired	10,775	26,992
	<u>10,775</u>	<u>26,992</u>

#### *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 balance sheet date was immaterial and accordingly no sensitivity analysis has been presented.

#### *Interest rate risk*

##### 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.

	2022		2021	
	Cash and cash equivalents	Current asset investments	Cash and cash equivalents	Current asset investments
Effective rate	0.96 %	1.07 %	- %	- %
	£000	£000	£000	£000
One year or less	33,510	32	29,564	32

The annualised impact of an increase or decrease of 50 basis points in interest rates at the balance sheet date would be to increase / (decrease) equity and profit or loss by £136,000 / ( £136,000) (2021: £120,000 / ( £120,000)).

This calculation assumes that the change occurs at the balance sheet date and is applied to risk exposures existing at that date and is stated net of tax assuming the current corporation tax rate of 19.00% (2021: 19.00%).

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 17 Financial instruments - continued

#### *Market price risk*

The Company holds investments in Insight Liquidity Funds plc (see note 10) 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 £32,000 (2021: £32,000).

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

This calculation assumes that the change occurs at the balance sheet date and is applied to risk exposures existing at that date and is stated net of tax assuming the current corporation tax rate of 19.00% (2021: 19.00%).

#### *Liquidity risk*

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 balance sheet 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 balance sheet.

The following are the contractual maturities of financial liabilities at the balance sheet date:

	2022	2021
	£000	£000
One month or less	12,093	19,995
Between one month and three months	42,368	51,105
Between three months and one year	76,288	61,967
Between one year and five years	-	-
Over five years	-	-
	<u>130,749</u>	<u>133,067</u>

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

#### *Fair values*

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	2022	2021
	£000	£000
<b>Carrying amount</b>		
Current asset investments designated at fair value through profit and loss (note 10)	32	32
Trade and other receivables (note 11)	10,775	26,992
Cash and cash equivalents (note 12)	33,510	29,564
Trade and other payables (note 13)	126,942	133,067
Deferred tax (note 15)	3,807	2,014



# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 17 Financial instruments - continued

#### *Fair values - continued*

	2022 £000	2021 £000
<b>Fair value</b>		
Current asset investments designated at fair value through profit and loss (note 10)	32	32
Trade and other receivables (note 11)	10,775	26,992
Cash and cash equivalents (note 12)	33,510	29,564
Trade and other payables (note 13)	126,942	133,067
Deferred tax (note 15)	3,807	2,014

#### **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 balance sheet date without any deduction for transaction costs.

#### **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 asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
At 31 December 2022				
Financial assets designated at fair value through profit or loss	32	-	-	32

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
At 31 December 2021				
Financial assets designated at fair value through profit or loss	32	-	-	32

# Insight Investment Services Limited

## Notes to the financial statements - continued for the year ended 31 December 2022

### 17 Financial instruments - continued

#### *Fair values - continued*

During the year there have been no transfers between levels.

### 18 Pension schemes

At 31 December 2022 all employees performing services on behalf of the Company were contractually employed by Insight Investment Management Limited 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 £5,864,662 (2021: £5,346,063) and is included within administrative expenses.

### 19 Subsequent events

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

### 20 Ultimate parent company and parent company of larger group

The immediate parent undertaking of the Company is Insight Investment Management Limited, a company registered in England and Wales. Insight Investment Management Limited's registered address is 160 Queen Victoria Street, London, EC4V 4LA. Copies of the accounts for Insight Investment Management Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

The largest and smallest Group in which the results of the Company are consolidated is that headed by The Bank of New York Mellon Corporation, incorporated in the United States of America.

The ultimate parent company as at 31 December 2022 was The Bank of New York Mellon Corporation, incorporated in the United States of America. The consolidated accounts of the ultimate parent company may be obtained from:

The Secretary  
The Bank of New York Mellon Corporation  
240 Greenwich Street  
New York, NY  
10286  
USA