Company Number: 03882621

INSIG AI PLC (FORMERLY CATENA GROUP PLC)
REPORT AND FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED
31 MARCH 2021

Directors

R Bernstein	Interim Non-Executive Chairman (Appointed 12 August 2021)
S Cracknell	Chief Executive Officer (Appointed 10 May 2021)
W Pearson	Chief Technical Officer (Appointed 10 May 2021)
P Rutter	Non-Executive Director (Appointed 10 May 2021)
J Murray	Non-Executive Director

Chief Financial Officer

A Humphrey

Company secretary

A Humphrey (Appointed 29 July 2021)

Registered office

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London EC1Y 2AB

Company number

03882621

Company website

https://insg.ai

Bankers

Barclays Bank UK PLC
27 Soho Square
London
W1D 3QR

Nominated adviser

Zeus Capital Limited
82 King Street
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and
10 Old Burlington Street
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W1S 3AG

Auditors

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Windsor House
Bayshill Road
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Brokers

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82 King Street
Manchester M2 4WQ
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Legal advisors

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Registrars

Share Registrars Limited
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Insig AI Plc ("Insig" or the "Company") (formerly Catena Group plc) and its subsidiaries (**"the Group"**) is pleased to announce its results for the 15 months ended 31 March 2021.

Chairman's Statement

These results are being released for a 15-month period due to the Company's decision to change its accounting reference date from 31 December to 31 March, as announced on 30 December 2020. Subsequent releases by the Company will return to 12-month annual results and six-monthly interim results.

The period under review has been a transformative 15 months for the Company. The new strategic focus on artificial intelligence and machine learning, first announced in January 2020, has been successfully implemented with the post-period end acquisition of the entire issued share capital of Insight Capital Partners Limited ("Insight") on 21 April 2021. The reverse takeover and consequent re-admission of the Company's shares to trading on AIM included an equity fundraising of £6.1 million; split between cash consideration for the acquisition and working capital for the enlarged Group. The acquisition followed a March 2020 initial investment in Insight. At the time of the acquisition of Insight, the Company also rebranded as Insig AI Plc to better represent its new focus and ambitions.

For the 15 months ended 31 March 2021, we are reporting a total comprehensive loss from all activities of £1,062,000 before tax but after professional fees associated with the subsequent acquisition and admission of £314,000, against a total comprehensive loss of £218,000 in the previous 12 months. The Directors are not recommending the payment of a dividend.

The results presented herein represent a period prior to the acquisition of the entire issued share capital of Insight and thus covers the Group's legacy school sport coaching subsidiary, Sport in Schools Limited ("SSL").

Pantheon Leisure Plc ("Pantheon")

Insig holds 85.87% of the issued share capital of Pantheon which in turn owns 100% of Sport in Schools Limited ("SSL"). Pantheon as a group made a loss of £13,000 for the 15-month period ended 31 March 2021 (12-months ended 31 December 2019: loss £35,000). Pantheon's results are consolidated into the Group accounts.

Sport in Schools Limited

SSL turnover fell 38% in the 15-month period to £1,042,000 (versus £1,683,000 during the previous 12-month period). The decrease is attributable to the Covid-19 pandemic and the resultant school closures. Profit recognised in this period was £42,000 compared with £120,00 during the previous 12-months.

With schools re-opening in September 2020, revenues began to recover. However, restrictions on after-school activities continued, alongside temporary school closures in late 2020 and early 2021, as well as operational restrictions placed on schools led to a slower recovery of revenue. The Group mitigated the financial impact of business disruption through closure and by utilising the UK Government's Covid-19 financial assistance schemes including: the Coronavirus Job Retention Scheme, the Retail, Hospitality and Leisure Grant Fund and a Coronavirus Business Interruption Loan of £240,000, repayable over five years. The financial support programmes have broadly insulated the SSL business from the financial impacts enabling it to resume full operations as the Government imposed restrictions eased.

With the Government's prioritisation of schools and child education, the provision of sports coaching in schools has returned to levels prior to the pandemic post-period. Most of the schools with whom SSL work are continuing with sport programmes similar to those in place prior to the pandemic and after-school club activities have begun to return to pre-pandemic levels. There has also been a strong resurgence in holiday camps likely driven by the restrictions on travel resulting in greater demand. As schools have re-opened and restrictions have ended, revenues have recovered strongly, and we are at last beginning to see a return to profit. The Directors would like to thank the SSL staff and management team for their commitment and industrious work.

Board restructure

Pursuant to the acquisition of Insight that completed post period end, the Company appointed two new Executive Directors and one new Non-Executive Director. Steve Cracknell, the Chief Executive of Insight Capital was appointed as Chief Executive of the Company and Warren Pearson was appointed as Chief Technology Officer. Peter Rutter was also appointed as a Non-Executive Director. John Murray has continued his role as Non-Executive Director and post period, on 12 August 2021, Matthew Farnum- Schneider resigned as Executive Chairman and I was appointed as interim Non-Executive Chairman. In addition to these appointments, in February 2021, Ashley Humphrey was appointed to the non-Board position of Chief Financial Officer.

Directors David Hillel, David Coldbeck and John Zucker resigned in May 2021 as part of the re-admission of the business. Management would like to thank them for their many years of effective service and stewardship as well as the extensive work they have done in the last year to support the realisation of the Insight acquisition and re-focus of the Company. Last month, Matthew Farnum-Schneider resigned. Management would like to thank him for his extensive work in delivering the realisation of the Insight acquisition.

Prospects

Since 31 March 2021, SSL revenues have continued their strong recovery. Provided the restrictions brought about by the Covid 19 pandemic continue to abate and cost cutting measures and further operational efficiencies implemented by SSL management during the pandemic continue, profitability is expected to return to pre-pandemic levels.

Regarding the now enlarged Group following the acquisition of Insight Capital, the Board continues to regard the core Insig AI business as being ideally positioned to provide its machine learning data driven solutions to the asset management industry. The vast array of data that needs to be assessed so that optimal decision making can be achieved, including risk mitigation, can be hugely enhanced using machine learning. Machine learning can do in minutes what would take a team of people days.

As well as offering its portfolio insight analysis tool, the current growth of Environmental, Social and Governance (ESG) investing across all asset classes has recently resulted in significant client interest for our ESG offering. The enormous scale of the sector is illustrated by the fact that sustainable bond issuance is set to exceed $1 trillion in 2021, more than five times 2018 levels.

The task for Insig AI is to fully capitalise on this positioning. Later this month, our ESG product will be released. Designed to enable asset managers to develop and execute a data-led ESG investing strategy by providing transparent and evidence-based ESG scoring and interrogation, we believe that its scalability can lead to mass customisation of our ESG offering.

Around the time of the reverse takeover, it became clear that Insig AI secured the ability and expertise to partner with asset managers as they launch new funds across the ESG spectrum. These partnership opportunities now provide us with potential revenues that are of a magnitude several times more than the traditional licence sale to an asset manager. Therefore, the business is now directing its focus principally to this source of revenue. Converting these large opportunities will be the key driver to our success. We therefore view the future with confidence.

Richard Bernstein
Chairman
3 September 2021

Accepting these results are for the period prior to my appointment to the Board and indeed the Company's acquisition of what is now the core Insig AI business, I wanted to take this opportunity to highlight recent achievements made and to discuss the future prospects of the enlarged Group.

As set out in the Company's admission document dated 21 April 2021, we have successfully pivoted the now core business of Insig AI from a consultancy business to developing product led solutions. As a result of significant investment, we are now able to take an active partnership approach with clients and in so doing, are able to effectively bolt our AI engine onto their business and help them accelerate the development of new investment strategies, without them having to hire or build this technology in-house.

This approach has now opened an entirely new and significant recurring revenue stream for the business: the potential to earn a share of both management and performance fees for assets under management. This is in addition to our product licence fee strategy. Combined and if realised, these opportunities far exceed the Board's revenue and profit expectations at the time of the reverse takeover.

In terms of market focus, ESG is absolutely core to our business for the foreseeable future with clients wanting to be able to interrogate and evaluate data and execute a data led ESG investment strategy.

We are now seeing growing demand for our Bidirectional Encoder (BERT) Natural Language Procession (NLP) classifiers, cloud-based data infrastructure, machine learning optimisation and analysis tools. The framework and tools we have been developing for the past year have proved their ability to be scaled to meet the multiple and different requirements we are getting from our clients.

I believe that our products are leading edge AI technology. Since the reverse takeover, we have made significant progress. This is most notably evidenced by our recent announcements which vindicated our decision to prioritise large scale ESG funds at the expense of much more modest short term opportunities. In addition, the quality of our tools relating to Portfolio Insights and ESG gives me enormous confidence. We must now executive quickly and effectively in order to take full advantage of our position.

S Cracknell
Chief Executive
3 September 2021

Richard Bernstein – Non-Executive Chairman

Richard Bernstein qualified as a chartered accountant in 1989 and between 1994 and 1996 ran his own specialist research house, Amber Analysis. Amber Analysis provided a risk management service for UK institutions managing over £100 billion in assets. Mr Bernstein subsequently joined Schroder Securities as an equities analyst and became the Chief Executive Officer of AIM-listed Eurovestech plc, a high technology development capital fund. In 2008, Mr Bernstein was appointed as an investment manager of Crystal Amber Fund Limited, an AIM-listed activist fund investing predominately in small to mid-cap UK equities.

Steven Cracknell – Chief Executive Officer

Steve began his career with Thomson Reuters before being headhunted to work at Goldman Sachs. Steve worked at Goldman Sachs for nearly 10 years developing strategic analytical tools for use across the global investment bank, from Sales and Trading applications to front end website optimisation for clients. Steve latterly led a global sales team for Goldman Sachs in relation to Sales Technology before he left to become an entrepreneur. Steve subsequently moved to California to become CPO and then CEO of Zenti, Inc, a Silicon Valley based tech-start-up focussing on big data analytics solutions, utilising human pattern recognition and machine intelligence. The products he designed helped analyse millions of documents to surface patterns of behaviour and human intent.

These products were successfully used by The United States Senate (Permanent Subcommittee for Investigation) as part of a major financial fraud investigation and the National Veterans Foundation for a Veteran Suicide Prevention campaign. Steve left Zenti in 2016 to focus on artificial intelligence and machine learning within the financial markets space, before co-founding Insight with Warren Pearson in 2017.

Warren Pearson – Chief Technical Officer

Warren began his career working as a programmer for the British Civil Service in 1992, before writing code in the telecoms industry and then for a series of investment banks. Moving to Goldman Sachs in 1999, he worked initially in Global Economic Research in London and subsequently for the Firmwide Internet Group in New York. His principal responsibilities were to develop and support the firm’s institutional client-facing website, and to oversee the digital distribution of all client research globally.

Warren left Goldman Sachs in 2011 after 12 years to pursue freelance projects for clients including Barclays and the London Stock Exchange. In 2013, Warren joined Steve Cracknell at Zenti Inc, a Silicon Valley based tech-start-up as DevOps Engineer, strengthening the company’s artificial intelligence and machine learning capabilities. In 2017, Warren co-founded Insight with Steve Cracknell and assumed the role of Chief Technical Officer, overseeing the company’s software engineering proposition.

Peter Rutter - Non-Executive Director

Peter is head of equities at Royal London Asset Management (RLAM) responsible for a team of 30+ investment professionals managing in excess of £50bn. He is also head of the global equities investment team, and a senior portfolio manager with over 19 years’ of investment experience.

Peter has had senior leadership and investment roles prior to RLAM at Waverton Investment Management and IronBridge Capital Management. These roles have included leading the development of asset management proprietary data and quantitative toolsets. He began his career in Equities at Deutsche Asset Management in 2002.

Peter graduated from Christ’s College, Cambridge University. He is a CFA charter holder and a Chartered Global Management Accountant (CGMA).

John Murray - Non-Executive Director

John Murray has decades of experience in communications and financial services. He is a former Managing Director at Credit Suisse Group AG and senior adviser to the Group CEO. He joined Credit Suisse in 2015 from Prudential plc, where he served as Group Director of Communications, and was a member of the Group Executive Committee. John was previously Director of Communications at the Financial Services Authority from 2006 to 2010. John also had a successful career in journalism, culminating in the role of Executive Editor of the Express Group. He subsequently became Director of Strategy and Communications at Telewest plc (now part of Virgin Media), then a founding partner of leading financial PR consultancy Powerscourt Group. As well as his role at Insig AI, John is a senior advisor to AIM-listed activist fund Crystal Amber, Governor of the Royal Irish Academy of Music, and was a Trustee of the Barbican Centre for seven years to May 2021.

Ashley Humphrey – Chief Financial Officer (Non-Board)

Ashley began her career at Aon Corporation based in Chicago, USA, where she held the position of Financial Specialist for Global Corporate Real Estate. She subsequently moved to Hong Kong with Aon to align local countries and global corporate teams across the Aon network and implement new financial structures. Following her period in Hong Kong, Ashley moved to Singapore and oversaw Aon's accounts reporting for total operating revenue of $1bn annually. Latterly Ashley moved to London with Aon to become a Head of Finance EMEA. Whilst at Aon she gained qualifications as a Certified Public Accountant, Certified Management Accountant and a Chartered Global Management Accountant.

Jaco Venter – Head of Asset Management and Data Science (Non-Board)

Jaco has over 20 years' experience in Asset Management and Quantitative Analytics. He began his career as Lecturer: Quantitative Techniques before moving to banking and financial markets where he spent most of his career as Quantitative Analyst at JP Morgan Investment Bank, Director at Crux Capital Management and Senior Portfolio Manager at JP Morgan Asset Management in London. Jaco, CFA charter holder and Chartered Alternative Investment Analyst, graduated with a degree in Mathematical Statistics.

Sachin Kachhla – Director of Sales (Non-Board)

Sachin joined Insig as Director of Sales in February 2021. Based in New York, Sachin is an experienced sales executive, most recently holding the position of Managing Director, Head of Sales for Indus Valley Partner, New York, USA. Sachin specialises in sales of financial technology for the alternative and traditional asset management space. Prior to Indus Valley Partners, Sachin held the position of Director of Business Development Eze Software Group and brings over 20 years of experiences in sales roles.

Company Number 03882621

The Directors present their report and financial statements for the Group for the 15 month period ended 31 March 2021.

Company's change of name and change of accounting reference date

The Company changed its name from Catena Group Plc and extended its accounting date to 31 March to bring its accounting date in line with the accounting reference date of Insig Partners Limited (formerly Insight Capital Partners Limited) acquired through a reverse takeover in May 2021.

Results and dividends

The loss of the Group before and after tax is given on page 28. The Directors do not recommend the payment of a dividend.

Directors

The Directors holding office during the period under review:

M Farnum-Schneider	Resigned – 12 August 2021
R L Owen	Resigned – 25 March 2020
J Murray	Appointed – 27 May 2020
D Hillel	Resigned -10 May 2021
J Zucker	Resigned – 10 May 2021
D Coldbeck	Resigned – 10 May 2021

The following Directors were appointed post year-end:

S Cracknell	Appointed – 10 May 2021
W Pearson	Appointed – 10 May 2021
R Bernstein	Appointed – 12 August 2021

Directors' interests

At the date of this report the Directors holding office in the period held the following beneficial interests in the ordinary share capital:

	Ordinary shares No.	Share options & warrants
M Farnum-Schneider	100,000	4,000,000
D Hillel	109,607	-
J Zucker	449,373	-
D Coldbeck	100,000	-
J Murray	40,000	-

Substantial Interests

At the date of this report, the following had notified an interest of 3% or more in the ordinary share capital of the Company:

	Ordinary shares	Percentage
R Bernstein	12,435,000	12.6
S Cracknell	10,818,293	11.0
N Srinivasan	7,599,936	7.7
A Mann	5,438,600	5.5
M Woodhouse	5,048,537	5.1
W Pearson	4,808,131	4.9
J Venter	3,365,961	3.4

Disclosure of information to the Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

As permitted under s414C(11) certain required Directors' Report disclosures are made in the Strategic Report due to their strategic importance.

By order of the Board.

R Bernstein
Director
3 September 2021

Principal activities, fair review of the business and future developments
The principal activity of Insig AI Plc (the "Company" or the "Group") during the period was the provision of sports coaching in schools. Since the completion of the acquisition of Insight on 10 May 2021, the legacy sports coaching business has continued

The Chairman's and Chief Executive Officer's statements on pages 2 to 4 provide a review of the business and future prospects.

Over the course of the reported period, the Board has implemented a programme of simplification of the group structure, removing those companies in the Group that no longer traded or were inactive by striking them off at Companies House under the provisions of Section 1003 of the Companies Act.

Principal risks and uncertainties
The main business risks to the Group's trading operations during the period under review were:

The Covid-19 pandemic
The pandemic has detrimentally impacted the Group's existing operations in the UK, specifically SSL which was adversely impacted by the closure of schools in the UK. Should Covid-19, a variant thereof, or any other such illness result in further lockdowns of the UK and closure of schools, SSL may suffer loss including, but not limited to, loss of personnel, loss of access to resources, loss of contractors, loss of ability to attract and retain personnel, loss of revenue and profitability.

Credit Risk
Credit risks arise from trade receivables where the party fails to discharge their obligation in relation to the financial instrument. To minimise this risk, management has appropriate credit assessment methods to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports. There is no concentration of credit risk.

Liquidity risk
Liquidity risk arises in relation to the Group's management of working capital and the risk that the Company or any of its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and working capital requirements are regularly reviewed by management. Further explanation of these risks is set out in note 27 to the financial statements.

The Group also recognises several additional risks that arise with the newly acquired business operation, these include:

Customer concentration
The Group is dependent on certain key customers who may seek lower prices or may reduce their demand for the Insig AI software or services provided. The Group plans to extend its offerings to as many new customers as possible and has built a strong and diverse sales pipeline to mitigate customer concentration risk.

IP rights and know-how of employees
The Group's ability to protect its intellectual property rights, its brand, and to preserve the confidentiality of its own know-how and business information.

Rights over intellectual property are protected by registering patents and trademarks whenever considered applicable. All personnel are made aware of the importance of business confidentiality in relation to both know-how and business information generally.

Dependence on key personnel
The newly acquired business relies on its senior management team. If the business was unable to retain its current personnel and hire additional personnel with the requisite skills and experience, its ability to implement its growth strategy and compete in its industry could be harmed.

Whist all businesses are dependent on key personnel, the Group also has access to external services that could, if needed, provide the required skills to assist senior management.

Information technology ("IT") / cyber security breaches
The Group relies on IT systems to conduct its operations. Accordingly, Insig and its software may be at risk from cyber-attacks. Cyber-attacks can result from deliberate attacks or unintentional events and may include (but are not limited to) third parties gaining unauthorised access to software for the purpose of misappropriating financial assets, IP or sensitive information, corrupting data, or causing operational disruption. If a cyber-attack occurred, it could expose both the business and the Company to potential financial and reputational harm.

The Board continually monitor their computer software protection systems to minimise this risk.

Requirement for future R&D investment and availability of working capital given current cash burn of business
To remain competitive, the Board recognises that investment in research and development ("R&D") may result in increased pressure on working capital. Working capital levels are constantly monitored by means of budgetary and financial controls.

Without R&D expenditure, the business may suffer if it is unable to successfully introduce new products to the market in a timely fashion or if any new or enhanced products or services are introduced by its competitors that its customers find more advanced and better suited to their needs. As such, the Board closely monitors investment in R&D and working capital levels.

New competition
The business is primarily focused on the financial services sector which is highly competitive. Whilst the current and future suite of products will be highly valued by certain financial services companies, other software development companies may look to enter the market with competing technologies.

Management looks for signs of increased competition and actions by competitors or customers that could have an adverse effect on the Group's financial performance, hinder growth and affect future sales volumes and margins.

Going Concern

In accordance with the Financial Reporting Council's 'Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks' (issued April 2016), the Directors are required to provide disclosures regarding the going concern basis of accounting.

The Directors have prepared financial forecasts covering the 12 months following approval of these financial statements including different scenarios to demonstrate how costs can be managed if forecast revenue were to be delayed by six months such that the Enlarged Group will remain cash positive.

The Company is currently in a negative cash flow situation albeit this is improving following the award of two important new sales agreements in July and August 2021. The Group is pursuing a number of significant sales leads and the Directors have prepared forecasts to which they believe take prudent assumptions and that a number of these targets will be converted. This is expected to result in a positive net cash flow for the Group and demonstrates that the Group will be able to operate within its current available cash resources.

The Directors are not able to predict ongoing developments in relation to the global Covid-19 pandemic and whether the current plans for the provision of sports education will continue as planned, or indeed whether school closures could be imposed in the future. Any curtailment of activities would impact cash flows generated by SSL and, if the curtailment were wide-spread and long-term, could cast doubt on the Group's ability to continue as a going concern without further external funds being raised or government support. This could also impact the carrying value of the investment by the parent Company in its subsidiary companies.

While there can be no certainty as to the timing or quantum of future sales wins and any significant delays in converting these will lead to pressure on available cash resources, the Directors feel confident that adjustments could be made to reduce the cash burn. If anticipated sales are delayed or if Covid-19 impacts sales, the Directors will take actions to reduce costs, principally relating to reducing spend on product development and they believe that there is sufficient flexibility in the cost structure to manage costs within current resources. This position will be carefully managed by the Board and conversion of sales leads and costs closely monitored.

Based on the forecasts prepared by the Directors, the Board consider it reasonable to conclude that the group will be able to continue to operate as going concern.

Subsequent events

Post year end the Company proceeded to undertake an acquisition of Insight Capital Partners which was in part settled through the issue of shares in the Company as consideration. At the same time convertible loan notes totalling £500,000 were converted to 2,000,000 shares at £0.25. There was also a share placing that raised capital of £6,100,000 before expenses, which was utilised as part consideration for the acquisition of Insight Capital as well as to raised capital to support the development and working capital needs of the Company. Further to the acquisition of Insight Capital, the Company changed its name to Insig alongside changes to the Board, as discussed in the Chairman's Statement on pages 2 to 3.

Following the acquisition, the Company has released several announcements regarding client wins including the announcement of the CarVal Clean CLO Product Line on 23 July 2021 and the CarVal HY and IG Product Lines Partnership on 17 August 2021.

The Company has also incorporated a US subsidiary, Insig AI Corporation, incorporated in Delaware to assist with the current and future US client base.

Environmental, Social and Governance policy

The Board believes that businesses have a responsibility to behave sustainably and responsibly and understand that the Company must 'walk the talk' on Environmental, Social and Governance ("ESG") matters. The Group has developed a tool to support ESG research and analysis to drive transparency and evidence-based decision making in the sustainable investment space. It is expected that the information provided by this tool will ultimately facilitate investment support into companies with better ESG credentials and a macro environment that will benefit all parties. The Company has an approach to Information Security Management System (ISMS) which supports the governance and oversight of critical incident risk management and systemic risk management which covers both data privacy and security. The Company does not use any of its users' data for secondary purposes and has not had any incidents or legal proceedings associated with data privacy. As innovators in software development, the Company depends on the skilled technical knowledge of its staff and their wellbeing and retention are a priority.

Although the Board believes the nature of its activities has a minimal effect on the environment, it recognises its environmental responsibilities and the importance of reducing any adverse impacts on its operations and will continue to seek to emphasise its commitment to sustainable resources, eliminating waste, enhancement of employee wellbeing and operating ethically across all the various jurisdictions in which it operates.

Health and safety

The Company as a whole recognises the importance of safeguarding the health, safety and welfare of all clients and employees. SSL in particular has the following policies in place:

- SSL follows a health and safety policy for venues and children. All venues are risk assessed prior to the activity commencing ensuring the correct measures are taken to provide a safe area of practical work.
- SSL obtains copies of a school's H&S policy before commencing the provision of service.
- All staff are fully enhanced DBS checked every 3 years which is common practice working with children. These checks and applications are carried out by SSL.
- SSL staff are First Aid qualified and safeguard trained every three years with annual courses arranged to refresh and share best practice.
- Before bookings for children on courses, enquiries are made and notes taken in relation to children with special needs or disabilities thus ensuring measures are in place to allow safe participation.

SECTION 172 STATEMENT

This section serves as our section 172 statement and should be read in conjunction with the rest of the Strategic Report set out on pages 9 and 12 (inclusive) and the Corporate Governance Statements on pages 13 and 18 (inclusive). The Directors are fully aware of their duty to promote the success of the Company in accordance with section 172 of the Companies Act 2006. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of shareholders and employees, considered the key stakeholders of the Company, in their decision making.

S Cracknell
Chief Executive
3 September 2021

Chairman's Introduction

The Company has adopted the QCA Governance Code (the "QCA Code") as the basis of the Company's governance framework. It is the responsibility of the Board led by the Chairman to ensure that the Company is managed for the long-term benefit of all shareholders and stakeholders, with effective and efficient decision-making. Corporate governance is an important aspect of this, reducing risk and adding value to our business.

The Directors acknowledge the importance of the ten principles set out in the QCA Code and, in this section, the Company's current approach to complying with those principles is set out.

R Bernstein – Chairman

The QCA Code identifies 10 principles that they consider to be appropriate and asks companies to provide an explanation on how they meet those principles. The Board has considered these principles and how the Company meets them given the size of the Company. The results of our review are set our below.

In the period under review, the Group continued to focus on developing the business of SSL and continuing to carefully appraise all acquisition opportunities. However, in early 2020, the Company outlined a re-focused strategy toward machine learning and artificial intelligence which began with its March 2020 investment in Insig Partners Ltd (formerly Insight Capital Partners Ltd.). At this time, it does not propose to make amendments to the corporate governance framework it is operating.

These disclosures are set out on the basis of the current Group at the date of this report and the Board highlights where it has departed from the QCA Code presently. The Board will continue to review and develop its governance processes in the coming year where appropriate.

1. Establish a strategy and business model which promotes long-term value for shareholders:

Insig AI's business model is designed to promote long-term value for customers, shareholders and other stakeholders. Its business strategy is the development of Artificial Learning (AL) and Machine Learning (ML) SaaS products and services to enable asset managers to optimise their investment decisions and business performance through the use of enhanced technologies and data science techniques.

The Company has developed a suite of products to support client needs to as they transition to a data-centric and machine learning enabled business model and advance and scale their analytical capabilities driving value, speed and strategic leverage.

As well as executing its new strategic focus in artificial intelligence and machine learning, the Company through its subsidiary Sport In Schools Ltd has a long-established reputation in the field of school sports coaching for children and related activities.

However, the priority of the Group remains focusing on the enormous growth potential in artificial intelligence and machine learning. Following the Company's initial acquisition of a 9.1% stake In Insight Capital Partners Ltd (now known as Insig Partners Ltd) in March 2020, the company completed the acquisition of the remaining shares in May 2021.

2. Seek to understand and meet shareholder needs and expectations:

The Company recognises the importance of engaging with its shareholders and reports formally to them through the publication of its full-year and half-year results and via additional updates throughout the year. The Chairman presents the results to existing shareholders, potential investors, brokers and the media, where appropriate. The Non-Executive Directors are also available to discuss any matter with shareholders.

Meetings with these stakeholders are reported on at monthly board meetings by the Chairman to ensure that shareholders' views are communicated. This process enables the Board to be kept aware of shareholders' opinions on strategy and governance, and for them to understand any issues or concerns.

Shareholders are encouraged to attend the annual general meeting at which the Company's activities and results are considered, and questions answered by the Directors. General information about the Company is also available on the Company's website: https://insg.ai.

Since January 2020, the Board of Insig AI has announced detailed results of shareholder voting to the market shortly after each shareholder vote.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success:

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. The Company is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups, which include the Company's employees, customers, suppliers, and regulatory authorities.

The Company's operations take account of the need to balance the needs of all stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Company for the benefit of its shareholders. The Company endeavours to take account of feedback received from stakeholder groups, making amendments to working arrangements and operational plans where appropriate and where such amendments are consistent with the Company's long-term strategy.

Customer engagement and satisfaction is core to Insig's success; thus, we maintain consistent and constructive dialogue with our clients. We regularly review the customer communication channels and will continue to adapt the customer engagement structure as the Company and its customer base grows to ensure that customer feedback is easily received and addressed.

The Company prioritises the satisfaction and engagement of its employees, particularly as the Company and its employees adapt to the changing work environment brought on by the global Covid-19 pandemic. "All Hands" meetings are held regularly as well as individual employee "check-ins" to ensure employees are kept informed and supported. The Board regularly considers employee issues raised via feedback sessions. The Company has established a share option scheme which allows for employees to share in the creation of long-term shareholder value through the grant of options to employees.

The Company considers its actions and likely impact that they may have on the environment and seeks to mitigate any negative impact wherever practicable. Through the various procedures and operating systems, the Company complies with health and safety, safeguarding, and environmental legislation relevant to its activities.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation:

The Board has overall responsibility for the Group's internal control systems and for monitoring their effectiveness. The Board, with the assistance of the Audit Committee, maintains a system of internal controls to safeguard shareholders' investment and the Group's assets, and has established a continuous process for identifying, evaluating and managing the significant risks the Group faces.

The Directors are responsible for the Group's system of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The key procedures that have been established and which are designed to provide effective internal control are as follows:

- **Management structure** – the Board meets at least 10 times per annum and minutes of its meetings are maintained;
- **Financial reporting** – budgets are prepared annually and then presented to and, if appropriate, approved by, the Board. Forecasts are prepared monthly and presented to the Board. The financial reporting pack is presented to the Board monthly and any material variances from budgeted or forecast to actual results are investigated; and
- **Investment appraisal** – the Company has a clearly defined framework for capital expenditure requiring approval of the Board where appropriate.

Further details of the business risks and how they are mitigated as far as possible are contained in the Strategic Report section of the Annual Report. Both the Board and senior management are responsible for reviewing and evaluating risk on an ongoing basis and the Executive Directors regularly review trading performance, discuss budgets and forecasts and any new risks associated with trading, the outcome of which is reported to the Board.

5. Maintain the Board as a well-functioning, balanced team led by the Non-Executive Chair:

The members of the Board have a collective responsibility and legal obligation to promote the interests of the Company and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chairman of the Board.

The QCA Code requires that the Boards of AIM companies have an appropriate balance between executive and non-executive Directors of which at least two should be independent. The Board has considered its current establishment – being three non-executive directors, and two executive Directors – and is satisfied it meets this requirement. In May 2020, the Board appointed John Murray to act as a non-executive Director. In May 2021, the Board appointed Peter Rutter to act as a non-executive Director. In August 2021, the Board appointed Richard Bernstein to act as the interim non-executive Chairman and Director. John Murray and Peter Rutter are considered to be independent.

The Board is supported by two committees, the Audit and Risk Committee and the Remuneration Committee. In August 2021, the Board appointed Richard Bernstein to act as the non-executive Chairman.

The Non-Executive Chairman is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role, setting its agenda and ensuring that the Directors receive accurate, timely and clear information. He also ensures effective communication with shareholders and facilitates the effective contribution of the other Non-Executive Directors. The Company is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders.

Non-executive Directors are required to attend all Board and Board Committee meetings convened each year and to be available at other times as required for face-to-face and virtual meetings with the executive team and investors.

To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board and Committee meetings. All Directors also have access to the advice and services of the Chief Financial Officer. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

The Board is responsible to the shareholders and sets the Company's strategy for achieving long-term success. It is ultimately responsible for the management, governance, controls, risk management, direction and performance of the Company. Details of the composition of the Board and senior management are set out on pages 5 to 6 this report.

Meetings held during the period under review (15- month period ended 31 March 2021) and the attendance of Directors is summarised below:

	Matthew Farnum-Schneider	John Murray	Richard Owen	David Hillel	John Zucker	David Coldbeck
Board Meetings	19	9	9	20	20	19
Audit Committee	N/A	1	N/A	N/A	3	3
Time Commitment	Full-time	1-2 days per month	1-2 days per month	2-3 days per month	1-2 days per month	1-2 days per month

The Board is responsible to the shareholders and sets the Group's strategy for achieving long-term success. It is ultimately responsible for the management, governance, controls, risk management, direction and performance of the Group.

Further details of the composition of the Board is given in the Directors Report.

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities:

The board currently comprises two Executive and three Non-Executive Directors with an appropriate balance of sector, financial and public market skills and experience as referred to in the Board of Directors' biographies on pages 5 to 6.

The experience and knowledge of each of the Directors gives them the ability to constructively challenge the strategy and to scrutinise performance. The Board also has access to external advisors where necessary.

The Directors are consistently updated on the Group's and Company's business and operations, and legal, regulatory and governance requirements through briefings and meetings with senior executives and advisers.

The Company's Nominated Adviser assists with AIM and related regulatory matters and ensures that all Directors are aware of their responsibilities. The Directors also have access to the Company's lawyers and auditors as and when required and can obtain advice from other external bodies when necessary.

Board composition is always a factor for contemplation in relation to succession planning. The Board will seek to take into account any Board imbalances for future nominations as well as board independence.

The Company considers that at this stage of its development and given the current size of its Board, it is not necessary to establish a formal Nominations Committee. Instead, appointments to the Board are made by the Board as a whole. This position, however, is reviewed on a regular basis by the Board.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement:

Given the small size and complexity of the Company, the Board has not appointed external consultants to evaluate the performance of the Directors and board overall. The Board will continue to review this requirement as the size and the complexity of the Company evolves. Following the departure of Matthew Farnum-Schneider, the Board intends to conduct an internal evaluation

8. Promote a corporate culture that is based on ethical values and behaviours:

The Board and executive management are committed to maintaining the highest standards of integrity in the conduct. Culture is key to successfully implementing the Company's strategy and achieving its objectives.

The executive management consistently reviews its employee training and communication practices to ensure these values continue to form an integral part of the day-to-day operations and that any misalignment is rapidly addressed.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board:

The Non-Executive Chairman ensures effective communication with shareholders. The Company's Chief Executive, Steve Cracknell, is responsible for the operational management of the Company and the implementation of Board strategy and policy. By dividing responsibilities in this way, no one individual has unfettered powers of decision-making.

The appropriateness of the Board's composition and corporate governance structures are regularly reviewed by the Board as a whole, and these will evolve in parallel with the Company's objectives, strategy and business model.

Board Committees

The Board has established an Audit and Risk Committee and a Remuneration Committee.

The Audit and Risk Committee is comprised of the non-executive Directors and is chaired by Peter Rutter. Its primary responsibility is to monitor the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on, and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of shareholders.

In accordance with the QCA Code, the Audit and Risk Committee meets at least three times a year to review the Company's interim and final results and liaises with the Company's Auditors.

The Remuneration Committee is comprised of the non-executive Directors and is chaired by John Murray. Its primary responsibility is to set the level of remuneration for both Directors and Key management personnel, determining terms and conditions of service, including the grant of share options, having due regard to the interests of shareholders.

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders:

Aside from the distribution to shareholders of an Annual Report and an Interim Report at the half year, shareholders are invited to attend an annual general meeting each year and other meetings where their input and approval is required.

The Company encourages two-way communication with both its institutional and private investors and responds quickly to all queries received. The Chairman is available to the Group's major shareholders and ensures that their views are communicated fully to the Board.

The Board recognises the Annual General Meeting as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the Annual General Meeting.

The Company will disclose outcomes of all votes at general meetings of shareholders in a clear and transparent manner either on the website or via an announcement.

Where a significant proportion of votes (20% of independent votes) have been cast against a resolution at any general meeting, the Company will provide an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Insig AI's website is regularly updated for regulatory announcements and other required information and is accessible online at: https://insg.ai.

The Board has ultimate responsibility for reviewing and approving the Annual Report and Financial Statements and it has considered and endorsed the arrangements for their preparation, under the guidance of its Audit and Risk Committee.

S Cracknell
Chief Executive Officer
3 September 2021

The primary objective of the Audit Committee is to assist the Board in overseeing the systems of internal control and external financial reporting of the Company. It performs this role by taking reasonable steps to establish that:

- the external and internal audit arrangements are appropriate and effective;
- the compliance arrangements are appropriate and effective;
- fraud prevention and whistleblowing arrangements are established, which are designed to minimise potential for fraud and financial impropriety; and
- the annual report and accounts, related internal control disclosures and any other publicly available financial information are reviewed and scrutinised.

The Audit Committee has undertaken this role during the course of the year and reviewed all significant issues concerning the financial statement.

The principal matter the Audit Committee considered concerning the 2021 financial statements was the appropriateness of the going concern assessment after consideration of the impact arising from the Covid-19 on the Company and its group. The Audit Committee has reviewed key management judgement prior to publication of the 2021 financial statements concerning this issue.

Peter Rutter
Audit Committee Chair
3 September 2021

Introduction

As Chair of the Remuneration Committee, I am pleased to present our report setting out Insig's remuneration policy, practice and activities. Although a full remuneration report is not a requirement of an AIM listed company, the Committee has decided that a more comprehensive report supports the good governance objectives of the Company.

This was a year of transition for the Company and the period under review for this report was prior to the completion of the acquisition of Insight and re-listing of the Company. The composition and focus of the Remuneration Committee reflect its role post the re-listing. However, remuneration disclosures below reflect the prior Board as it was constituted as of 31 March 2021.

Committee membership

John Murray – Chair

Members of the Remuneration Committee are appointed by the Board in consultation with the chairperson. The Committee shall have at least two members, all of whom shall be independent Non-Executive Directors. The chairperson of the Board may also serve on the Remuneration Committee as an additional member, but not the chair of the Committee, if he or she is considered independent on appointment to the Board.

Role of the Committee

The Remuneration Committee's primary role is to determine and agree with the Board the framework or broad policy for the remuneration of the Company's chairperson and the executive directors including pension rights and compensation payments. The remuneration of non-executive directors shall be a matter for the Board. No director or senior manager shall be involved in any decisions as to their own remuneration. The Remuneration Committee shall also recommend and monitor the level and structure of remuneration for senior management.

In determining such policy, the Remuneration Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of such policy shall be to attract, retain and motivate the executive management of the Company without paying more than necessary. The remuneration policy shall bear in mind the Company's appetite for risk and be aligned to the Company's long-term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long-term success of the Company.

Directors' Remuneration

The remuneration of the Directors for the period ended 31 March 2021 is shown below.

Salaries and benefits	**Period ended 31 March 2021 £000**	**Year ended 31 December 2019 £000**
R L Owen	5	20
M Farnum-Schneider	313	5
G Simmonds	-	3
D Hillel	9	8
J Zucker	6	5
J Murray	-	-
D Coldbeck	6	5
	339	46

R L Owen resigned from the Board on 30 March 2020 and G Simmonds resigned from the Board on 2 August 2019.

During the period under review R L Owen and G Simmonds – both former Directors of the Company exercised their rights under warrant instruments to subscribe for shares at 10p and 25p per share giving rise to a national insurance cost to the company of £26,000.

There were no Directors' benefits in the 15-month period to 31 March 2021. (12 months to 31 December 2019 -Nil). Defined pension contributions of £2,000 were paid in the 15-month period to 31 March 2021 (12 months to 31 December 2019 - £50) and related to M Farnum-Schneider.

Implementation of Policy for 2021

The Remuneration Committee is actively working with Company management to devise the remuneration policy for the re-listed business, ensuring that the design, targets and performance related compensation schemes support the retention and motivation of senior executives and other employees, whilst promoting the long-term success of the business.

John Murray
Remuneration Committee Chair
3 September 2021

The Directors are responsible for preparing the annual 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 the Directors have, as required by the AIM Rules for Companies, elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 the Group and of the profit or loss of the Group 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 and prudent;
- state whether the financial statements have been prepared in accordance with IFRS's as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of any corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

Opinion

We have audited the financial statements of Insig AI plc (the “Parent Company”) and its subsidiaries (the “Group”) for the period ended 31 March 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and parent company statements of cash flows, the consolidated and parent company statements of changes in equity, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and Parent Company’s affairs as at 31 March 2021 and of the Group’s loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern;
- obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- evaluation the directors' method to assess the Group's and the Parent Company's ability to continue as a going concern;
- reviewing the directors' going concern assessment, which included applying scenario testing of the Group's cash flow under severe but plausible scenarios;
- considering the impact of post balance sheet events, including the acquisition of Insig Partners Limited;
- evaluating the key assumptions used and judgements applied by the directors in forming their conclusion on going concern;
- challenging the inputs into the model and evaluating the sensitivity of this assessment to changes in key underlying assumptions;
- confirming the mathematical accuracy of the models underpinning the directors' going concern assessment; and
- reviewing the appropriateness of the directors' disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit

Our audit approach was based on obtaining a thorough understanding of the Group's business and is risk-based. This included gaining an understanding of the legal and regulatory framework applicable to the Group and Parent Company, the structure of the Group and Parent Company and the business sector in which it operates. We considered the risks of acts by the Group which were contrary to applicable law and regulations including fraud. We designed our audit procedures to respond to those identified risks, including non-compliance with laws and regulations which are material to the financial statements. We focussed on laws and regulations that could give rise to a material misstatement in the financial statements, including but not limited to the Companies Act 2006.

We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks. We also made enquiries of management and reviewed minutes of directors' meetings.

Our tests included, but were not limited to, obtaining evidence about amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities, including fraud or error.

The risks of material misstatement are considered under the heading of "key audit matters" in this report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters below to be key audit matters to be communicated in our report.

Description of Key Audit Matter	**How we responded**
Recognition of revenue	
Under ISA (UK) 240 there is a rebuttable presumed risk that, for any business, revenue may be misstated due to the improper recognition of revenue. As revenue streams are not of a fixed nature , but rather are variable (depending on customer demand) the risk has not been rebutted.	Our audit work included, but was not restricted to: - obtaining an understanding of systems and processes in place to record revenues - completing analytical review on all material income streams - substantive testing of a sample of sales to ensure that income has been recognised in line with applicable accounting standards and the disclosed accounting policy - substantive testing of transactions around the period end and of deferred income to ensure revenue was correctly allocated between accounting periods **Our observations** No material misstatements were identified as a result of the audit procedures performed.

Description of Key Audit Matter	How we responded
Carrying value of investments, inter-company receivables and goodwill	
As the Group has been historically loss making, there is a risk that the carrying value of investments, inter-company receivables and goodwill is overstated.	Our audit work included, but was not restricted to: - reviewing the underlying entities trading performance and net assets against their carrying values in the Company - reviewing and challenging Group forecasts - reviewing post year end board minutes and management accounts **Our observations** No material misstatements were identified as a result of the audit procedures performed.
Management override	
Under ISA 240 (UK) there is a presumed risk that the risk of management override of controls is present in all entities.	Our audit work included, but was not restricted to: - reviewing significant accounting estimates and judgements - substantive testing of journals on a sample basis - introducing an element of unpredictability into our audit work through sampling **Our observations** No material misstatements were identified as a result of the audit procedures performed.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we use to determine the extent of testing needed, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the Group's financial statements as a whole to be £36,000, which is 3.5% of the value of the Group's turnover and 3.5% of the Group's loss for the year. The Parent Company does not trade and has no external sources of finance and hence materiality is assessed in the context of its balance sheet, we considered that the same level of materiality could be applied to the Parent Company, representing 1.2% of the net assets of the Parent Company.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and its activities, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.
We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

We consider that our procedures are sufficient to detect irregularities, including fraud, although they are not designed specifically for the detection of irregularities. The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remains a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of our report
This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Main (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

3 September 2021

	Notes	15 month period ended 31 March 2021 £000	12 month period ended 31 December 2019 £000
Continuing activities			
Revenue	**6**	1,043	**1,683**
Direct costs		(798)	**(818)**
Gross profit		**245**	**865**
Administrative expenses		(1,548)	**(1,052)**
Other operating income	**7**	602	**-**
Operating loss	**8**	**(701)**	**(187)**
Finance income		1	**1**
Finance costs	**11**	(48)	**(2)**
Loss before exceptional item		**(748)**	**(188)**
Exceptional item	**9**	(314)	**-**
Loss before taxation		**(1,062)**	**(188)**
Taxation	**12**	-	**-**
Loss after taxation from continuing activities		**(1,062)**	**(188)**
Loss for the year from discontinued activities		-	**(30)**
Loss for the year and total comprehensive loss		**(1,062)**	**(218)**
Attributable to:			
Equity holders of the parent company		(1,060)	**(213)**
Non-controlling interests		(2)	**(5)**
		(1,062)	**(218)**

Loss per share (basic and diluted)			
Loss from continuing activities per share	**13**	(2.67)p	(0.53)p
Loss from discontinued activities per share	**13**	-	(0.10)p
Loss for the year and total comprehensive loss per share		(2.67)p	(0.63)p

The notes on pages 35 to 59 form part of these financial statements.

	Notes	31 March 2021 £000	31 December 2019 £000
Non-current assets			
Unlisted investments	**16a**	1,500	-
Goodwill and other intangibles	**15**	60	60
Property, plant and equipment	**17**	54	72
Total non-current assets		1,614	132
Current assets			
Trade and other receivables	**18**	397	109
Cash and cash equivalents		935	637
Total current assets		1,332	746
Total assets		**2,946**	**878**
Current liabilities			
Trade and other payables	**19**	566	267
Leasing commitments	**19**	8	8
Convertible unsecured loan notes	**19 and 20**	414	-
Bank loan due within 12 months	**19 and 20**	36	-
Total current liabilities		1,024	275
Non-current liabilities			
Leasing commitments	**19 and 20**	38	49
Bank loan due after 12 months	**19 and 20**	204	-
Total non-current liabilities		242	49
Total liabilities		**1,266**	**324**
Net assets		**1,680**	**554**
Equity			
Share capital	**22**	2,480	2,409
Share premium account	**23**	3,040	1,048
Other reserves	**23**	102	-
Merger reserve	**23**	326	326
Retained earnings		(4,202)	(3,165)
Equity attributable to shareholders of the parent company		**1,746**	**618**
Non- controlling interests		(66)	(64)
Total Equity		**1,680**	**554**

The financial statements were approved and authorised for issue by the board on 3 September 2021 and signed on its behalf by

S Cracknell
Director

R Bernstein
Director

Company registration number 03882621
The notes on pages 35 to 59 form part of these financial statements.

	Share capital £000	Share premium £000	Other reserves £000	Merger reserve £000	Retained earnings £000	To equity holders of the parent company £000	Non-controlling interest £000	Total £000
Balance at 1 January 2019	2,389	782	-	326	(2,980)	**517**	(59)	458
Adjustment for the adoption of IFRS 16 in relation to leased assets	-	-	-	-	9	**9**	-	9
Issue of new shares	20	270	-	-	-	**290**	-	290
Share issue costs	-	(4)	-	-	-	**(4)**	-	(4)
Share based payments	-	-	-	-	19	**19**	-	19
Loss for the year	-	-	-	-	(213)	**(213)**	(5)	(218)
Reserves at 1 January 2020	2,409	1,048	-	326	(3,165)	**618**	(64)	554
Issue of new shares	71	1,992	-	-	-	**2,063**	-	2,063
Share issue costs	-	-	(22)	-	-	**(22)**	-	(22)
Share based payments	-	-	-	-	23	**23**	-	23
Equity component of convertible loan notes issued in the period	-	-	124	-	-	**124**	-	124
Loss for the period	-	-	-	-	(1,060)	**(1,060)**	(2)	(1,062)
At 31 March 2021	**2,480**	**3,040**	**102**	**326**	**(4,202)**	**1,746**	**(66)**	**1,680**

The notes on pages 35 to 59 form part of these financial statements.

	Notes	31 March 2021 £000	31 December 2019 £000
Non-current assets			
Unlisted investment	**16a**	1,500	-
Investments in subsidiaries	**16b**	220	506
Total non-current assets		1,720	506
Current assets			
Trade and other receivables	**18**	685	329
Cash and cash equivalents		484	511
Total current assets		1,169	840
Total assets		**2,889**	**1,346**
Current liabilities			
Trade and other payables	**19**	304	313
Convertible unsecured loan notes	**19 and 20**	414	-
Total current liabilities		718	313
Total liabilities		**718**	**313**
Net assets		**2,171**	**1,033**
Equity			
Share capital	**22**	2,480	2,409
Share premium account	**23**	3,040	1,048
Other reserve	**23**	102	-
Merger reserve	**23**	326	326
Retained earnings		(3,777)	(2,750)
Total equity		**2,171**	**1,033**

The financial statements were approved and authorised for issue by the board on 3 September 2021 and signed on its behalf by:

S Cracknell
Director

R Bernstein
Director

Company registration number 03882621

The notes on pages 35 to 59 form part of these financial statements.

	Share capital £000	Share premium £000	Other reserves £000	Merger reserve £000	Retained earnings £000	Total £000
At 1 January 2019	**2,389**	**782**	**-**	**326**	**(2,535)**	**962**
Issue of new shares	20	270	-	-	-	290
Share issue costs	-	(4)	-	-	-	(4)
Share based payments	-	-	-	-	19	19
Loss for the year	-	-	-	-	(234)	(234)
At 1 January 2020	**2,409**	**1,048**	**-**	**326**	**(2,750)**	**1,033**
Issue of new shares	71	1,992	-	-	-	2,063
Share issue costs	-	-	(22)	-	-	(22)
Share based payments	-	-	-	-	23	23
Equity component of convertible loan notes issued in the period	-	-	124	-	-	124
Loss for the period	-	-	-	-	(1,050)	(1,050)
At 31 March 2021	**2,480**	**3,040**	**102**	**326**	**(3,777)**	**2,171**

The notes on pages 35 to 59 form part of these financial statements.

	Note	15 month period ended 31 March 2021 £000	12 month period ended 31 December 2019 £000
Cash flow from all operating activities			
Loss before taxation from continuing activities		(1,062)	(188)
Loss before taxation from discontinued activities		-	(30)
		(1,062)	(218)
Adjustments for:			
Finance income		(1)	(1)
Finance expense		48	2
Share based payments		23	19
Depreciation		20	19
Operating cash flow before working capital movements		(972)	(179)
Increase in receivables		(288)	(20)
Increase in payables		299	27
Net cash absorbed by operations		**(961)**	**(172)**
Taxation		**-**	**-**
Cash flow from investing activities			
Investment in unlisted shares		(1,500)	-
Finance income		1	1
Property, plant and equipment acquired		(2)	(3)
Net cash absorbed by investing activities		**(1,501)**	**(2)**
Cash flow from financing activities			
Funds from share issues		2,063	286
Share issue costs incurred relating to shares issued post year end		(22)	-
Funds from convertible unsecured loan notes issued		500	-
Funds from bank loan		240	-
Finance expense		(10)	(2)
Repayment of leasing liabilities and borrowings		(11)	(8)
Net cash from financing activities		**2,760**	**276**
Net increase in cash and cash equivalents in the year	**28**	**298**	**102**
Cash and cash equivalents at the beginning of the year		637	535
Cash and cash equivalents at the end of the year		**935**	**637**

A statement of cash flows from discontinued activities is set out in note 28 (b).

The notes on pages 35 to 59 form part of these financial statements.

	Notes	15 month period ended 31 March 2021 £000	12 month period ended 31 December 2019 £000
Cash flow from operating activities			
Loss before tax		(1,050)	(234)
Adjustments for:			
Finance income		(21)	(19)
Finance expense		38	-
Share based payments		23	19
Indebtedness with subsidiaries (waived) / written off		(193)	82
Investments in subsidiaries written off		192	-
Operating cash flow before working capital movements		(1,011)	(152)
Increase in receivables		(335)	(32)
Increase / (decrease) in payables		277	(6)
Net cash absorbed by operations		**(1,069)**	**(190)**
Cash flow from investing activities			
Investment in unlisted shares		(1,500)	-
Finance income		1	1
Net cash (absorbed)/generated from investing activities		**(1,499)**	**1**
Cash flow from financing activities			
Funds from share issues		2,063	286
Share issue costs incurred relating to shares issued post year end		(22)	-
Funds from 2023 convertible unsecured loan notes		500	-
Net cash from financing activities		**2,541**	**286**
Net increase in cash and cash equivalents in the year	**28**	**(27)**	**97**
Cash and cash equivalents at the beginning of the year		511	414
Cash and cash equivalents at the end of the year		**484**	**511**

The notes on pages 35 to 59 form part of these financial statements

1. General information

Insig AI plc is a public company limited by shares, domiciled and incorporated in England and Wales and its activities are as described in the strategic report on pages 9 to 12.

These financial statements are prepared in pounds sterling being the currency of the primary economic environment in which the Group operates. Monetary amounts are rounded to the nearest thousand.

2. Basis of Accounting

The consolidated financial statements of the Group and the financial statements of the parent company for the 15-month period ended 31 March 2021 have been prepared under the historical cost convention and are in accordance with International Financial Reporting standards ("IFRS") as adopted by the EU. These policies have been applied consistently except where otherwise stated.

In preparing these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 January 2020. The adoption of new standards and interpretations in the year has not had a material impact of the Group's financial statements.

There are no new standards, amendments or interpretations to existing standards that have been published and that are mandatory for the Group's accounting periods beginning on or after 1 April 2021, or later periods, that have been adopted early and there are no new Standards amendments or interpretations that will materially affect the Group's financial statements.

3. Significant accounting policies

(a) **Basis of consolidation**

The financial statements of the Group incorporate the financial statements of the Company and entities controlled by the Company, which are its subsidiary undertakings, in accordance with IFRS 10. Control is achieved where the Company has the power to govern the financial and operating policies of its subsidiary undertakings to benefit from their activities.

Details of subsidiary undertakings are set out in note 16 B.

All intra-group transactions and balances have been eliminated in preparing the consolidated financial statements.

(b) **Revenue recognition**

Revenue arises from income from sports and leisure activities undertaken by the Group; representing invoiced and accrued amounts for services supplied in the year, exclusive of Value Added Tax.

Consideration received from customers in respect of services is only recorded as revenue to the extent that the Group has performed its contractual obligations in respect of that consideration. Management assesses the performance of the Group's contractual obligations against the sports and leisure activities as they are delivered.

Revenue from sports and leisure activities is recognised as the activity is provided, with payment due in advance of the performance obligations.

3. Significant accounting policies (continued)

The IFRS 15 practical expedient has been applied whereby the promised amount of consideration has not been amended for the effects of a significant financing component as at the contract inception there are no contracts where the period between transfers of promised services and customer payment is expected to exceed one year.

Under the Group's standard contract terms, customers may be offered refunds for cancellation of sports and leisure activities. It is considered highly probable that a significant reversal in the revenue recognised will not occur given the consistent low level of refunds in prior years.

(c) **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

(d) **Intangible assets**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of subsidiary entities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS's has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Development costs are expensed in arriving at the operating profit or loss for the year unless the Directors are satisfied as to the technical, commercial and financial viability of individual project. In this situation, the expenditure is recognised as an asset and is reviewed for impairment on an annual basis.

Any impairment is recognised immediately in the income statement in administrative expenses and is not subsequently reversed.

3. Significant accounting policies (continued)

(e) **Plant and equipment**

Plant and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less their estimated residual value over their expected useful lives.

The rates applied to these assets are as follows:

Plant & equipment	25% & 10% straight line
Motor vehicles	33.3% - straight line

(f) **Operating leases**

Assets held under leases are recognised as assets of the Group at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between interest expenses and capital redemption of the liability. Interest is recognised immediately in the Consolidated Income Statement, unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Exemptions are applied for short life leases and low value assets, with payment made under operating leases charged to the Consolidated Statement of Comprehensive Income on a straight-line basis of the period of the lease.

(g) **Deferred taxation**

Deferred taxation is provided in full in respect of timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance is not discounted.

The recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

(h) **Trade receivables**

Trade receivables are recognised at fair value. A provision for impairment of trade receivables is established where there is objective evidence that the company or Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or liquidation and default or delinquency of payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectable it is written off against the allowance account for trade receivables.

(i) **Investments**

Investments in subsidiary and other undertakings are stated at cost less provision for impairment in the parent company balance sheet.

(j) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown as borrowings within current liabilities.

3. Significant accounting policies (continued)

(k) **Financial liabilities and equity**

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

Ordinary shares are classified as equity. Incremental costs directly attributable to new shares are shown in equity as a deduction from the proceeds.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

(l) **Compound instruments**

The component parts of compound instruments (convertible loan notes) issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual agreement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest rate method until extinguished on conversion or at the instruments maturity date. The equity component is determined by deducting the amount of the liability component from the compound financial instrument as a whole. This is recognised and included in equity and is not subsequently re-measured.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's financial statements requires the Directors to make judgements, estimates and assumptions that effect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on the Director's best knowledge of the relevant facts and circumstances. Information about such judgements and estimation is contained in the accounting policies and/or notes to the financial statements.

Deferred tax asset

At the present time the Directors' do not consider that there is sufficient certainty regarding the utilisation of tax losses available in the Group. As a result, no deferred tax asset has been recognised.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill is the deemed cost on first time application of IFRS.

Details of the carrying value of goodwill at the period end and the impairment review calculation are given in note 15.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of intangible assets

The carrying value of intangible assets comprising unamortised website costs are determined by reference to an assessment of future income generated by the UltimatePlayer.me platform. Having regard to the Board's decision in 2017 to delay future plans for further website development, all unamortised costs have already been fully impaired.

Compound instruments

The allocation of the amount advanced between debt and equity is determined by the prevailing market interest rate for a similar non-convertible instrument. Clearly there is no one market rate that applies and the rate will also be driven by commercial considerations such as the risk perceived by the market in the issuing entity. The Directors have applied an interest rate of 10% as affair assessment of a prevailing market rate. See note 20 for details of the carrying value.

Valuation of share-based payments

The Company has granted options to acquire its shares to a Director. On valuing the fair value of the share options granted and hence the cost charged to profit or loss, judgements are required regarding key assumptions applied. See note 26 for further information relating to the assumptions applied.

5. Going concern

The Directors have prepared financial forecasts covering the 12 month period following approval of these financial statements including different scenarios to demonstrate how costs can be managed if forecast revenue were to be delayed such that the Enlarged Group will remain cash positive.

The Enlarged Group is currently operating with expenditure exceeding revenues, but has recently signed a major contract already announced by Insig and the customer, which will alleviate, but not eliminate, the rate cash is absorbed. The Company is pursuing several significant sales leads and the Directors have prepared sales forecasts adopting prudent assumptions showing that provided a number of these target customers convert into contracts, additional revenues will produce a positive cash flow for the Company over the next 12 months.

Should anticipated sales be delayed or if Covid-19 impacts sales, the Directors will consider implementing measures to reduce costs that would include deferring product development expenditure and they believe that there is sufficient flexibility in the Group's cost structure to manage operating costs within current cash resources. This position will be carefully managed by the Board and conversion of sales leads and costs closely monitored to ensure that the Group can continue to meet its liabilities as they fall due.

So far as the Group's sports coaching business is concerned, the re-opening of schools in September 2020 has meant revenues have begun to recover and forecasts prepared by SSL management show SSL returning to profit and remaining cash positive.

Based on the forecasts prepared by the Directors, the Board consider it reasonable to conclude that the Group will be able to continue to operate as going concern.

6. Business segment analysis

Business segments are identified according to the different trading activities in the Group.

During the 15-month period, the Group's only trading segment was its sports and leisure activities, comprising sports tuition at schools representing its revenue of £1,042,000 (12 months to 31 December 2019 - £1,683,000) and profit of £42,000. (12 months to 31 December 2019 - £120,000).

All revenue was generated in the UK.

7. Other operating income

	Period ended 31 March 2021 £000	Year ended 31 December 2021 £000
Coronavirus Job Retention Scheme	575	-
Local Government grants	20	-
Government support towards CBILS loan interest	7	-
	602	-

The Coronavirus Job Retention Scheme is a government grant relating to a wage subsidiary programme introduced in the UK in response to the Covid-19 pandemic. The Group was entitled to the wage subsidy because of reduced operations in the UK resulting from the pandemic. The accounting policy as set out in note 3 to the financial statements; the grant is recognised as other operating income and the related wages and salaries for furloughed employees were recognised in direct costs and administrative expenses in the consolidated statement of comprehensive income.

8. Operating loss

The operating loss is stated after charging	Period ended 31 March 2021 £000	Year ended 31 December 2019 £000
Auditors' remuneration – audit services	21	19
Operating lease rentals – land and buildings	41	16
Depreciation of property, plant and equipment	19	19

Included in the audit fee for the group is an amount of £9,000 (2019: £7,000) in respect of the Company.

The auditors received fees of £3,000 (12 months to 31 December 2019 - £1,000) in respect of the provision of services in connection with advice relating to the Group's interim results, and general advice.

9. Exceptional Item

During the 15-month period ended 31 March 2021, the Group incurred professional fees of £336,000 in relation to the acquisition of the remaining share capital of Insight.

Included in that cost were professional fees of £314,000 attributable to the reverse takeover and readmission to trading on AIM, which are recognised as an exceptional cost in the Consolidated Statement of Comprehensive Income. Fees of £22,000 relating directly to shares issued post year end have been recognised as a deduction from reserves, to be aggregated with other share issue costs post year end. Further information relating to share issue costs and professional fees incurred after date are given in note 29 relating to post balance sheet events.

10. Staff Costs

Group Employee and benefits costs were as follows:

	Period ended 31 March 2021 £000	Year ended 31 December 2019 £000
Wages and salaries	1,643	1,271
Social security costs	108	74
Pension contributions	29	22
Share based payment – share options	23	19
	1,803	1,386

The average numbers of employees, including Directors during the period were

	No.	No.
Directors of the Company	5	6
Directors of subsidiary undertakings	2	2
Senior management and operatives	4	2
Sports coaches	98	117
Sales	1	3
Administration	3	3
Average number of personnel in the year	113	133

The following amounts were paid for the services of the Directors in the period:

Salaries and benefits	Period ended 31 March 2021 £000	Year ended 31 December 2019 £000
R L Owen	5	20
M Farnum-Schneider	313	5
G Simmonds	-	3
D Hillel	9	8
J Murray	-	-
J Zucker	6	5
D J Coldbeck	6	5
	339	46

During the period under review R L Owen and G Simmonds, both former Directors of the Company, exercised their rights under warrant instruments to subscribe for shares at 10p and 25p per share giving rise to a national insurance cost to the company of £26,000.

There were no Directors' benefits in the 15-month period to 31 March 2021 (12 months to 31 December 2019 - Nil).

Defined pension contributions of £2,000 were paid in the 15-month period to 31 March 2021 (12 months to 31 December 2019 – less than £1,000) and related to M Farnum-Schneider.

11. Finance costs

	Note	Period ended 31 March 2021 £000	Year ended 31 December 2019 £000
Bank loan interest *		7	-
Effective interest on convertible loan notes	**20**	38	-
Interest on IFRS 16 lease liability		3	2
		48	2

*The Group has recognised as a cost the interest borne by Central Government during the period on the CBILS loan granted to its trading subsidiary. The same sum has been included as part of other operating income in note 7.

12. Taxation

No income tax charge arises based on the loss for the 15-month period to 31 March 2021 (12 months to 31 December 2019 - £nil).

The Group has unutilised tax losses of £6,610,000 (2019 - £5,245,000) including £960,000 (2019 - £960,000) in relation to the Company's subsidiary undertakings. Where it is anticipated that future taxable profits will be available to utilise these losses a deferred tax asset or a reduction in deferred tax liability is recognised as appropriate.

Factors affecting the tax charge in the period

	Period ended 31 March 2021 £000	Year ended 31 December 2019 £000
Loss on ordinary activities before taxation	(1,062)	(218)
Loss on ordinary activities before taxation at the standard rate of UK corporation tax of 19% (2019 19%)	(202)	(41)
Effects of:		
Expenses not deductible for tax purposes	71	19
Share based payments	5	4
Temporary differences in respect of depreciation and capital allowances not reflected in deferred tax	1	1
Unutilised tax losses not recognised as a deferred tax asset	125	17
Tax charge/credit	-	-

13. Loss per share

Basic loss per share has been calculated on the Group's loss attributable to equity holders of the parent company of £1,060,000 (12 months to 31 December 2019 - £213,000) and on the weighted average number of shares in issue during the period, which was 39,689,000 (2019: 34,438,000).

Comprehensive loss per share is based on the same number of shares and on the comprehensive loss for the period attributable to the equity holders in the parent company of £1,060,000 (12 months to 31 December 2019 - £213,000).

In view of the group loss for the period, share options to subscribe for ordinary shares in the Company are anti-dilutive and therefore diluted earnings per share information is not presented. There were options outstanding at 31 March 2021 on 4,000,000 ordinary shares.

Post year end warrants granted and shares issued, referred to in note 29, are also antidilutive and are therefore disregarded for the purposes of calculating a diluted loss per share.

14. Loss for the financial period

As permitted by Section 400 of the Companies Act 2006, the profit and loss account for the parent company is not presented as part of these financial statements.

The consolidated loss for the 15-month period of £1,062,000 (12 months to 31 December 2019 - loss for the year of £218,000) includes a loss of £1,050,000 (12 months to 31 December 2019 - loss of £234,000) dealt with in the accounts of the parent company.

15. Goodwill and other intangibles

	Goodwill and other intangibles 31 March 2021 £000	Website development 31 March 2021 £000	Total 31 March 2021 £000	Total 31 December 2019 £000
Cost at 1 January 2020	60	587	647	647
Additions in the period	-	-	-	-
Cost at 31 March 2021	60	587	647	647
Amortisation at 1 January 2020	-	587	587	587
Impairment	-	-	-	-
Amortisation at 31 March 2021	-	587	587	587
Carrying value at 31 March 2021 and 31 December 2019	60	-	60	60

- Goodwill of £59,954 included above relates to the acquisition of Pantheon Leisure Plc which is included at its deemed cost on first time application of IFRS.
- The Group acquired intangible assets costing £100 in 2013 following the acquisition of a subsidiary. The asset was fully impaired and written off in 2018.

Goodwill acquired in a business combination is allocated, at acquisition, to cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill relates wholly to the leisure activities business segment.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding forecast revenues and operating costs. Management have considered the following two elements:

(i) Based on current assessments of the Sport in Schools activities made by the Directors they consider that revenues will return to pre-Covid-19 pandemic levels and grow in 2022 and beyond; and
(ii) Operational costs are monitored and controlled

Development costs
Ultimate Player Limited continued to operate the UltimatePlayer.me platform during the year. As a result of the decision taken by the Board in 2017 to delay future plans for further website development, unamortised development costs were fully impaired and written off in that year.

16. Investments

A. Investment in unlisted company

In March 2020, the company acquired a 9.1% interest in the ordinary share capital of Insight for £1,500,000 in line with the strategy to focus on investing in quality fast growing companies, with an option to increase its holding to 30.2%. In 2021, the Company began discussions with respect to acquiring the balance of issued share capital of Insig Partners Limited (formerly Insight Capital Partners Limited) which culminated in the acquisition of the remaining 90.1% of the ordinary shares which took place in May 2021. Details relating to this acquisition in April 2021 are set out in public releases and the Company's admission document, summarised information about this post balance sheet event is described in note 29.

B. Investments in subsidiaries

Parent Company	31 March 2021	31 December 2019
Cost	**£000**	**£000**
Shares	1,948	1,948
Shares in companies removed from the register at Companies House	(1,848)	-
Loan notes*	220	220
At 31 March 2021	320	2,168
Provision for impairment		
At 1 January 2020	1,662	1,662
Impairment for companies removed from the Register at Companies House	(1,562)	-
At 31 March 2021	100	1,662
Carrying value at 31 December	220	506

The costs of shares at 31 March represents the Company's investment in Westside Sports Ltd. This investment has been fully impaired in prior years.

*Included in investments is £220,000 of loan notes in Pantheon Leisure Plc which carry an interest coupon of 7.5% and are repayable on demand at par.

The following companies were subsidiaries at the balance sheet date and the results and year end position of these companies has been included in these consolidated financial statements. The registered office for all the companies listed below is at 30 City Road, London EC1Y 2AB.

Subsidiary undertakings	Description and proportion of share capital owned	Country of incorporation or registration	Nature of business
Westside Sports Limited	Ordinary 100%	England & Wales	Holding company
Ultimate Player Limited	Ordinary 100%	England & Wales	Inactive
Pantheon Leisure Plc *	Ordinary 85.87%	England & Wales	Holding company
Sport in Schools Limited **	Ordinary 85.87%	England & Wales	Sports coaching in schools
The Elms Group Limited **	Ordinary 85.87%	England & Wales	Inactive

* shares held indirectly through Westside Sports Limited
** shares held indirectly through Pantheon Leisure Plc

16. Investments (continued)

B. Investments in subsidiaries (continued)

During the year, as part of an exercise to simplify the group structure, the following dormant or inactive companies listed below were removed from the register of companies at Companies House:

Westside Acquisitions Limited, Reverse Take-Over Investments Limited, Westsidetech Limited, Football Data Services Limited, Footballfanatix Limited, Football Partners Ltd and Football Directory.co.uk Limited.

The carrying value of the investments in the subsidiary companies written off is reported in profit and loss and is offset by inter-company balances waived.

17. Property, plant and equipment

Group	Plant and equipment £000	Right of Use Assets: Property £000	Total £000
Cost			
At 1 January 2019	101	-	101
Adjustment for leased assets	-	154	154
Additions in the year	3	-	3
Cost at 1 January 2020	104	154	258
Additions in the period	2	-	2
At 31 March 2021	106	154	260
Depreciation			
At 1 January 2019	87	-	87
Adjustment for leased assets	-	80	80
Charge for the year	9	10	19
At 1 January 2020	96	90	186
Charge for the period	7	13	20
At 31 March 2021	103	103	206
Carrying value			
At 31 March 2021	3	51	54
At 31 December 2019	8	64	72

Right of Use Assets represent leasehold premises from which the Group operates in relation to its sports and leisure activities.

All tangible assets shown above are assets in use by the Group's subsidiary undertakings.

18. Trade and other receivables

Non-current assets

Parent company

As at 31 March 2021, amounts due within one year included £220,000 in loan notes (31 December 2019 - £220,000). The loan notes are convertible into 50 million new shares in Pantheon Leisure Plc at any time before redemption. The loan notes carry an interest coupon of 7.5% and are repayable on demand at par.

Pantheon Leisure Plc is a subsidiary undertaking of Insig AI Plc.

The loan notes are included in investments referred to in note 16 above.

Group

The Group has no receivables from third parties classified as non-current assets.

Current assets

		Group		Parent Company	
	Note	31 March 2021 £000	31 December 2019 £000	31 March 2021 £000	31 December 2019 £000
Trade receivables		79	82		-
Other receivables		85	22	75	5
Amounts due from subsidiary undertakings*		-	-	382	324
Due from related company**	**25**	220	-	220	
Prepayments and deferred expenditure		13	5	8	-
		397	109	685	329

* Amounts due from subsidiary undertakings are stated net of provisions for irrecoverable amounts which total £1,626,000 (31 December 2019 - £1,537,000).

**The Company entered into a loan agreement with Insig Partners Limited on 8 March 2021 under the terms of which the Company agreed to lend Insig Partners Limited up to £400,000 for working capital purposes. The Loan outstanding at 31 March of £220,000 is unsecured and is repayable on demand. The loan attracts interest at a rate of 3 per cent. above the Bank of England's Base Rate which accrues daily and is payable on the repayment date.

The ageing analysis of trade receivables, all of which are due and not impaired is as follows:

	<3 months £000	>3 months £000	Total £000
31 March 2021	74	5	79
31 December 2019	82	-	82

19. Current and non-current liabilities other payables

Due within one year:		Group		Parent Company	
		31 March 2021	31 December 2019	31 March 2021	31 December 2019
	Note	£000	£000	£000	£000
Trade payables		10	5	-	-
Other payables		150	14	147	-
Taxes and social security		257	99	135	-
Amounts due to subsidiary undertakings		-	-	-	287
Accruals and deferred income		149	149	22	26
Loans and borrowings	**20**	450	-	414	-
IFRS 16 lease liability	**27**	8	8	-	-
		1,024	275	718	313

Due after one year:		Group		Parent Company	
		31 March 2021	31 December 2019	31 March 2021	31 December 2019
		£000	£000	£000	£000
IFRS 16 lease liability		38	49	-	-
Loans and borrowings	**20**	204	-	-	-
		242	49	-	-

The average credit period taken for trade payables at the end of the year is 7 days (31 December 2019 - 12 days).

Further information regarding IFRS 16 lease liabilities is provided in note 24.

20. Loans and borrowings

	Group		Parent Company	
	31 March 2021	31 December 2019	31 March 2021	31 December 2019
	£000	£000	£000	£000
Due within one year:				
Bank loan	36	-	-	-
Convertible loan note	414	-	414	-
Due after one year:				
Bank loan	204	-	-	-
	654	-	414	-

Bank loan

On 20 May 2020, the Group was granted and in June took up a 6 year Coronavirus Business Interruption Loan of £240,000. Repayments of capital of £4,000 per month commenced in July 2021 with full repayment due by June 2026.

Whist the UK Government has provided the bank with a guarantee, the Group is responsible for repaying the loan in full. Except for the first year of the loan, interest will be payable by the Group based on the bank's margin of 2.99% per annum over base rate. The loan is secured by a fixed and floating charge over the assets the subsidiary company that is party to the loan.

20. Loans and borrowings (continued)

Convertible loan notes 2023

A loan note instrument dated 3 March 2020 was drawn up creating unsecured convertible loan notes up to a nominal amount of £2,000,000. Convertible loan notes were issued on 4 March 2020 at an issue price of £500,000. The notes are convertible into ordinary shares of the Company at any time between the date of issue of the notes and their redemption date. On issue, the loan notes were convertible at 1 share per £0.25 loan note. The conversion price is at a 9 per cent discount to the share price of the ordinary shares at the date the convertible loan notes were issued.

If the notes had not been converted, they would have been redeemed on 4 March 2023 at par. No interest is charged on the loan notes.

The net proceeds received from the issue of the convertible loan nots have been split between the financial liability element, representing the net present value of the liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the Company, as follows:

	£000
Proceeds of issue of convertible loan notes	500
Equity component	(124)
Liability component at date of issue	376
Interest charged	38
Interest paid	-
Liability component at 31 March 2021	414

The equity component of £124,000 has been credited to equity reserve (see Note 23).

The interest expensed for the year is calculated by applying an effective interest rate of 10 per cent to the liability component for the 12 months period since the loan notes were issued. The liability component is measured at amortised costs. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the balance sheet at 31 March 2021 represent s the effective interest rate less interest paid to that date.

Further to the reverse takeover of Insig Partners Limited (formerly Insight Capital Partners Limited) post year end, as described in Note 29, the £500,000 of issued loan notes were converted into 2,000,000 New Ordinary Shares as fully paid-up shares.

21. Deferred tax

There were no deferred tax liabilities or assets recognised by the Group during the current and previous year.

22. Issued and fully paid share capital

Ordinary shares	Number of ordinary 1p shares	Number of deferred 9p shares	£000
At 1 January 2019	33,561,638	22,811,638	2,389
New 1p shares issued in the year	2,000,000	-	20
At 1 January 2020	35,561,638	22,811,638	2,409
New shares issued in the period	7,100,000	-	71
At 31 March 2021	42,661,638	22,811,638	2,480

Details in relation to ordinary shares issued in the 15-month period were:

- March 2020, the company raised £1,000,000 from the issue of 4,000,000 1p shares for 25p per share.
- October 2020, the company raised £800,000 from the issue of 1,600,000 1p shares for 50p per share.
- February and March 2021, a further £263,000 was raised from the 2018 A & B warrant holders exercising their rights under warrant instruments granted in 2018 resulting in share issues of 750,000 1p shares for 10p per share and 750,000 shares for 25p per share.

Ordinary shares of 1p each:
Shareholders are entitled to receive dividends or distributions in the event of a winding up with rights to attend and vote at general meetings.

Deferred shares of 9p each:
Shareholders are entitled to receive 0.1p for each £999,999 of dividends or other distributions in the event of a winding up with no rights to attend and vote at general meetings.

At 31 March 2021 the Company's issued shares carry no rights to fixed income.

The market price of the Company's shares at 31 March 2021 and at the date the shares were suspended in September 2020 was 59p and the price range during the 15 month financial period was between 20.5p and 59p.

23. Reserves

Retained earnings
Retained earnings represent the cumulative retained profit or loss of the Group.

Share premium
Share premium is the amount subscribed for share capital more than the nominal value and is a capital reserve required by UK company law.

Merger reserve
The merger reserve is a non-statutory reserve and represents the difference between the fair value and nominal value of the shares exchanged for shares on acquisition of Reverse Take-Over Investments Plc which took place in 2003.

23. Reserves (continued)

Other reserves

	Share issue costs £000	Convertible loan equity £000	Total Other reserves £000
At 1 January 2019 and 1 January 2020	-	-	-
Share issue costs incurred	(22)	-	(22)
Equity component of loan note at date of issue	-	124	124
At 31 March 2021	(22)	124	102

Share issue costs relate to professional fees incurred in the 15 months to 31 March of £22,000 (12 months to 31 December 2019 - £nil) incurred directly in connection with share placings post year end. These costs have been recognised as a deduction from reserves and are to be aggregated with other issue costs after date which will be offset against the share premium reserve following the share issue after date. Further information relating to share issue costs and professional fees incurred after date are given in note 29.

Convertible loan note equity represents the component of convertible debt instruments (see note 20).

24. Obligations under leases

Group

For the 15 month period ended 31 March 2021, the following amounts have been recognised under IFRS 16 in relation to property leases:

	15 months ended 31 March 2021 £000	12 months ended 31 December 2019 £000
'Right-of-use' assets upon adoption of IFRS 16	154	154
Depreciation brought forward	90	80
Depreciation charged on 'right-of-use' assets recognised	13	10
Interest expense recognised on lease liability	3	2
Expenses incurred in relation to 'short-term' leases	27	21
Obligation at the period end in relation to 'short-term' leases	7	3
Total cash outflow in the year in relation to leases	41	31

25. Related parties

Details of the remuneration of Directors is given in note 10. In addition to the information given in that note, the following provides further details of related party transactions involving the Company and its Directors.

The Directors are the key management personnel of the Group for the period under review.

M Farnum-Schneider – former Director

Following his appointment as Director on 1 August 2019, the Company granted options to acquire 4,000,000 ordinary shares in the Company with exercise prices ranging from 20 pence per share to 60 pence per share between 2020 and 2025. More detailed information is given in note 26 below.

G Simmonds - former Director

Following his resignation as a Director on 1 August 2019, his practice continued to receive monthly fees for consultancy services and made payments to him totalling £13,000 (12 months ended 31 December 2019 - £6,000).

In February 2021, G Simmonds exercised his rights to acquire shares in the company from his ownership of 125,000 A Warrants and 125,000 B Warrants granted to him in 2018 at 10p and 25p per share respectively. Further details relating to the exercise of these warrants is given in note 10, the terms relating to these warrants are given in note 26 below.

R Owen – former Director

In March 2021, R Owen exercised his rights to acquire shares in the company from his ownership of 125,000 A Warrants and 125,000 B Warrants granted to him in 2018 at 10p and 25p per share respectively. Further details relating to the exercise of these warrants is given in note 10, the terms relating to these warrants are given in note 26 below.

For the 15 months ended 31 March 2021 R Owen received monthly fees for consultancy services and made payment to him totalling £12,000 (12 months ended 31 December 2019 - £nil).

Insig Partners Limited (formerly Insight Capital Partners Limited)

In March 2021, a loan to cover operating costs was provided to Insight Capital from Insig AI PLC totalling £220,000, the terms relating to this loan are given in note 18. The balance outstanding as at 31 March 2021 was £220,000 (31 December 2019 - £nil).

26. Share-based payment transactions

Warrants

In March 2018, the Company issued new warrants to subscribe for shares. 750,000 A Warrants and 750,000 B Warrants were issued exercisable at a price of 10p and 25p respectively per new ordinary share.

Warrants are valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	13 March 2018	13 March 2018
Share price at grant date	15p per share	15p per share
Exercise price	10p per share	25p per share
Shares under warrant	250,000	250,000
Expected volatility	100.0%	100.0%
Warrant life (years)	3 years	3 years
Expected life (years)	3 years	3 years
Risk-free interest rate	1.25%	1.25%
Fair value per warrant	3.15p	2.8p

In accordance with IFRS2, the fair value of the warrants issued and recognised as a charge in the accounts for the 15 month period is £Nil (12 months ended 2019 - £Nil). In arriving at this amount, the expected volatility is based on historical volatility, the expected life is the average expected period to exercise, and the risk-free rate of return is the yield on a zero-coupon UK government bond for a term consistent with the assumed option life.

The warrants referred to above were exercised into ordinary shares in February and March 2021 and none are outstanding as at 31 March 2021.

Options

In January 2011, the Company adopted an unapproved share option scheme and on 1 August 2019, the Company granted options over 4,000,000 ordinary shares in the Company as part of a Director's compensation agreement. Details of the options are set out below:

	2021 £000	2019 £000
Outstanding at start of period/year	4,160	308
Granted during the period/year	-	4,000
Lapsed during the period/year	(160)	(148)
Outstanding at the end of the period/year	4,000	4,160
Exercisable at the end of the year	-	160

The movements in the weighted average exercise price of the options were as follows:

	2021	2019
Outstanding at start of the year	44.3	26.4
Granted during the year	-	45.0
Lapsed during the year	26.6	26.2
Outstanding at the end of the year	45.0	44.3
Exercisable at the end of the year	-	26.6

The weighted average contractual life of options outstanding on 31 March 2021 was 3.4 Years (December 2019: 4.5 years).

26. Share-based payment transactions (continued)

The fair value of the equity instruments granted was determined using the Black Scholes Model. This model was selected as it is an industry standard model. The only conditions attached to the options is continuing employment. The inputs into the model for options outstanding at the year-end were as follows:

Share options granted on 1 August 2019 to M Farnum-Schneider:

Grant date	1 August 2019	1 August 2019	1 August 2019
Share price at grant date	17p per share	17p per share	17p per share
Exercise price	20p per share	40p per share	60p per share
Shares under option	1,000,000	1,000,000	2,000,000
Expected volatility	43.1%	43.1%	43.1%
Option life (years)	3 years	3 years	3 years
Expected life (years)	3 Years	3 Years	3 Years
Vesting period (years)	0.5 to 1 Years	1 to 2 years	2 to 3 Years
Risk-free interest rate	0.57%	0.57%	0.57%
Small company discount factor	35%	35%	35%
Fair value per option	2.5p	2.5p	0.7p

The expected volatility is based on historical volatility, the expected life is the average expected period to exercise, and the risk-free rate of return is the yield on a zero-coupon UK government bond for a term consistent with the assumed option life.

In accordance with IFRS 2, the fair value of the share options issued and recognised as a charge in the accounts for the 15 month period is £23,750 (12 months to 31 December 2019 - £19,000).

27. Capital management and financial instruments

The Group is funded by both equity and debt which represents the Group's capital.

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can begin to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amounts of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustment it considering changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the Group comprises components of equity – share capital of £2,480,000 (31 December 2019 - £2,409,000), share premium of £3,040,000 (31 December 2019 - £1,048,000), other reserves of £304,000 (31 December 2019 - £326,000), and the retained deficit of £4,164,000 (31 December 2019 - £3,165,000) as well as debt represented by £414,000 of convertible loan notes (31 December 2019 - £nil) and a £240,000 bank loan (31 December 2019 - £nil).

During the period ended 31 March 2021 the Group's strategy was to preserve net cash resources by limiting cash absorbed from losses and through good cash management.

27. Capital management and financial instruments (continued)

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provision of the instrument.

At 31 March 2021 and 31 December 2019, there were no material differences between the fair value and the book value of the Group's financial assets and liabilities. All financial assets and liabilities are measured at amortised cost. Relevant financial assets and liabilities are set out below.

	Group		Company	
	31 March 2021 £000	**31 December 2019 £000**	**31 March 2021 £000**	**31 December 2019 £000**
Financial assets				
Cash and cash equivalents	935	637	484	511
Due from subsidiary undertakings	-	-	382	324
Due from loans	220	-	220	-
Trade and other short- term receivables	134	99	46	-
	1,289	736	1,132	835
Financial liabilities (which are included at amortised cost)				
Trade and other short- term payables	159	20	147	-
IFRS 16 lease liabilities	47	58	-	-
Loans and borrowings	654	-	414	-
Due to subsidiary undertakings	-	-	-	287
	860	78	561	287

The Group's financial instruments comprise cash and cash equivalents, receivables, payables, loan obligations that arise directly from its operations

Amounts shown in trade and other short-term receivables exclude prepayments and deferred expenditure for the Group of £13,000 (31 December 2019 - £5,000) and VAT recoverable of £30,000 (31 December 2019 - £5,000) for the Group and for the Company of £7,000 (31 December 2019 - £3,000) of short-term receivables and VAT recoverable of £30,000 (31 December 2019 - £2,000).

Trade and short-term payables referred to above excludes deferred income and accruals of £149,000 (31 December 2019 - £149,000), and tax and social security creditors of £257,000 (31 December 2019 - £99,000). For the parent company, trade and short-term payables excludes tax and accruals of £157,000 (31 December 2019 - £26,000).

The Group has not adopted a policy of using financial derivatives and does not rely on the use of interest rate hedges.

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. There have been no substantive changes to the Group's response to financial instrument risk and the methods used to measure them from previous periods.

The main risks arising from the Group's financial instruments are credit and liquidity risks.

Credit risk arises from trade receivables where the party fails to discharge their obligation in relation to the instrument. To minimise this risk, management have appropriate credit assessment methods to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports. There is no concentration of credit risk other than in respect to cash held on deposit at the company's bank as set out above.

27. Capital management and financial instruments (continued)

The amount exposed to risk in respect of trade receivables at 31 March 2021 was £79,000 (31 December 2019 - £82,000).

Liquidity risk arises in relation to the Group's management of working capital and the risk that the Company or any of its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk the liquidity position and working capital requirements are regularly reviewed by management.

The Directors do not consider changes in interest rates have a significant impact on the Group's cost of finance or operating performance.

All financial assets are due within one year. The maturity analysis can be seen in note 18.

As the Group's operations are conducted in the United Kingdom, risks associated with foreign currency fluctuations are not relevant.

28. Notes to statement of cash flows

a) Analysis of net funds

	At 1 January 2020 £000	Cash Flow £000	Non cash movements £000	At 31 March 2021 £000
Group				
Cash and cash equivalents	**637**	298	-	**935**
Borrowings	**-**	(740)	86	**(654)**
Net funds	**637**	(442)	86	**281**
Company				
Cash and cash equivalents	**511**	(27)	-	**484**
Borrowings	**-**	(500)	86	**(414)**
Net funds	**511**	(527)	86	**70**

28. Notes to statement of cash flows (continued)

(b) Statement of cash flows from discontinued activities - Ultimate Player Limited

	2021	2019
	£000	£000
Cash flow from discontinued activities		
loss before tax	-	(30)
Adjustments for:		
Increase in debtors	-	(1)
Decrease/(Increase) in creditors	(1)	30
Cash generated/absorbed from operations	-	(1)
Investing activities	-	-
Net cash used in investing activities	-	-
Financing activities		
Additional borrowings	-	-
Net cash from financing activities	-	-
Net cash decrease in cash and cash equivalents	(1)	(1)
Cash and cash equivalents at the beginning of the period	1	2
Cash and cash equivalents at the end of the period	**-**	**1**

29. Post balance sheet events

During the period ended 31 March 2021, the Company acquired a 9.1 per cent. interest (on a fully diluted basis) of the ordinary shares of Insig Partners Limited (formerly Insight Capital Partners Limited) along with an option to increase the interest owned to 32.5 per cent.

On 10 May 2021, the Company acquired the balance of Insig Partners Limited's shares not already owned and obtained control.

Insig Partners Limited is a data science and machine learning solutions company that combines quantitative research, machine learning and technology infrastructure to deliver bespoke analytical tools to clients enabling them to extract data from outdated platforms and improve the accessibility and insight locked within. Machine learning is widely recognised as having the potential to fundamentally benefit performance and profitability in many, if not all, industries. The investment is in line with the Company's refocused strategy of investing in quality, fast growing companies and is the Company's first step toward a broader strategy to capitalise on growth opportunities in AI and machine learning.

In order to facilitate the acquisition of Insig Partners Limited, in May 2021 the Group raised £6.1 million (before expenses) via a placing of 9,172,375 new ordinary shares at 67 pence per share, a 14 per cent. premium to the closing share price of the shares in the Company which was 59 pence per share on 3 September 2020, being the last business day before the Company's ordinary shares were suspended from trading.

The funds were used to pay the £1.5 million cash element of the consideration paid to acquire the Insig Partners Limited shares, to settle the further professional costs relating to the acquisition and issue of the shares which were incurred after 31 March 2021 of £667,000 and for general working capital purposes, namely investing in the enlarged Group's team of developers, engineers and sales and marketing employees to accelerate product growth and business development activities.

29. Post balance sheet events (continued)

In addition to the cash consideration, 44,819,161 new ordinary shares were issued at 59 pence per share, the closing middle market price of 59 pence per Ordinary Share on 3 September 2020 (being the last business day before the Ordinary Shares were suspended) as consideration shares to the owners of Insig Partners Limited.

The convertible loan notes issued by the Company in the period (see Note 20) were converted on the same date, resulting in 2,000,000 new ordinary shares issued at 25 pence per share, a 58 per cent. discount to closing share price of the Company of 59 pence per share on 3 September 2020, being the last business day before the Company's ordinary shares were suspended from trading.

The following number of ordinary Shares were admitted to trading on AIM on 10 May 2021:

Placing Shares	9,172,375
Consideration Shares	44,819,161
Convertible Loan Note Shares	2,000,000

Following the issue of the new Ordinary Shares, the Company has 98,653,174 ordinary shares in issue with full voting rights.

Share issue costs relating to the placing, readmission to AIM and acquisition were settled by cash consideration of £1,006,000, of which £336,000 was incurred prior to 31 March 2021 (Note 9 and Note 23). The remaining £667,000 paid after date will be allocated between costs arising in relation to the acquisition and readmission to AIM and will be charged as a cost against profit and loss and costs arising in relation to the placing and the element that relates specifically to the placing will be taken directly to equity and offset against the share premium reserve. £22,000 of costs recognised within other reserves in the year will be offset against the share premium further to the issue of new shares in May 2021.

In addition to costs settled by cash, warrants were issued to settle costs of the acquisition, readmission and placing to subscribe for 396,582 ordinary shares in the Company at an exercise price of 83.75p per share. These warrants are exercisable in whole or in part between the first and sixth anniversary following the re-admission of the Company’s shares trading on AIM. The fair value of the warrants issued will be recognised as an expense against profit and loss as at the date of issue in May 2021.

Connected to the acquisition of Insig Partners Limited are post year end changes in directors and change in Company name, as detailed in the Directors Report.

The acquisition is classified as a reverse takeover under the AIM rules. The directors have given consideration of the method of accounting to be applied and concluded that it meets the definition of a business combination under IFRS 3 and Insig AI Plc has been identified as the accounting acquirer for the purposes of IFRS 3. In determining the accounting treatment to be applied, the directors have carefully reviewed the relevant factors to be considered in determining whether a business has been acquired and the change in control, including consideration, inter-alia, of the voting rights held by the former Insig Partners shareholders after the Business combination was completed, the composition of the new Board and rights relating to appointments to the Board. As a result the Company will reflect an investment in Insig Partners Limited as a wholly owned subsidiary on its Balance Sheet and the Group will account for the acquisition by applying the acquisition method of accounting, rather than applying reverse accounting rules under IFRS 3.

29. Post balance sheet events (continued)

The investment in Insig Partners Limited will be recognised at the fair value of the consideration given:

	£ 000
Consideration shares issued (44,819,161)	30,029,000
Cash consideration	1,500,000
Total consideration	31,289,000

The value of the consideration shares has been determined in accordance with IFRS 3 applying the acquisition-date fair values of the equity interests issued by the acquirer. The fair value on the acquisition date is considered to be 67 pence per share, being the price at which the placing shares were issued on the same day.

As the Company held an interest in Insig Partners Limited prior to the acquisition in May 2021, the fair value of which amounted to £2,936,000. The Group effectively recognised a gain of £1,436,000 over the original cost of investment as a result of measuring at fair value its 9 per cent. equity interest in Insig Partners Limited held before the business combination. The gain will be included in other income in the Company's statement of comprehensive income for the year ending 31 March 2022.

The identifiable assets acquired and liabilities assumed upon acquisition comprise:

	Book value £000
Cash	180,000
Financial assets	1,083,000
Property, plant and equipment	345,000
Identifiable intangible *	4,749,000
Financial liabilities	(2,829,000)
Total consideration	3,528,000

No fair value adjustments are considered necessary at the date of these financial statements other than potentially in relation to identifiable intangible assets as referred to below, this will however be considered further over the twelve months review period permitted to consider whether fair value adjustments are required.

The fair value of the receivables is considered to equate to the gross contractual amount receivable. The acquired receivable is £1,083,000, of which £nil is expected to be uncollectable.

Identifiable intangible assets include developed technology that has not yet been assessed for any fair value adjustments that may impact the value of the identifiable intangible asset and deferred tax; in calculating goodwill the book value (which represents amortised cost) as at the date of acquisition has been applied.

Goodwill of £27,761,000 that would arise from the acquisition based on the book values of Insig Partners Limited as set out above arises largely from the expected growth in the AI and machine learning industry and collective expertise of the workforce in developing and delivering the Business's product range. The allocation between amounts recognised as goodwill and amounts recognised as other identifiable intangible assets is pending fair value adjustments for the developed technology as noted above. None of the goodwill recognised is expected to be deductible for income tax purposes.

In addition to this acquisition, as part of the growth strategy of the enlarged group, a wholly owned subsidiary has been incorporated in the US, which to date remains inactive.