

Insight Investment Services Limited

Directors' report and financial statements

Year ended 31 December 2021

Registered No: 04471826

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Board of Directors and other information

Directors

Abdallah Nauphal

Jonathan Eilbeck

Andrew Kitchen – appointed 3rd March 2021

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

Directors' report

The Directors present their report and audited financial statements for the year ended 31 December 2021.

Result and dividends

Insight Investment Services Limited ("the Company") recorded a profit before tax for the financial year of £1,000 (£1,000 in 2020). No dividends (2020: £nil) have been approved and paid by the Directors.

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

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 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 part of a group made up of Insight Investment Management Limited, Insight Investments 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), collectively 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 7 to 10. In addition, the Directors' report on pages 4 to 6 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 also the company will be able to continue to act as a going concern under a severe but plausible scenario.

Key Risks and Uncertainties

Please refer to the Strategic Report on pages 7 to 10 for Key Risks and Uncertainties.

Political and charitable contributions

The Company made no political contributions during the year (2020: £nil). Donations to UK charities amounted to £nil (2020: £37,000), however Insight staff worked closely in 2021 with some of our chosen charitable partners, with various fund raising events organised throughout the year.

Directors' report (continued)

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: <https://find-and-update.company-information.service.gov.uk/company/03755033/filing-history>.

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.

However, the Company qualifies as a low energy user as defined by the regulation and accordingly has no requirement to make the detailed disclosures for its energy and carbon information.

Directors

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

- Abdallah Nauphal
- Jonathan Eilbeck
- Andrew Kitchen – appointed 3rd March 2021
- Atul Manek – resigned 17th February 2021

Directors' indemnity provision

The articles of association of the Company provide that in certain circumstances the director 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 director (2020: none).

International financial reporting standards

These accounts are prepared in accordance with applicable United Kingdom law and UK-adopted International Financial Reporting Standards (IFRSs) and its interpretations as endorsed by the UK 2006 Companies Act effective at 31 December 2021.

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.

Directors' report (continued)

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.

By order of the Board



Andrew Kitchen
Director

Registered Office:
160 Queen Victoria Street
London
EC4V 4LA

24 March 2022

Strategic report

The Directors present their strategic report for the year ended 31 December 2021.

Business update, strategy and objectives

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

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.

Business review

The Company made a profit before taxation of £1,000 (2020: £1,000).

The company is in net current liability position. 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.

Corporate governance

Governance of Insight 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 Insight. A number of committees support the Board, including:

- The Executive Management Committee (EMC) is the key business management committee for the Company and its fellow Insight group undertakings responsible for designing and executing strategy, operational management and monitoring the effectiveness of internal controls.
- The Risk Committee oversees the management of risks within Insight and manages the production of statutory and regulatory financial information. Membership consists of two Non-Executive Directors and three Independent Non-Executive Directors. The Chief Executive Officer and Chief Risk Officer of Insight also 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 Insight. 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.

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 are required to 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 Insight. 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 Insight 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 Insight.

The Company has no direct employees (all employees performing services on behalf of the Insight group are contractually employed by Insight Investment Management Limited) but has due regard to its prominent role in promoting the interests of Insight's employees. Through its services to Insight, the activities of the Company could be seen to have a potential impact on the interests of Insight 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 period ending 31 December 2021.

Impact of Coronavirus ("COVID-19")

Since the start of January 2020, COVID-19 has created significant disruption to global markets and economies. Management recognises that the pandemic presents risks to the Company's employees, clients and suppliers, and has put in place procedures to monitor and mitigate those risks.

Strategic report (continued)

The directors considered the long-term impact that COVID-19 could have on the Company and its strategy, and the financial impact that related economic and social uncertainty could have on the Company's balance sheet and capital position. The impact from this disruption resulted in the directors in 2020 reviewing the Company's Internal Capital Adequacy Assessment forecast, considering updated financial forecasts and more adverse economic stress. It also prompted the directors to review its internal capital stress tests. The conclusions drawn demonstrated that the Company remains within the Capital Risk Appetite limit under both baseline and stressed conditions. The revised financial forecast concluded that the Company is expected to remain profitable has continued to do so in 2021.

Key risks and uncertainties

The main risks and uncertainties facing Insight 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, Insight 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, 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 Brexit or US tax reform.

Financial and liquidity risk

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

Strategic report (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, investment portfolios 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.

The COVID-19 pandemic continues to remain dynamic and has led to a continued level of uncertainty. To ensure the health and wellbeing of its people and continuing ability to service its clients, the wider BNY Mellon Group moved to a largely working-from-home model during 2020 and 2021, during which period the Company and the Group implemented enhanced monitoring and oversight controls. A conservative and measured approach continues to be adopted whilst the Group's employees return to office as the COVID-19 pandemic subsides. Additionally, the US, the UK and the EU have imposed sanctions and threatened to expand them significantly against Russia in response to an increasing risk with its conflict with Ukraine which, together with any military conflict, could impact global markets as well as the Company and its customers. Management continues to monitor developments and seek to manage the associated impacts on customers, service delivery and business operations.



Andrew Kitchen
Director

Registered Office:
160 Queen Victoria Street
London
EC4V 4LA

24 March 2022

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, 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 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 31st December 2021 which comprise the statement of profit or loss and other 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 31st December 2021 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 (continued)

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 and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- 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 perform 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 (continued)

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 including Client Assets, and specific areas of regulatory capital and liquidity and certain aspects of company legislation, recognising the financial and regulated nature of the Company's activities and its legal form. 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 (continued)

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.



Fang Fang Zhou (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

24 March 2022

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Management service charge		242,787	230,097
Administrative expenses		(243,086)	(229,189)
Other income/ (expense)	2	11	34
Operating profit		(288)	942
Interest receivable and similar income	3	300	86
Interest payable and similar income	3	(11)	(1,027)
		289	(941)
Profit/ (loss) before tax		1	1
Taxation on profit	6	(3,291)	430
Total comprehensive income/(loss) for the year		(3,290)	431

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 20 to 44 form part of these financial statements.

Statement of financial position

For the year ended 31 December 2021

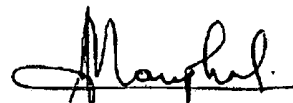
	Note	2021 £'000	2020 £'000
Assets			
Property, plant and equipment	7	6,342	3,498
Intangible assets	8	45,945	43,880
Deferred tax asset	9	-	688
Non-current assets		52,287	48,066
Other investments	10	32	40
Trade and other receivables	11	26,992	6,005
Cash and cash equivalents	12	29,564	48,655
Current assets		56,588	54,700
Total assets		108,875	102,766
Equity			
Issued capital	13	-	-
Reserves	13	232	232
Retained earnings	13	(26,438)	(23,148)
Total equity		(26,206)	(22,916)
Liabilities			
Trade and other payables	14	133,067	125,682
Deferred tax liability	9	2,014	-
Total current liabilities		135,081	125,682
Total equity and liabilities		108,875	102,766

The notes on pages 20 to 44 form part of these financial statements.

These financial statements were approved by the Board of Directors on 24 March 2022 and were signed on its behalf by:



Andrew Kitchen
Director



Abdallah Nauphal
Director

Company registration number: 04471826

Statement of changes in equity

For the year ended 31 December 2021

	Note	Share Capital £'000	Retained earnings £'000	Other reserves £'000	Total £'000
Balance at 31 December 2019		-	(23,579)	232	(23,347)
Total comprehensive income for the year					
Profit after tax		-	431	-	431
Total comprehensive income for the year		-	431	-	431
Balance at 31 December 2020		-	(23,148)	232	(22,916)
Total comprehensive income for the year					
Profit after tax		-	(3,290)		(3,290)
Total comprehensive income for the year		-	(3,290)	-	(3,290)
Balance at 31 December 2021		-	(26,438)	232	(26,206)

The notes on pages 20 to 44 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Profit for the year		(3,290)	431
Adjustments for:			
Tax charge	6	3,291	(430)
Depreciation	7	1,611	1,247
Amortisation of intangibles	8	14,157	11,994
Interest expense and foreign exchange loss	3	(11)	1,027
		15,758	14,269
Decrease/(Increase) in trade and other receivables	11	(21,427)	11,984
Increase/(Decrease)/Increase in trade and other payables	9/14	7,385	33,863
Tax credit utilised	6	(149)	2,085
Cash generated from operations		1,567	62,201
Interest paid		11	(1,027)
Net cash from operating activities		1,578	61,174
Cash flows from investing activities			
Acquisition of property, plant and equipment	7	(4,455)	(2,526)
Acquisition of software	8	(16,222)	(17,242)
Disposal of other current investments	10	8	-
Net cash from investing activities		(20,669)	(19,768)
Net decrease in cash and cash equivalents		(19,091)	41,406
Cash and cash equivalents at 1 January	12	48,655	7,249
Cash and cash equivalents at 31 December	12	29,564	48,655

The notes on pages 20 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 24 March 2022. The Company and its fellow Insight Group undertakings operate as a single asset management business and consider themselves a single segment investment management business.

Statement of compliance

The financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRSs") and its interpretations as endorsed by the Companies Act 2006 effective at 31 December 2021.

The accounting policies set out below have been applied in respect of the financial year ended 31 December 2021.

a) Basis of preparation

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 7 to 10. In addition, the Directors' report on pages 4 to 6 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.

Management has performed an 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. 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 and;
- The Company's operational resilience including the impact of the pandemic on existing processes and key resources and relationships such as its people, clients, suppliers, and existing information technology 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 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.

b) Use of estimates and judgements

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 of deferred tax assets;
- Recognition and measurement of the intangible assets and related impairment;

Fair value of financial instruments (holdings in the Insight Liquidity Funds plc ("ILF")) is determined by reference to publicly available pricing for the financial instruments.

c) 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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

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 2021 are immaterial.

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.

j) 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.

k) Management Service Charge

The Company incurs expenses on behalf of Insight. 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.

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 Insight (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.

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 Insight 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 Group as an expense in accordance with the Group's service charge mechanism.

q) 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

r) 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.

s) Changes in accounting policy and disclosures

There were no new standards, interpretations and amendments effective from 1 January 2021 that had a 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 2022. These new standards are not expected to have material impact on the Company.

2. Other operating income/(expense)

	2021	2020
	£'000	£'000
Other operating income/(expense)	11	34
	<u>11</u>	<u>34</u>

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

	2021	2020
	£'000	£'000
Interest income on other financial assets	-	14
Foreign exchange gain	300	72
Interest receivable and similar income	<u>300</u>	<u>86</u>
Interest expense on financial liabilities	(11)	(1,027)
Foreign exchange loss	-	-
Interest payable and similar income	<u>(11)</u>	<u>(1,027)</u>
	<u>289</u>	<u>(941)</u>

4. Auditor's remuneration

	2021	2020
	£'000	£'000
Profit before tax is stated after charging:		
Auditor's remuneration for:		
Audit services	34	55
Non-audit Services*	91	49

*Non-audit services refers to a SOC1 Risk (AAF) audit.

No benefits in kind have been provided to the auditor during the year (2020: £nil)

5. Remuneration of directors

	2021	2020
	£'000	£'000
Aggregate directors' remuneration:		
Directors' emoluments	19	23
Long term incentive schemes	14	16
	33	40
Highest paid director:		
Directors' emoluments	13	17
Long term incentive schemes	14	12
	27	29

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. The amounts are disclosed irrespective of which BNY Mellon group company actually makes the payment to the directors.

6. Taxation on profit

	2021	2020
	£'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	589	-
Adjustments in respect of prior periods	-	(231)
	589	(231)
Deferred tax charge/ (credit)		
Origination/ reversal of timing differences	(971)	11
Effect of changes in tax rates	360	(58)
Adjustments in respect of prior periods	3,313	(152)
	2,702	(199)
Tax on profit on ordinary activities	3,291	(430)
Reconciliation of effective tax rate		
Profit on ordinary activities before tax	1	1
Tax charge on profit on ordinary activities at standard rate of 19% (2020: 19%)	-	-
Non-deductible expenses	32	(1,156)
Adjustments in respect of prior years	3,313	(384)
Impact of change in rates	360	(58)
Effects of group relief/ other reliefs	-	1,168
RDEC	(180)	-
Income non taxable	(235)	-
Other	-	-
	3,291	(430)

Factors that may affect future and total tax charges

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 2021 has been calculated based on these rates.

7. Property, plant and equipment

	Computer equipment £'000	Total £'000
Cost		
Balance at 1 January 2020	10,605	10,605
Acquisitions	2,526	2,526
Disposals	(772)	(772)
Balance at 31 December 2020	12,359	12,359
Balance at 1 January 2021	12,359	12,359
Acquisitions	4,455	4,455
Disposals	-	-
Balance at 31 December 2021	16,814	16,814
Depreciation and impairment losses		
Balance at 1 January 2020	8,386	8,386
Depreciation charge for the year	1,247	1,247
Disposals	(772)	(772)
Balance at 31 December 2020	8,861	8,861
Balance at 1 January 2021	8,861	8,861
Depreciation charge for the year	1,611	1,611
Disposals	-	-
Balance at 31 December 2021	10,472	10,472
Carrying amounts		
At 1 January 2020	2,219	2,219
At 31 December 2020	3,498	3,498
At 31 December 2021	6,342	6,342

8. Intangible assets

	Software development costs	Software under construction	Total
	£'000	£'000	£'000
Cost			
Balance at 1 January 2020	77,202	5,203	82,405
Acquisitions - internally developed	-	17,567	17,567
Transfers	21,473	(21,473)	-
Disposals	(2,086)	-	(2,086)
Balance at 31 December 2020	96,589	1,297	97,886
Balance at 1 January 2021	96,589	1,297	97,886
Acquisitions - internally developed	-	16,222	16,222
Transfers	16,004	(16,004)	-
Disposals	-	-	-
Balance at 31 December 2021	112,593	1,515	114,108
Amortisation and impairment losses			
Balance at 1 January 2020	43,773	-	43,773
Amortisation for the year	11,994	-	11,994
Disposals	(1,761)	-	(1,761)
Balance at 31 December 2020	54,006	-	54,006
Balance at 1 January 2021	54,006	-	54,006
Amortisation for the year	14,157	-	14,157
Disposals	-	-	-
Balance at 31 December 2021	68,163	-	68,163
Carrying amounts			
At 1 January 2020	33,429	5,203	38,632
At 31 December 2020	42,583	1,297	43,880
At 31 December 2021	44,430	1,515	45,945

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.

9. Deferred tax asset/(liability)

	2021	2020
	£'000	£'000
Deferred tax asset /(liability)	(2,014)	688
	(2,014)	688
Movement in temporary differences during the year		
At 1 January	688	490
Credit/ (Debit) to income during the year	611	46
Prior year adjustments	(3,313)	152
	(2,014)	688
Deferred tax has been recognised in full & consists of the following		
Excess of depreciation over capital allowances	547	536
Deferred tax on research and development expenditure	-	152
Intangible Assets	(2,741)	-
RDEC	180	-
	(2,014)	688

10. Other investments - current

	2021	2020
	£'000	£'000
Financial assets at fair value through profit and loss	32	40
	32	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.

	2021	2020
	£'000	£'000
Current asset investments - movement		
Balance at 1 January	40	40
Additions	-	-
Disposal	(8)	-
Balance at 31 December	32	40

11. Trade and other receivables

	2021	2020
	£'000	£'000
Amounts receivable from related parties	20,543	1,443
Other receivables	2,281	786
Prepayments	3,837	3,005
Tax receivable	331	771
	26,992	6,005

12. Cash and cash equivalents

	2021	2020
	£'000	£'000
Bank balances	29,564	48,655
Cash and cash equivalents in the statement of cash flows	29,564	48,655

13. Capital and reserves

	Equity: Ordinary shares of £1 each £	Total £
Allotted, called up and fully paid		
At 1 January 2020	1	1
Issued during the year	-	-
Cancelled during the year	-	-
At 31 December 2020	1	1
At 1 January 2021	1	1
Issued during the year	-	-
Cancelled during the year	-	-
At 31 December 2021	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.

13. 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 2020	-	(23,579)	232	(23,347)
Total recognised income and expenses	-	431	-	431
Balance at 31 December 2020	-	(23,148)	232	(22,916)
Balance at 1 January 2021	-	(23,148)	232	(22,916)
Total recognised income and expenses	-	(3,290)		(3,290)
Balance at 31 December 2021	-	(26,438)	232	(26,206)

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.

14. Trade and other payables

	2021	2020
	£'000	£'000
Amounts payable to related parties	66,958	74,473
Other payables	1,815	429
Accrued expenses	64,294	50,780
	133,067	125,682

15. Related party disclosures

	2021	2020
	£'000	£'000

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

Debtors**BNY Mellon Group undertakings**

Insight Investment Management (Global) Limited	95	-
Insight Investment Australia	17	28
Insight Investment (Europe) Limited	44	-
The Bank of New York Mellon - London Branch	20,206	-
BNY International Limited	-	1,415
Other related parties	181	-
	20,543	1,443

Creditors**BNY Mellon Group undertakings**

BNY Mellon Asset Management Group Limited	(1,436)	(569)
Insight North America LLC	(1,930)	(5,460)
Insight Investment Management (Global) Limited	-	(79)
Insight Investment Management Limited	(63,408)	(67,055)
Insight Investment International Limited	-	(97)
The Bank of New York Mellon - London Branch	-	(1,089)
BNY International Limited	(30)	-
Other related parties	(154)	(124)
	(66,958)	(74,473)

15. Related party disclosures (continued)

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

	2021	2020
	£'000	£'000
Insight Investment Management (Global) Limited	-	124,752
Insight Investment Funds Management Limited	-	60,127
Insight Investment International Limited	-	6,231
Insight Investment Management Limited	242,787	38,987
	242,787	230,097

Insight Investment Services Limited is a service company incurring expenses on behalf of the Insight group of companies. In 2020, the service charge mechanism was changed to a model whereby Insight Investment Services Limited recharged all of its expenses via Insight Investment Management Limited and therefore ceased direct recharges to the other Insight entities.

During the year the company incurred costs recharged from BNY Mellon International Asset Management Group Limited of £196,009,000 (2020: £253,759,000) relating to payroll costs, pensions and accounts payable services.

During the year the company incurred costs from BNY Mellon (International) Limited totalling £10,679,000 (2020: £8,674,000) in respect of outsourced Third Party Administration services.

Senior management personnel

	2021	2020
	£'000	£'000
During the year, senior management personnel's remuneration was as follows:		
Short term employee benefits	26	33
Long term incentive schemes	17	21
Pension contributions	0	0
	43	54

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

16. 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 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 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 2021	31-Dec 2020
	£'000	£'000
Other investments - current (note 10)	32	40
Trade and other receivables (note 11)	26,992	6,005
Cash and cash equivalents (note 12)	29,564	48,655
Total	56,588	54,700

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 2021	31-Dec 2020
	£'000	£'000
Neither past due nor impaired	26,992	6,005
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	26,992	6,005

16. Financial instruments (continued)**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.

	2021		2020	
	Cash and cash equivalents	Current asset investments	Cash and cash equivalents	Current asset investments
Effective rate	0.00%	0.00%	0.04%	0.24%
	£'000	£'000	£'000	£'000
One year or less	29,564	32	48,655	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 £120,000 / (£120,000) (2020: £197,000 / (£197,000)).

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% (2020: 19%).

Market price risk

The Company holds investments in the 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 (2020: £40,000).

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% (2020: 19%).

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-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.

16. Financial instruments (continued)

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

	31-Dec 2021	31-Dec 2020
	£'000	£'000
One month or less	19,995	9,763
Between one month and three months	51,105	42,498
Between three months and one year	61,967	73,421
Between one year and five years	-	-
Over five years	-	-
Total	133,067	125,682

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 statement of financial position are as follows:

	31-Dec 2021	31-Dec 2020
	£'000	£'000
Carrying amount		
Current asset investments designated at fair value through profit and loss (note 10)	32	40
Trade and other receivables at fair value (note 11)	26,992	6,005
Cash and cash equivalents (note 12)	29,564	48,655
Other financial liabilities measured at fair value – trade and other payables (note 14)	133,067	125,682
Fair value		
Current asset investments designated at fair value through profit and loss (note 10)	32	40
Trade and other receivables at fair value (note 11)	26,992	6,005
Cash and cash equivalents (note 12)	29,564	48,655
Other financial liabilities measured at fair value – trade and other payables (note 14)	133,067	125,682

16. Financial instruments (continued)**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.

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 2021				
Financial assets designated at fair value through profit or loss	32	-	-	32
Total	32	-	-	32
At 31 December 2020				
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.

16. Financial instruments (continued)**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. Employee costs

At 31 December 2021 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 £5,346,063 (2020: £5,064,284) and is included within administrative expenses.

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

		2021	2020
		£'000	£'000
Wages and salaries	Wages and salaries	109,738	96,232
Compulsory social security contributions	Compulsory social security contributions	8,748	8,368
Contributions to defined contribution plans	Contributions to defined contribution plans	5,346	5,064
Expense/(Income) arising from share-based payments	Expense arising from share-based payments	(478)	3
		123,354	109,667

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, Insight Investment International Limited and Insight Investment Services Limited. The above costs represent the proportion of total employee costs allocated to Insight Investment Services Limited. It must be noted that Insight Investment Services Limited employs no staff.

18. Ultimate parent undertaking

As at 31 December 2021 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 2021 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

19. Subsequent events

There have been no events subsequent to the balance sheet date which have a material effect on the Company's financial statements at 31 December 2021.