

**Registered number: 03882621**

**INSIG AI PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2023**

# INSIG AI PLC

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# INSIG AI PLC

## COMPANY INFORMATION

<b>Directors</b>	Richard Bernstein –Executive Chairman Colm McVeigh – Chief Executive Officer Steven Cracknell – Executive Director Warren Pearson – Chief Technical Officer Richard Cooper – Non-Executive Director
<b>Company Secretary</b>	Westend Corporate LLP
<b>Registered Office</b>	6 Heddon Street London W1B 4BT
<b>Company Number</b>	03882621
<b>Bankers</b>	Natwest Bank plc 135 Bishopsgate London EC2M 3UR
<b>Nominated Adviser and Broker</b>	Zeus Capital Limited 82 King Street Manchester M2 4WQ
<b>Independent Auditor</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

# INSIG AI PLC

## CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to update you on developments at Insig AI plc and in the markets we serve. It is now two years since I came "on board." As a non-executive director, my role involved oversight, stewardship and introductions. Three months ago, I was delighted to become Executive Chairman. This has allowed me to increase my involvement in the operational aspects of the business, including directly interfacing with both clients and importantly, prospects.

In my statement last September, I was candid about the business: when I became Chairman, it was clear that the executive team at that time lacked experience in selling scalable software solutions. Since Colm McVeigh was appointed to the board, that has changed and his impact has been significant. The technical competence and machine learning capabilities within Insig AI have never been in doubt. However, a business is an enterprise, and its primary objective must be to convert its strengths into generating and growing sustainable revenues and profitability.

A challenge for any emerging technology business is to decide its area of focus. Since its formation in 2017, the core Insig AI business has served the asset management industry. This has been its client base and the Company has achieved considerable success in delivering valuable products and solutions. Two years ago, we supported AB CarVal Investors LP ("AB CarVal"), now part of Alliance Bernstein and delivered our ESG scoring tools which were incorporated within AB CarVal's highly successful Collateralised Loan Obligation ("CLO") fund.

The democratisation of investing is a welcome development. As well as owners of corporations having the right to charge their boards with the obligation for businesses to behave as responsible corporate citizens, so savers also have the right to demand that those with the responsibility of managing those savings, asset managers, allocate capital and invest in areas that are not harmful to the planet and people but also result in an improved or positive outcome.

Whilst such an approach is laudable, more recently, the "ESG" label has become tarnished and categorised by some as being part of the "woke" agenda. This is particularly the case in the United States, where a bifurcated political system has resulted in several states enacting legislation to restrict the use of ESG factors in making investment decisions. As a result, billions of dollars of State funds have been divested. In January 2023, 25 states filed a lawsuit in federal court seeking an injunction against the US Department of Labor that had introduced legislation that ESG factors should form part of fiduciary duties.

The ESG landscape requires regulation and as it evolves and matures, it also requires greater uniformity. The three letter acronym "ESG" has become something of a poster child for being either "pro" or "anti". This should not be about labels but put simply, whether investors and businesses act in a responsible manner.

Two weeks ago, Greta Thunberg, a widely acknowledged champion of highlighting the seriousness of climate change withdrew from attending the Edinburgh Book Festival, following reports that its sponsor, Ballie Gifford, has billions invested in firms that profit from fossil fuels. Baillie Gifford responded by stating that two per cent. of clients' money was invested in businesses with some element of fossil fuels, whereas five per cent. was invested in clean energy transition.

As regards the "E," what should an investor or asset manager be seeking to achieve? We do not subscribe to the notion that by bypassing an investment in say fossil fuels, that the world will automatically be a better place. Forcing a large cap oil company to divest its oil assets may well result in more damage to the planet if the new owner of these assets has no interest in being a responsible investor. Instead, investment should perhaps be focused on company level binding targets where owners of such assets are answerable and accountable in the public markets arena. Transparency and accountability are critical.

Whilst there has been an inevitable focus on the "E" and climate change, vital areas of the "S" and "G" have failed to garner as much focus. Recent events at Odey Asset Management and at Coutts & Co have brought into focus the impact on a business and on its staff of failing to attend to the "S" and the "G."

We remain of the view that regulatory disclosure will become mandatory. However, until that time, and in the US in particular, a "state of flux", seems to be an accurate characterisation of the ESG landscape. Inevitably, in the interim, such uncertainty is causing asset managers to defer fund launches and ESG asset allocation. With the added backdrop of a huge shift in asset allocation to government bonds, where the risk-free rate has returned to levels not seen for more than 20 years, it is unsurprising that purchasing and investment decisions are being deferred. The recessionary narrative has placed further pressures on spending budgets.

It is therefore our mission, not only to endure this transitory period but to stake our claim as being part of the ecosystem that raises standards of corporate disclosure. In this regard, I am pleased to report significant progress.

## CHAIRMAN'S REPORT

Insig AI, using its machine learning expertise, has the capability to source, analyse and categorise vast quantities of data to accelerate and enhance human decision making. Two years ago, the Company set out to achieve an ambitious target: to build a repository, essentially a database of corporate public disclosures. Then, our database comprised 200 companies. Last year, we reported that our repository of corporate disclosures had increased to 2,000 companies. Now, with a centralised library of transparent, tagged and machine-readable data of over 5,000 companies, we believe that we possess an unrivalled database and navigational tool for both corporations and market participants, encompassing over 130 million machine readable sentences.

As well as our people and our technology, we regard this repository as being a most valuable asset. Assets derive probable future economic benefit, and we believe that we will achieve substantial economic benefits from this two year, multi-million-pound investment. The most positive demonstration of the value of our database and data science capabilities has been evidenced by our partnership with the Financial Conduct Authority.

### Data and technology collaboration with the Financial Conduct Authority ("FCA")

In April 2023, Insig AI was proud to announce that it would be providing the data and software platforms to the FCA's 2023 TechSprint, known as the Global Financial Innovation Network's (GFIN) Greenwashing TechSprint. The GFIN Greenwashing TechSprint has brought together 13 international regulators and 110 participants in each jurisdiction, including innovative tech firms and teams from large consultancies.

The goal of the project is to develop a tool or solution that can help regulators tackle or mitigate the risks of greenwashing in financial services across the globe. The project focuses on how technology, including AI and Machine Learning, can enable regulators and supervisors to verify that ESG-related product claims to retail consumers are accurate and complete and how technology can help monitor, collate, and identify examples of greenwashing from financial services firms' websites, social media platforms, and other documentation or data which can also be shared across jurisdictions.

Insig AI is providing its data and technology platform for onboarding of partners and participants of the GFIN Greenwashing TechSprint. The core data set comprises our database of pdf and machine-readable corporate financial and ESG documents with entity mapping and sentence-level classification against 15 ESG issues.

Participants have access to Insig AI's technology via the ESG Research Tool app, which combines machine learning, Natural Language Processing and Elastic search capability for efficient document interrogation and comparison across the database of reports. Insig AI has facilitated the collection, tagging and addition of new corporate documents into the database.

I am now delighted to report that we have received very positive feedback from multiple participants. We regard our involvement as integral to the GFIN Greenwashing TechSprint. Next month, in conjunction with the FCA, we expect to provide a more detailed update. Let us not underestimate the scale of this achievement and the quality of connections that it has brought. The World Bank is but one of more than a dozen international bodies that we are now able to interact with.

It is vital that those guilty of greenwashing, that is those who make false and/or misleading claims, are punished. The GFIN Greenwashing TechSprint focuses on companies, rather than on asset managers. However, rightly, asset managers must also be held accountable. We have had direct engagement with asset managers who are "talking the talk" of incorporating best practice on corporate disclosures but when we "drill down," it is evident that they are not doing so. We welcome the day when regulatory enforcement prohibits such behaviour.

We also note and concur with recent comments from ClimateEarth regarding the failure of the Big 6 Accounting firms to move forward with providing the necessary audit and disclosure risk assurances that are urgently required. We stand, ready, willing and able to work with the Big 6 Accounting firms to raise the bar of these essential corporate disclosures. Action will have to follow regulation but, for now, it is the regulators that are charged with this responsibility.

### Financial performance

For the year ended 31 March 2023, we are reporting a 22 per cent increase in consolidated revenue to £2.1 million. The Group's legacy Sport in Schools business comprised £1.4 million, with the core Insig AI business delivering an 85 per cent. increase in revenue to £0.7 million.

During the year, Sport in Schools invested £0.1 million in a significant marketing campaign. This culminated with Gareth Southgate, manager of the England national football (soccer) team since 2016, providing a coaching session to pupils coached by Sport in Schools. After this investment, which was expensed in full, Sport in Schools delivered a modest operating profit.

Combined operating loss was £4.8 million. This was after charging depreciation and amortisation of £2.8 million. Net cash used in operating activities, was £1.0 million, as against £2.2 million in the previous year. This reflects the decision taken by the Board to significantly reduce operating costs, as software platform milestones had been delivered, we no longer required a large development team, and we were also able to streamline our business activities.

## **INSIG AI PLC**

### **CHAIRMAN'S REPORT**

The Group carried out a review of the carrying value of its goodwill and other assets during the year. These have been written down by £16.6 million and accounted for as an exceptional item. This charge has no impact on either cash or prospects of the Group.

Cash at bank as at 31 March 2023 was £0.3 million. Following the year end, in April 2023, we announced a successful equity fundraising of £0.9 million, which I refer to below.

#### **Funding**

In May 2022, I provided the Company with an unsecured convertible loan facility of £1.0 million. The key terms were conversion at the higher of 35p per share and the prevailing share price at the time of conversion and a coupon of 5 per cent. per annum on funds drawn down. In June 2022, the Company announced that it had also agreed a £0.5 million convertible loan, on the same terms as my own facility, with David Kyte, a long term shareholder of the Company. These loan facilities were fully utilised and were due for repayment on 31 December 2022. In that month, both David Kyte and myself agreed to extend these loan facilities by 12 months.

For myself, the terms of the extension included increasing the interest rate to 8 per cent. per annum to reflect the significant increase in interest rates and the deterioration in the debt capital markets. The conversion price was amended to 20p which represented a 17.6 per cent. premium to the prevailing share price and 1,666,667 warrants were granted expiring on 31 December 2025 and exercisable at a price of 30p, which represented a 76.5 per cent. premium to the prevailing share price.

For David Kyte's facility, the terms of extension included increasing the interest rate to 8 per cent. per annum to reflect the significant increase in interest rates and the deterioration in the debt capital markets. The conversion price was amended to 18p, which represented a 5.9 per cent premium to the prevailing share price and 1,388,889 warrants were granted expiring on 31 December 2025 and exercisable at a price of 25p, which represented a 47.1 per cent premium to the current share price.

In September 2022, I provided a further convertible loan facility of up to £0.75 million. This facility has been fully utilised. The key terms were a conversion price of 35p per share and a coupon of 5 per cent. per annum on funds drawn down. This loan was secured against the share capital held by the Company in Westside Sports Limited, which has interests in Ultimate Player Limited, Pantheon Leisure plc, Sport in Schools Limited and the Elms Group Limited. The loan was due to be repaid on 30 June 2023. As previously announced, the Company and myself agreed to extend the repayment date by six months.

#### **Successful equity funding**

In April 2023, the Company announced that it had completed an equity subscription raising £0.9 million at 17p per share, being the closing price on 20 April 2023. I subscribed for £0.15 million. Funds are being utilised to invest in sales and marketing as well as for working capital purposes.

The subscribed for shares were issued from shares held in treasury, being shares gifted to the Company in December 2022 by Insight Capital founders and directors of the Company, Steve Cracknell and Warren Pearson, Chief Product Officer and Chief Technology Officer respectively. As a result, effectively, existing shareholders suffered no equity dilution.

#### **AB CarVal partnership**

In February 2022, the Company announced a landmark agreement with AB CarVal to develop and launch a new line of high yield ("HY") and investment grade ("IG") ESG scoring tools to be used by AB CarVal to optimise HY and/or IG portfolios based on ESG considerations. As previously stated, our share of fees is based on AB CarVal's assets under management ("AUM") raised in connection with these HY and/or IG focused investment pools and we continue to anticipate that as AB CarVal secures mandates, our fees will increase commensurably and continue for several years.

In July 2022, AB CarVal was acquired by Alliance Bernstein, which we hope will provide further opportunities. In April 2023, we reported that over the last year, we have worked closely with AB CarVal on refining the ESG scoring tools and that we believe that these tools are now ready for commercialisation. We continue to expect a slow and gradual ramp up of sustainable revenues from this partnership. Whilst the recent uncertain ESG landscape in the US described above will inevitably make the ESG fundraising environment slower and more challenging, we remain of the view that AB CarVal has a market leading product, which over time, will garner support with growing traction.

#### **Generative AI and new product breakthrough delivering alpha**

Of late, many column inches have been devoted to the pros and cons of generative AI. What seems beyond dispute is that the output from generative AI is a function of its input, or its source data. At Insig AI, we are now able to successfully use generative AI because of the integrity, objectivity, and transparency of our source data of 130 million machine-readable sentences.

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### **CHAIRMAN'S REPORT**

We have also recently been able to utilise this capability to construct a fixed income model portfolio, which, based on momentum and value criteria, is able to deliver 160 basis points of additional alpha. We now intend to partner with an asset manager to test this portfolio optimisation tool on an existing portfolio.

#### **Board composition**

We were greatly saddened by the sudden and untimely death in April of John Murray. His wise counsel is sorely missed. Whilst John is truly irreplaceable, we are currently seeking to strengthen the board.

#### **Prospects**

It remains early in the Group's current financial year. We have been awarded a financial database assignment from a new client, as well as an annual licencing agreement for our ESG data from another new client asset manager. In the first quarter, we also secured additional business from an existing client. We remain frustrated by the very slow pace of decision making at prospects – even though, the business case in our opinion, is so strong.

We continue to forecast further sales growth for the Insig AI business. The board remains optimistic that it will achieve operating profitability in FY-24. Also, we are benefiting from decisions taken earlier in the year that materially lowered our operating costs.

We have previously commented on the current bear market for asset managers and that many have characterised this as being the harshest investment climate for a generation. Against such a backdrop, we remain realistic as to the pace of sales growth in the very short term. That is why the decisive action we took last autumn to adapt to this tough environment has proven to be the right strategy.

We are using our machine learning and data science optimisation capabilities to drive better performance outcomes, to reduce risk and to improve decision making and the standard of corporate disclosure.

We are delighted with recent progress from our data and collaboration agreement with the FCA. The feedback received from participants is that our repository, our Natural Language Processing classifiers, and their ability to use keywords to surface patterns of reporting are both unique and valuable. We regard this as being a core asset, ideally suited to partnership opportunities, where we will be able to significantly broaden our user base and translate this into increasing revenues and profits.

**Richard Bernstein**  
**Chairman**  
**13 August 2023**

# INSIG AI PLC

## STRATEGIC REPORT

The Directors of the Company present their Strategic Report on the Group for the year ended 31 March 2023.

### Principal activities

The principal activity of Insig AI Plc (the “Company” or the “Group”) during the period was the provision of data science and machine learning development. Since the completion of the acquisition of Insig Partners on 10 May 2021, the legacy sports coaching business has continued.

### Organisation overview

The Group’s business is directed by the Board and is managed on a day-to-day basis by the Chief Executive Officer. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

During the year the Board comprised of one Non-Executive Chairman, three Executive Directors and two Non-Executive Directors.

The Corporate Head Office of the Group is located in London, UK.

### Review of business

The Chairman’s statement starting on page 3 provide a review of the business and future prospects.

### Financial performance review

The total comprehensive loss of the Group for the year ended 31 March 2023 was £18,562,346 (31 March 2022: loss of £4,186,719). The loss of the Company for the year was £21,180,437 (31 March 2022: loss of £267,798).

Following their assessment on intangible assets which include development costs, goodwill, technology, databases and customer relationships, the Directors concluded that an impairment charge of £16,558,296 was necessary for the year ended March 2023. This impairment was decided as a result of a higher weighted average cost of capital being used due to changes in the risk free interest rate, reduced revenue projections expected over the next several years, and the deterioration of the wider market conditions within the technology sector.

Details of impairments which have been applied by the Group are disclosed within note 14 to these Financial Statement.

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group.

Administrative expenses are the expenses related to the Group’s ability to run the corporate functions to ensure they can perform their operational commitments.

The four main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future development activities:

KPI	31 March 2023 £	31 March 2022 £
Cash and cash equivalents	280,584	473,390
Administrative expenses as a percentage of total assets	29%	13%
Research and Development costs incurred during the year	1,456,436	2,304,000
Revenue	2,092,161	1,707,790

### Principal risks and uncertainties

The management of the business and the execution of the Group’s strategy are subject to a number of risks. The key business risks affecting the Group are set out below.



# INSIG AI PLC

## STRATEGIC REPORT

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

### ***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. Further, the Board monitors the sales and product market penetration and the impact this has on sufficient working capital.

### ***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.

### ***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 3 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 larger key customers which will assist in building a stronger and more diverse sales pipeline to mitigate customer concentration risk. Key customers are detailed in note 6 of the Financial Statements.

### ***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.

Whilst 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. Insig AI has a nominated Information Security Officer who is required to report any data security breach to the CEO. No data breaches or performance incidents that had a material impact on the business were experienced during the reporting period. Insig AI’s Sustainability

## INSIG AI PLC

### STRATEGIC REPORT

Report 2022 contains more detail on the Company's information security management system regarding data security, technology disruptions, risk assessment and mitigation, cyber security and data privacy.

#### ***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 look 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. Whilst the Board is aware of several companies across the world claiming to have certain similar software and other technology solutions not dissimilar to those of the Group, management believe such companies are small and have to date, not found themselves in direct competition with any of them when negotiating with investment managers on prospective services or licence arrangements

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

#### **Corporate responsibility**

##### ***Approach to Environmental, Social and Governance***

The Board believes that businesses have a duty to behave sustainably and responsibly and understand that the Company must 'walk the talk' on Environmental, Social and Governance ("ESG") matters while at the same time seeking to contribute a positive impact through its activities.

##### ***Impact***

The Group has developed a software tool to support ESG research and analysis to drive best practice, 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 into companies with better ESG credentials and contribute to a macro environment that will benefit all parties.

##### ***Risks***

Insig AI's Sustainability Report 2023 provides detail on the Company's identification of material risks in line with the Sustainability Accounting Standards Board (SASB), and measures taken to mitigate them. The below is a summary.

##### ***Data security and privacy***

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, and experienced no data breaches or material performance incidents during the reporting period.

##### ***Workforce***

As innovators in software development, the Company depends on the skilled technical knowledge of its staff and their wellbeing and retention are a priority. Insig AI has over 20 workforce policies available internally for staff which are set out in the Sustainability Report and some of which are also published on the Company's website.

The Company is committed to the principles of diversity, inclusion and equality and Insig AI's Equal Opportunity Policy is available on the company website. Bullying and harassment are not tolerated and we seek to ensure that everyone is treated with the same dignity and respect. Insig AI's Bullying and Harassment Policy can be found on the Company's website.

##### ***Environment***

While the Company has a relatively low environmental impact due to the nature of its operations and hybrid working policy, the Board is committed to reducing any negative impacts.

Insig AI's Sustainability Report 2023 contains estimates of its two main sources of carbon emissions (both Scope 2); cloud computing data storage centres and unavoidable international travel for key staff, and consideration of how to minimise these further before potentially offsetting residual emissions.

##### ***Corporate Governance***

The Group is committed to operating ethically across all the various jurisdictions in which it operates and adheres to the QCA Corporate Governance Code. The Statement of Compliance and Policies including regarding Whistleblowing, Ethics and Integrity, Anti-Bribery and Corruption and Criminal Finances Act can be found on the Company's website.

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## STRATEGIC REPORT

### ***Health and safety***

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

- SSL follows a health and safety (H&S) 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 when 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.

Insig AI's H&S Policy can be found on the Company's website.

### ***Internal controls***

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the period. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Further details of corporate governance can be found in the Corporate Governance Report on page 16.

### ***Going concern***

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The Directors have reviewed projections for a period of at least 12 months from the date of approval of these financial statements as well as potential opportunities. Any potential short falls in funding have been identified and the steps to which Directors are able to mitigate such scenarios and/or defer or curtail discretionary expenditures should these be required have been considered.

In approving the financial statements, the Board has recognised that there is a material uncertainty. The financial statements do not include any adjustments that may arise in the event of the Group not being a going concern. However, having made enquiries and considered the uncertainties outlined above, the Directors have a reasonable expectation that the Group will continue to be able to raise finance as required over this period to enable it to continue in operation and existence for the foreseeable future. Accordingly, the Board believes it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The Group's business activities together with the additional factors likely to affect its future development, performance and position are set out in the Chairman's Report on page 3. In addition, Note 3 to the Consolidated Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

### ***Directors' and Officers' indemnity insurance***

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and Officers. These were made during the period and remain in force at the date of this report.

### **Financial Risk Management Objectives**

The Group has disclosed the financial risk management objectives within Note 3 to these Financial Statements.

### **Events after the reporting period**

Events after the reporting period are set out in Note 32 of the Financial Statements.

### **Future developments**

Details of future developments for the Group are disclosed in the Chairman's Report on page 3.

# INSIG AI PLC

## STRATEGIC REPORT

### Impairments

Following their assessment on intangible assets which include development costs, goodwill, technology, databases and customer relationships, the Directors concluded that an impairment charge of £16,558,296 was necessary for the year ended March 2023. This impairment was decided as a result of an increased weighted average cost of capital (WACC) being used changing the risk free rate, reduced revenue projections expected over the next several years, and changes in the market conditions within the technology sector.

Details of impairments which have been applied by the Group are disclosed within note 14 to these Financial Statements.

### Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) of the Companies Act 2006 ("S172") when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

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.

This section should be read in conjunction with the rest of the Group Strategic Report and the Corporate Governance Statements.

#### S172 (1) *"The likely consequences of any decision in the long term"*

The application of the Section 172 (1) requirements can be demonstrated in relation to some of the key decisions made during the reporting period, including:

- ongoing research and development within Insig Partners Limited
- focusing on strategic partnerships with funds and other technology providers
- continued assessment of corporate overheads and expenditure

#### S172(1) *"The need to act fairly as between members of the Company"*

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of the Company's strategy over the long-term, taking into consideration the impact on stakeholders. The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole.

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with key private shareholder, analysts and brokers, providing the opportunity to discuss issues and provide feedback at meetings with the Company. All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company.

#### S172(1) *"The desirability of the Company maintaining a reputation for high standards of business conduct"*

The Board periodically reviews and approves clear frameworks, such as the Company's Code of Business Ethics, to ensure that its high standards are maintained both within the Group and the business relationships we maintain. This, complemented by the various ways the Board is informed and monitors compliance with relevant governance standards, help ensure its decisions are taken and that the Group acts in ways that promote high standards of business conduct.

#### S172(1) *"The interests of the company's employees"*

## **INSIG AI PLC**

### **STRATEGIC REPORT**

The Board recognises that the Company's employees, are fundamental and core to the Organisation's business and delivery of our strategic ambitions. The success of the Company's business depends on attracting, retaining and motivating employees. From ensuring that the Company remains a responsible employer, from pay and benefits to the health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

*S172(1) "The need to foster the Company's business relationships with suppliers, customers and others"*

Delivering on the Group strategy requires strong mutually beneficial relationships with suppliers and customers. The Group values all of its suppliers and aims to build strong positive relationships through open communication and adherence to trade terms. The Group is committed to being a responsible entity and doing the right thing for its customers, suppliers and business partners.

*S172(1) "The impact of the Company's operations on the community and the environment"*

The Group is committed to the highest environmental, social and governance standards both internally within the Group and externally with customers. The Group is committed to being a responsible entity in terms of the community and the wider environment.

The Strategic Report comprises the Chairman's Report, the Strategic Report and was approved by the Board of Directors for issuance on 13 August 2023.

**Colm McVeigh**  
**Chief Executive Officer**  
**13 August 2023**

## INSIG AI PLC

### DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of Insig AI plc together with the Financial Statements for the year ended 31 March 2023.

#### Dividends

The Directors do not recommend the payment of a dividend for the year (31 March 2022: £Nil).

#### Directors & Directors' interests

The Directors who served during the year ended 31 March 2023 are shown below and had, at that time the following beneficial interests in the shares of the Company:

	31 March 2023		31 March 2022	
	Ordinary shares	Share options & warrants	Ordinary shares	Share options & warrants
Richard Bernstein	14,250,000	1,666,667	12,892,500	-
Steven Cracknell	6,318,293	-	10,839,798	-
Warren Pearson	2,328,082	-	4,828,082	-
Colm McVeigh	29,550	2,000,000	29,550	2,000,000
John Murray*	40,000	-	40,000	-
Richard Cooper**	-	-	-	-

\* John Murray deceased 24 April 2023

\*\* Richard Cooper was appointed 11 April 2022

Further details on options can be found in Note 23 to the Financial Statements.

#### Substantial shareholders

The substantial shareholders with more than a 3% shareholding at 31 March 2023 are shown below:

	Holding	Percentage
Richard Bernstein	14,250,000	14.4%
Nikhil Srinivasan	7,599,936	7.6%
Steven Cracknell	6,318,293	6.4%
Anna Mann	5,438,600	5.4%
Mark Woodhouse	5,048,537	5%
Jaco Venter	3,365,961	3.4%

#### Serving Directors

The Directors that served during the year and their roles are as follows:

Richard Bernstein – Executive Chairman

Colm McVeigh – Chief Executive Officer

Steven Cracknell – Executive Director

Warren Pearson – Chief Technical Officer

Richard Cooper – Non-Executive Director (appointed 11 April 2022)

John Murray – Non-Executive Director (deceased 24 April 2023)

#### Future Developments

Please refer to Chairman's statement on page 3.

## **INSIG AI PLC**

### **DIRECTORS' REPORT**

#### **Research and development**

Please refer to Chairman's statement on page 3.

#### **Sales and purchase of treasury shares**

On 21 December 2022, Steven Cracknell and Warren Pearson who are directors of the Company, gifted 4,500,000 and 2,500,000 of their shares respectively to be held in treasury.

#### **Provision of information to Auditor**

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Auditor**

Crowe U.K. LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 13 August 2023 and signed on its behalf.

**Colm McVeigh**  
**Chief Executive Officer**  
**13 August 2023**

## **INSIG AI PLC**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 elected to prepare the Group and Parent Company Financial Statements in accordance with International Accounting Standards in conformity with the Companies Act 2006. 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 Group and Company, 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 accounting estimates that are reasonable and prudent;
- state whether applicable international accounting standards in conformity with the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, 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 Company, 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 the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.



# INSIG AI PLC

## CORPORATE GOVERNANCE REPORT

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.

### **Corporate Governance Report**

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

#### **Principle One**

##### *Business Model and Strategy*

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 non-core 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.

#### **Principle Two**

##### *Understanding 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 shareholders questions are encouraged and 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.

#### **Principle Three**

##### *Considering Wider Stakeholder and Social Responsibilities*

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 AI’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

## INSIG AI PLC

### CORPORATE GOVERNANCE REPORT

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. “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.

#### **Principle Four**

##### *Risk Management*

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 9 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.

#### **Principle Five**

##### *A Well Functioning Board of Directors*

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 three executive Directors – and is satisfied it met this requirement during the year ended 31 March 2023. The time commitment of the non-executive directors is at least two days per month. All executive directors are full time.

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 members of the committees during the year ended 31 March 2023 were as follows:

##### Audit and Risk Committee:

- Richard Cooper (Chairman)
- John Murray (deceased 24 April 2023)

##### Remuneration Committee:

# INSIG AI PLC

## CORPORATE GOVERNANCE REPORT

- John Murray (Chairman – deceased 24 April 2023)
- Richard Bernstein

The Audit and Risk Committee aims to meet three times per year and the Remuneration Committee meets on an as required basis.

The 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. 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 Directors' attendance at the Board meetings are set out below:

	Board Meetings attended
Richard Bernstein	9
Steven Cracknell	9
Warren Pearson	9
Colm McVeigh	9
Richard Cooper	7
John Murray	7

### **Principle Six**

#### *Appropriate Skills and Experience of the Directors*

During the year the board comprised three Executive and three Non-Executive Directors with an appropriate balance of sector, financial and public market skills and experience.

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 has engaged Westend Corporate LLP who handle the outsourced accounting and finance functions of the Group and fulfil the role of CFO. Given the Groups current size and revenues, the Board considers an outsourced accounting function appropriate.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

## INSIG AI PLC

### CORPORATE GOVERNANCE REPORT

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. The biographies of each directors who served during the year ended 31 March 2023 are below:

#### 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 Product 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 2012, 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.

#### Colm McVeigh - *Chief Executive Officer*

Colm has held senior commercial roles in software and telecoms sectors with a strong record of driving growth and business transformation. He has worked for Misys, Oracle and later for Vodafone and BT leading commercial teams responsible for commercial strategy, marketing, proposition development, product management and sales. From 2016 until September 2021, Colm was the Chief Commercial Officer of BT One Phone, the mobile Cloud SaaS joint venture in which he led the commercial turnaround resulting in a high multiple EBITDA minority interest sale valued at £320 million. Colm has an MBA from University of Reading, B.Sc (mgmt.) from Trinity College Dublin, and a Diploma in Mediation from Law Society of Ireland.

#### John Murray - *Independent Non-Executive Director*

John Murray was most recently a Managing Director at Credit Suisse acting as Senior Adviser to the CEO. He joined Credit Suisse in 2015 from Prudential plc where he served as Group Director of Communications and member of the Group Executive Committee. John was previously Director of Communications at the Financial Services Authority, a founding partner of London-based financial PR consultancy, Powerscourt Limited, and Director of Strategy and Communications at Telewest plc (now part of Virgin Media). Prior to this, John had a successful career in journalism, culminating in the position of Executive Editor of The Daily Express. John was a senior advisor to AIM listed activist fund, Crystal Amber Fund, alongside holding the position of Trustee for the Barbican Centre. John sadly passed away on 24 April 2023 after a short illness.

#### Richard Cooper - *Independent Non-Executive Director*

Richard Cooper has over 25 years' experience as a Chief Financial Officer across both publicly-traded and privately-owned companies in a variety of service industries, including gaming and financial services. He is currently CFO of Equals Group plc, an AIM-quoted Fintech company. He also holds the role of Chairman and non-executive director of Engage XR Holdings Plc, also quoted on AIM. From December 2008 until February 2017, Mr Cooper was the Chief Financial Officer of GVC Holdings plc (now Entain plc). He also served as a non-executive director, and Chair of the Audit Committee of Sportech plc from May 2017 until October 2018.

# INSIG AI PLC

## CORPORATE GOVERNANCE REPORT

### **Principle Seven**

#### *Evaluation of Board Performance*

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. It however evaluates performance through peer evaluation and will continue to review this requirement as the size and the complexity of the Company evolves.

### **Principle Eight**

#### *Corporate Culture*

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. This is further enhanced by whistleblowing, equal opportunity and anti harassment policies.

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.

### **Principle Nine**

#### *Maintenance of Governance Structures and Processes*

The Chairman ensures effective communication with shareholders. The Company's Chief Executive, Colm McVeigh, 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.

The Board has established the following committees:

#### *Audit and Risk Committee*

The Audit and Risk Committee is comprised of the non-executive Directors and is chaired by Richard Cooper (appointed 11 April 2022). 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 aims to meet at least three times a year to review the Company's interim and final results and liaises with the Company's Auditors.

#### *Remuneration Committee*

The Remuneration Committee is comprised of the non-executive Directors and was chaired by John Murray during the year ended 31 March 2023. 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.

#### *Nominations Committee*

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

#### *Non-Executive Directors*

The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive Directors insofar as both the Chairman and non-executive Directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a Non-Executive Director before commencing a first term as Chairman.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence;

## INSIG AI PLC

### CORPORATE GOVERNANCE REPORT

a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

#### **Principle Ten**

##### *Shareholder Communication*

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.

Colm McVeigh  
Chief Executive Officer  
13 August 2023

# INSIG AI PLC

## INDEPENDENT AUDITORS REPORT

### To the shareholders of Insig AI Plc

#### Opinion

We have audited the financial statements of Insig AI Plc (the “Parent Company”) and its subsidiaries (the “Group”) for the year ended 31 March 2023, which comprise:

- the consolidated and company statement of financial position as at 31 March 2023;
- the consolidated statement of comprehensive income for the year ended 31 March 2023;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards, and as regards the parent company, as applied in accordance with the provision of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 March 2023 and of the Group’s loss for the period then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards;
- 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 Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’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.

#### Material uncertainty related to going concern

We draw attention to note 2.5 in the financial statements and the going concern paragraphs in the Strategic Report on page 10 which explains that that the Board has considered the potential shortfall in funding over the following 12 months from date of approval of these financial statements.

The Board acknowledge their expectation that further working capital is required to support the Group and parent company’s over both the short and potentially medium term. In addition to this there are also inherent uncertainties over future projected revenue growth including the timing of the receipt for significant research and development credit and potential repayment of convertible loan notes due for repayment on 31 December 2023. Together the above indicates a material uncertainty exists that may cast significant doubt on the Group and parent company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Group and parent company’s ability to continue to adopt the going concern basis of accounting included:

- Discussions with management with regards to future funding requirements;
- Reviewing the directors’ going concern assessment including the worst-case scenario cash flow forecast that covers at least 12 months from the date we expect to sign the audit report;
- Assessing the cash flow requirements of the Group and parent company based on budgets and forecasts;
- Understanding what forecast expenditure is committed and what could be considered discretionary;
- Considering the liquidity of existing assets in the statement of financial position;
- Considering the options available to management for further fundraising, or additional sources of finance;
- Making enquiries of management as to its knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the Group and Parent company’s ability to continue as a going concern, and evaluating the reliability of the data underpinning the forecast cash flows along with the numerical accuracy of the calculations; and
- Considering the accuracy of past budgeting and trading history, as well as a review of the June 2023 management accounts compared to forecast.

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

**INDEPENDENT AUDITORS REPORT**

**Overview of our audit approach**

*Materiality*

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £90,000, based on EBITDA for the business. The materiality was set based on using a guideline of 5% of adjusted EBITDA.

Overall Parent Company materiality was set at £35,000 based on net assets, restricted so as not to exceed group materiality. Materiality represents 1.5% of net assets. The parent company acts as a holding company for the investment in the trading subsidiaries and therefore net assets was considered a more relevant measure than turnover or profitability.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at £63,000 for the Group and £24,500 for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £2,250. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

**Overview of the scope of our audit**

The audit scope was established during the planning stage and has been carried out solely by Crowe U.K. LLP. We performed an audit of the complete financial information of Insig AI Plc. UK subsidiaries claimed a subsidiary audit exemption and therefore were audited for the purposes of the consolidation only. No component auditors were utilised.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, 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) that we identified. These matters included 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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

<b>Key audit matter</b>	<b>How the scope of our audit addressed the key audit matter</b>
<p><b>Carrying value of goodwill and intangible assets (Notes 2.7, 2.10 and 14)</b></p> <p>The Group holds intangible assets and goodwill with a carrying value of £23,039,060.</p> <p>Recovery of these assets is dependent upon future cash flows which are required to be discounted. There is a risk that forecasts for these future cash flows are not met or that the cash flows have not been discounted at an appropriate rate. If the cash flows do not meet expectations the assets may become impaired.</p>	<p>We obtained an understanding of the design and tested the implementation of controls over the valuation of these assets.</p> <p>We tested management's impairment review for goodwill and intangible assets.</p> <p>The audit work was directed at obtaining evidence on the accuracy of the forecasts of future cash flows which were based on board approved forecasts. We challenged management on the assumptions made, including the forecast level of revenue, profitability and the discount rate applied. This work was conducted utilising the expertise of our valuations team. As part of our testing we benchmarked assumptions such as the terminal growth rate and inputs into the calculation of the cost of capital (discount rate).</p> <p>Additionally, we have assessed the rates used for the amortisation of intangible assets to ensure that the rates are consistent with our knowledge of the business and the sector it operates in.</p> <p>We have reviewed the disclosures within the financial statements to ensure they are complete and accurately stated in line with appropriate IAS 36.</p>



## INDEPENDENT AUDITORS REPORT

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**Carrying value of investments and intercompany receivables in the parent company statement of financial position (Notes 2.8, 2.10 and 15)**

The Parent company holds an investment in its subsidiary companies with a carrying value of £15,594,537 and intercompany receivables of £4,788,599.

The risk these balances may be impaired is consistent to those noted above in relation to the intangible assets and goodwill.

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The investment and intercompany receivable balances have been included in the intangibles asset and goodwill impairment review prepared by management.

We have utilised the procedures listed above to test for impairment of these assets.

We have also tested the consolidation model to ensure that these balances and the related impairment charge has been correctly eliminated on consolidation.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

### Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 this gives rise to 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year 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 light of the knowledge and understanding of the Group and the parent company and their 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 where 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 15, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

### INDEPENDENT AUDITORS REPORT

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the recognition of revenue. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the board meeting minutes;
- enquiry of management and review and inspection of relevant correspondence with any legal firms;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- detailed testing of a sample of sales made during the year and around the year end and agreeing these through to invoices.
- testing the appropriateness of a sample of significant journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **INSIG AI PLC**

### **INDEPENDENT AUDITORS REPORT**

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

Mark Sisson (Senior Statutory Auditor)

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

40-46 High Street

Maidstone

Kent

ME14 1JH, UK

13 August 2023

# INSIG AI PLC

## CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION For the year ended 31 March 2023

	Note	Group		Company	
		31 March 2023 £	31 March 2022 £	31 March 2023 £	31 March 2022 £
<b>Non-Current Assets</b>					
Property, plant and equipment	12	37,648	65,664	-	-
Right of Use Assets	13	28,266	38,545	-	-
Intangible assets	14	20,309,278	38,217,155	-	-
Investment in subsidiaries	15	-	-	20,383,136	39,179,029
		<b>20,375,192</b>	<b>38,321,364</b>	<b>20,383,136</b>	<b>39,179,029</b>
<b>Current Assets</b>					
Trade and other receivables	16	719,840	289,819	151,699	89,414
Cash and cash equivalents	17	280,584	473,390	3,749	61,314
		<b>1,000,424</b>	<b>763,209</b>	<b>155,448</b>	<b>150,728</b>
<b>Total Assets</b>		<b>21,375,616</b>	<b>39,084,573</b>	<b>20,538,584</b>	<b>39,329,757</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	19	16,868	28,593	-	-
Deferred tax liabilities	20	2,586,096	4,160,088	-	-
		<b>2,602,964</b>	<b>4,188,681</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>					
Trade and other payables	18	932,927	810,331	382,636	308,544
Lease liabilities	19	10,386	9,048	-	-
Convertible loan notes	19	2,261,769	-	2,261,769	-
		<b>3,205,082</b>	<b>819,379</b>	<b>2,644,405</b>	<b>308,544</b>
<b>Total Liabilities</b>		<b>5,808,046</b>	<b>5,008,060</b>	<b>2,644,405</b>	<b>308,544</b>
<b>Net Assets</b>		<b>15,567,570</b>	<b>34,076,513</b>	<b>17,894,179</b>	<b>39,021,213</b>
<b>Equity attributable to owners of the Parent</b>					
Share capital	22	3,109,804	3,109,804	3,109,804	3,109,804
Share premium	22	39,077,403	39,077,403	39,077,403	39,077,403
Other reserves	24	377,381	325,583	377,381	325,583
Share based payments reserve	23	18,845	17,240	18,845	17,240
Retained losses		(26,964,846)	(8,400,850)	(24,689,254)	(3,508,817)
<b>Equity attributable to shareholders of the parent</b>		<b>15,618,587</b>	<b>34,129,180</b>	<b>17,894,179</b>	<b>39,021,213</b>
Non-controlling interests		(51,017)	(52,667)	-	-
<b>Total Equity</b>		<b>15,567,570</b>	<b>34,076,513</b>	<b>17,894,179</b>	<b>39,021,213</b>

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Company for the year ended 31 March 2023 was £21,180,437 (31 March 2022: loss of £267,798).

The Financial Statements were approved and authorised for issue by the Board of Directors on 13 August 2023 and were signed on its behalf by:

Colm McVeigh  
Chief Executive Officer

The Notes on pages 32 to 61 form part of these Financial Statements.

**INSIG AI PLC**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2023**

<b>Continued operations</b>	<b>Note</b>	<b>Year ended 31 March 2023 £</b>	<b>Year ended 31 March 2022 £</b>
Revenue	5	2,092,161	1,707,790
Cost of sales	5	(732,966)	(719,068)
<b>Gross profit</b>		<b>1,359,195</b>	<b>988,722</b>
Administrative expenses	7	(6,124,769)	(5,256,104)
Other gains/(losses)	8	(23,368)	7,838
Other income	9	444	119,025
Impairments	14	(16,558,296)	-
<b>Operating loss</b>		<b>(21,346,794)</b>	<b>(4,140,519)</b>
Finance income	10	101	3,878
Finance costs	10	(81,518)	(14,010)
<b>Loss before exceptional item</b>		<b>(21,428,211)</b>	<b>(4,150,651)</b>
Exceptional items	11	-	905,851
<b>Loss before income tax</b>		<b>(21,428,211)</b>	<b>(3,244,800)</b>
Tax credit/(charge)	27	2,865,865	(941,919)
<b>Loss for the year after income tax</b>		<b>(18,562,346)</b>	<b>(4,186,719)</b>
<b>Loss for the year attributable to owners of the Parent</b>		<b>(18,563,996)</b>	<b>(4,199,720)</b>
<b>Profit/(Loss) for the year attributable to Non-controlling interests</b>		<b>1,650</b>	<b>13,001</b>
<b>Basic and Diluted Loss Per Share attributable to owners of the Parent during the period (expressed in pence per share)</b>	28	<b>(17.89)p</b>	<b>(4.40)p</b>

	<b>Year ended 31 March 2023 £</b>	<b>Year ended 31 March 2022 £</b>
Loss for the year	(18,562,346)	(4,186,719)
<b>Other Comprehensive Income:</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
<b>Other comprehensive loss for the year, net of tax</b>	-	-
<b>Total comprehensive loss</b>	<b>(18,562,346)</b>	<b>(4,186,719)</b>
<b>Total comprehensive loss attributable to owners of the Parent</b>	<b>(18,563,996)</b>	<b>(4,199,720)</b>
<b>Total comprehensive profit/(loss) attributable to Non-controlling interests</b>	<b>1,650</b>	<b>13,001</b>

The Notes on pages 32 to 61 form part of these Financial Statements.

# INSIG AI PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 March 2023

Note	Share capital £	Share premium £	Share based payments reserve £	Other reserves £	Retained earnings /(losses) £	Total £	Non Controlling Interest £	Total £
<b>Balance as at 1 April 2021</b>	<b>2,479,664</b>	<b>3,039,531</b>	<b>-</b>	<b>427,727</b>	<b>(4,201,130)</b>	<b>1,745,792</b>	<b>(65,668)</b>	<b>1,680,124</b>
Loss for the period	-	-	-	-	(4,199,720)	(4,199,720)	13,001	(4,186,719)
<b>Other comprehensive loss for the period</b>								
<b>Items that may be subsequently reclassified to profit or loss</b>	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,199,720)</b>	<b>(4,199,720)</b>	<b>13,001</b>	<b>(4,186,719)</b>
Issue of new shares	630,140	36,201,388	-	-	-	36,831,528	-	36,831,528
Equity component of CLN issued in period	-	-	-	(124,343)	-	(124,343)	-	(124,343)
Share issue costs	-	(163,516)	-	22,199	-	(141,317)	-	(141,317)
Share based payments	-	-	17,240	-	-	17,240	-	17,240
<b>Total transactions with owners, recognised directly in equity</b>	<b>630,140</b>	<b>36,037,872</b>	<b>17,240</b>	<b>(102,144)</b>	<b>-</b>	<b>36,583,108</b>	<b>-</b>	<b>36,583,108</b>
<b>Balance as at 31 March 2022</b>	<b>3,109,804</b>	<b>39,077,403</b>	<b>17,240</b>	<b>325,583</b>	<b>(8,400,850)</b>	<b>34,129,180</b>	<b>(52,667)</b>	<b>34,076,513</b>
<b>Balance as at 1 April 2022</b>	<b>3,109,804</b>	<b>39,077,403</b>	<b>17,240</b>	<b>325,583</b>	<b>(8,400,850)</b>	<b>34,129,180</b>	<b>(52,667)</b>	<b>34,076,513</b>
Profit/(Loss) for the year	-	-	-	-	(18,563,996)	(18,563,996)	1,650	(18,562,346)
<b>Other comprehensive loss for the year</b>								
<b>Items that may be subsequently reclassified to profit or loss</b>	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,563,996)</b>	<b>(18,563,996)</b>	<b>1,650</b>	<b>(18,562,346)</b>
Share based payments	-	-	1,605	-	-	1,605	-	1,605
Equity component of CLN issued in period	-	-	-	51,798	-	51,798	-	51,798
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>1,605</b>	<b>51,798</b>	<b>-</b>	<b>53,403</b>	<b>-</b>	<b>53,403</b>
<b>Balance as at 31 March 2023</b>	<b>3,109,804</b>	<b>39,077,403</b>	<b>18,845</b>	<b>377,381</b>	<b>(26,964,846)</b>	<b>15,618,587</b>	<b>(51,017)</b>	<b>15,567,570</b>

The Notes on pages 32 to 61 form part of these Financial Statements.

INSIG AI PLC

COMPANY STATEMENT OF CHANGES IN EQUITY  
For the year ended 31 March 2023

Note	Share capital £	Share premium £	Share based payments reserve £	Other reserves £	Retained losses £	Total equity £
<b>Balance as at 1 April 2021</b>	<b>2,479,664</b>	<b>3,039,531</b>	-	<b>427,727</b>	<b>(3,776,615)</b>	<b>2,170,307</b>
Profit for the period	-	-	-	-	267,798	267,798
<b>Total comprehensive loss for the period</b>	-	-	-	-	<b>267,798</b>	<b>267,798</b>
Issue of new shares	630,140	36,201,388	-	-	-	36,831,528
Share issue costs	-	(163,516)	-	22,199	-	(141,317)
Share based payments	-	-	17,240	-	-	17,240
Equity component of CLN issued in the period	-	-	-	(124,343)	-	(124,343)
<b>Total transactions with owners, recognised directly in equity</b>	<b>630,140</b>	<b>36,037,872</b>	<b>17,240</b>	<b>(102,144)</b>	-	<b>36,583,108</b>
<b>Balance as at 31 March 2022</b>	<b>3,109,804</b>	<b>39,077,403</b>	<b>17,240</b>	<b>325,583</b>	<b>(3,508,817)</b>	<b>39,021,213</b>
<b>Balance as at 1 April 2022</b>	<b>3,109,804</b>	<b>39,077,403</b>	<b>17,240</b>	<b>325,583</b>	<b>(3,508,817)</b>	<b>39,021,213</b>
Loss for the year	-	-	-	-	(21,180,437)	(21,180,437)
<b>Total comprehensive loss for the year</b>	-	-	-	-	<b>(21,180,437)</b>	<b>(21,180,437)</b>
Share based payments	-	-	1,605	-	-	<b>1,605</b>
Equity component of CLN issued in the period	-	-	-	51,798	-	<b>51,798</b>
<b>Total transactions with owners, recognised directly in equity</b>	-	-	<b>1,605</b>	<b>51,798</b>	-	<b>53,403</b>
<b>Balance as at 31 March 2023</b>	<b>3,109,804</b>	<b>39,077,403</b>	<b>18,845</b>	<b>377,381</b>	<b>(24,689,254)</b>	<b>17,894,179</b>

The Notes on pages 32 to 61 form part of these Financial Statements.

# INSIG AI PLC

## CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS For the year ended 31 March 2023

	Note	Group		Company	
		12 month period ended 31 March 2023	12 month period ended 31 March 2022	12 month period ended 31 March 2023	12 month period ended 31 March 2022
		£	£	£	£
<b>Cash flows from operating activities</b>					
(Loss)/profit before income tax		(18,562,346)	(4,186,719)	(21,180,437)	267,798
Adjustments for:					
Depreciation and amortisation		2,839,889	2,239,017	-	-
Share based payments	23	1,605	17,240	1,605	17,240
Impairments		16,558,296		20,408,199	
Net finance (income)/costs		81,518	13,546	63,566	(58,104)
Provision for deferred tax liabilities		(1,573,992)	941,918	-	-
Provision for R&D tax credits		(552,000)	-	-	-
R&D provision for prior year		(749,873)	-	-	-
Proceeds from R&D tax credits		749,873	683,143	-	-
Fair value uplift on unlisted investment		-	(1,759,221)	-	(1,759,222)
Loss on disposal of lease liability		-	(7,725)	-	-
Changes in working capital:					
(Increase)/Decrease in trade and other receivables		118,704	36,658	(62,285)	52,849
Increase/(Decrease) in trade and other payables		121,131	(170,024)	74,092	(56,110)
<b>Net cash used in operating activities</b>		<b>(967,195)</b>	<b>(2,192,167)</b>	<b>(695,260)</b>	<b>(1,535,549)</b>
<b>Cash flows from investing activities</b>					
Sale/(Purchase) of property, plant and equipment	12	(8,788)	(34,053)	-	-
Acquisition of subsidiaries net of cash acquired		-	(1,528,518)	-	(1,742,478)
Purchase of intangible assets	14	(1,456,436)	(2,304,860)	-	-
Loans granted to subsidiaries		-	-	(1,612,305)	(3,148,487)
<b>Net cash used in investing activities</b>		<b>(1,465,224)</b>	<b>(3,867,431)</b>	<b>(1,612,305)</b>	<b>(4,890,965)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of share capital		-	6,145,490	-	6,145,490
Transaction costs of share issue		-	(141,516)	-	(141,317)
Proceeds from Borrowings		2,250,000	-	2,250,000	-
Repayment of borrowings		-	(290,000)	-	-
Repayment of leasing liabilities		(10,387)	(115,939)	-	-
<b>Net cash generated from financing activities</b>		<b>2,239,613</b>	<b>5,598,035</b>	<b>2,250,000</b>	<b>6,004,173</b>
<b>Net decrease/(increase) in cash and cash equivalents</b>		<b>(192,806)</b>	<b>(461,563)</b>	<b>(57,565)</b>	<b>(422,341)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>473,390</b>	<b>934,953</b>	<b>61,314</b>	<b>483,655</b>
<b>Cash and cash equivalents at end of year</b>	17	<b>280,584</b>	<b>473,390</b>	<b>3,749</b>	<b>61,314</b>

### Major Non-Cash Transactions:

On 21 December 2022, Steven Cracknell and Warren Pearson, Chief Product Officer and Chief Technology Officer gifted at nil value, their shares to the Company to be held in treasury and to be used at the discretion of the Company. Steven Cracknell gifted 4,500,000 ordinary shares of 1p each and Warren Pearson has gifted 2,500,000.

The Notes on pages 32 to 61 form part of these Financial Statements.



**INSIG AI PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2023**

**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 7-12.

These financial statements are prepared in pounds sterling being the currency of the primary economic environment in which the Group operates.

**2. Summary of significant accounting policies**

The principal Accounting Policies applied in the preparation of these Consolidated Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

**2.1. Basis of preparation of Financial Statements**

The Group and Company Financial Statements have been prepared in accordance with UK-adopted international accounting standards. The Group and Company Financial Statements have also been prepared under the historical cost convention.

The Financial Statements are presented in Pound Sterling rounded to the nearest pound.

The preparation of Financial Statements in conformity with UK adopted International Accounting Standards (IAS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group and Company Financial Statements are disclosed in Note 4.

**2.2. New and amended standards**

*(i) New and amended standards adopted by the Group and Company*

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 March 2023 but did not result in any material changes to the financial statements of the Group or Company.

Of the other IFRS and IFRIC amendments, none are expected to have a material effect on future Group or Company Financial Statements.

*(ii) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted*

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

<b>Standard</b>	<b>Impact on initial application</b>	<b>Effective date</b>
IFRS 17 (Amendments)	Insurance contracts	1 January 2023
IAS 1 (Amendments) and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IAS 8 (Amendments)	Definition of Accounting Estimate	1 January 2023
IAS 12 Income Taxes (Amendments)	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
IAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2024
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024

None are expected to have a material effect on the Group or Company Financial Statements.

**2.3. Basis of Consolidation**

The Consolidated Financial Statements consolidate the financial statements of the Company and its subsidiaries made up to 31 March 2023. Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Investments in subsidiaries are accounted for at cost less impairment within the parent company financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

#### **2.4. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represent amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Under IFRS 15 there is a five-step approach to revenue recognition which is adopted across all revenue streams. The process is:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Fees are recognised once the work is completed and provided to the client.

The Group has two types of revenue streams being machine learning and data services and sports activities.

Machine learning and Data services revenue comprises of:

1. ESG Research Tool  
Fees are recognised as the agreed work is conducted.
2. Machine Readable Data  
Fees are recognised as the agreed work is conducted.
3. Bespoke Data Science Solutions  
Charged on a project basis and includes work related to data migration, design fees, communication fees and technological services. The fees are recognised as the agreed work in conducted.

For the services detailed above, revenue is recognised and invoiced in accordance with milestones agreed within each contract with the customer, which can vary on a case-by-case basis. In all scenarios, the revenue is recognised in accordance with the provision of the agreed services provided or, where the quantum and timing of the services can be difficult to predict, rateable over the period of the agreement. Depending on the client, invoices can be monthly, quarterly or ad-hoc. Invoices can be adjusted in situations where the agreed scope of work is exceeded or additional work is applied.

Sports activities revenue is recognised once performance obligations have been satisfied and work is completed with payment due in advance of the performance obligations. 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.

#### **2.5. Going concern**

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The Directors have reviewed projections for a period of at least 12 months from the date of approval of the financial statements as well as potential opportunities. Any potential short falls in funding have been identified and the steps to which Directors are able to mitigate such scenarios and/or defer or curtail discretionary expenditures should these be required have been considered. The directors have noted in their going concern assessment that the convertible loan notes provided to the Company are due

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for repayment on 31 December 2024 and the Company has forecast the receipt of a research and development refund in the coming months.

In approving the financial statements, the Board have recognised that there is a material uncertainty. The financial statements do not include any adjustments that may arise in the event of the Group not being a going concern. However, having made enquiries and considered the uncertainties outlined above, the Directors have a reasonable expectation that the Group will continue to be able to raise finance as required over this period to enable it to continue in operation and existence for the foreseeable future. Accordingly, the Board believes it is appropriate to adopt the going concern basis in the preparation of the financial statements.

**2.6. Foreign currencies**

*(a) Functional and presentation currency*

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the UK parent

entity and UK subsidiaries is Pounds Sterling, The Financial Statements are presented in Pounds Sterling which the Company's functional and Group's presentational currency.

*(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**2.7. 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. Amortisation is provided on all development costs to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight line basis at the following annual rates:

Technology assets – 7 years straight line  
Customer relationships – 13 years straight line  
Databases – 7 years straight line

Any impairment is recognised immediately in the income statement in administrative expenses.

**2.8. Investments in subsidiaries**

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

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**2.9. Property, plant and equipment**

Property, Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight line basis at the following annual rates:

Office Equipment – 25% and 10% straight line

Plant and Equipment – 25% and 10% straight line

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If an impairment review is conducted following an indicator of impairment, assets which are not able to be assessed for impairment individually are assessed in combination with other assets within a cash generating unit.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Income Statement.

**2.10. Impairment of non-financial assets**

Assets that have an indefinite useful life, for example, intangible assets not ready to use, and goodwill, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**2.11. Financial Instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position and income statement when there is a currently enforceable legal right to offset the recognized amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets**

All Group's recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification of financial assets**

Financial assets that meet the following conditions are measured subsequently at amortised cost using the effective interest rate method:

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

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The company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt instruments that do not qualify for measurement at either amortised cost (see above) or FVOCI;
- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognised fair value gains and losses through OCI.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income ("FVTOCI").

#### **Impairment of financial assets**

The Group recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **Financial liabilities**

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss.

#### **Financial liabilities measured subsequently at amortised cost**

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The Group's financial liabilities measured at amortised cost comprise convertible loan notes, trade and other payables, and accruals.

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period.

#### **Convertible loan notes**

On issue of a convertible loan, the fair value of the liability component is determined by discounting the contractual future cash flows using a market rate for a non-convertible instrument with similar terms. This value is carried as a liability on the amortised cost basis unless is designated as a Fair Value Through Profit and Loss ("FVTPL") at inception.

Financial instruments designated as FVTPL are classified in this category irrevocably at inception and are derecognised when extinguished. They are initially measured at fair value and transaction costs directly attributable to their acquisition are recognised immediately in profit or loss. Subsequent changes in fair values are recognised in the income statement with profit or loss.

Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component (such as an equity conversion option) is included in the liability component.

#### **Derecognition of financial liabilities**

A financial liability (in whole or in part) is recognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the income statement.

#### **Fair value measurement hierarchy**

The Group classifies its financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

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- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within the financial asset or financial liability is determined on the basis of the lowest level input that is significant to the fair value measurement.

**2.12. Leases**

The Group leases certain property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid. Lease payments generally include fixed payments less any lease incentives receivable. The lease liability is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group estimates the incremental borrowing rate based on the lease term, collateral assumptions, and the economic environment in which the lease is denominated. The lease liability is subsequently measured at amortized cost using the effective interest method. The lease liability is remeasured when the expected lease payments change as a result of new assessments of contractual options and residual value guarantees.

The right-of-use asset is recognised at the present value of the liability at the commencement date of the lease less any incentives received from the lessor. Added to the right-of-use asset are initial direct costs, payments made before the commencement date, and estimated restoration costs. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in lease liabilities, split between current and non-current depending on when the liabilities are due. The interest element of the finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets obtained under finance leases are depreciated over their useful lives. The lease liabilities are shown in Note 19.

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.

**2.13. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

**2.14. Equity**

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Treasury shares" are the portion of shares that a company keeps in its own treasury. These can be gifted or purchased.
- "Other reserves" represents the merger reserve, revaluation reserve and share option reserve where:
  - "Merger reserve" represents the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange;
  - "Revaluation reserve" represents a non-distributable reserve arising on the acquisition of Insig Partners Limited;
  - "Share option reserve" represents share options awarded by the group;
- "Retained earnings" represents retained losses.

**2.15. Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available.

**2.16. Share based payments**

The Group operates a number of equity-settled, share-based schemes, under which the Group receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Income Statement or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and

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- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The fair value of the share options and warrants are determined using the Black Scholes valuation model.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions

are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

### **2.17. Taxation**

Corporation tax is the main tax that a limited company must pay based on their profits, in addition to any gains from the sale of assets. For the year ended 31 March 2023, corporation tax is calculated as 19% of a company's profit for the year. No current tax is yet payable in view of the losses to date.

Deferred tax is recognised for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

## **3. Financial risk management**

### **3.1. Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. None of these risks are hedged.

Risk management is carried out by the management team under policies approved by the Board of Directors.

#### ***Market risk***

The Group is exposed to market risk, primarily relating to interest rate and foreign exchange. The Group has not sensitised the figures for fluctuations in interest rates and foreign exchange as the Directors are of the opinion that these fluctuations would not have a significant impact on the Financial Statements at the present time. The Directors will continue to assess the effect of movements in market risks on the Group's financial operations and initiate suitable risk management measures where necessary.

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***Credit risk***

Credit risk arises from cash and cash equivalents as well as loans to subsidiaries and outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

Impairment provisions for loans to subsidiaries are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At year end it was assessed credit risk was low due to future profits forecast therefore no provision was required.

For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. At year end all receivables were less than 60 day outstanding and deemed highly likely to be received therefore no provision was required.

***Liquidity risk***

In keeping with similar sized groups, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

With exception to deferred taxation, financial liabilities are all due within one year.

**3.2. Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to enable the Group to continue its activities, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future activities and may issue new shares in order to raise further funds from time to time.

**4. Critical accounting estimates and judgements**

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Items subject to such estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, include but are not limited to:

**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 assessment are given in Note 14.

**Impairment of intangible assets**

The Company follows the guidance of IAS 36 to determine when impairment indicators exist for its intangible assets. When impairment indicators exist, the Company is required to make a formal estimate of the recoverable amount of its intangible assets. This determination requires significant judgement. In making this judgement, management evaluates external and internal factors, such as significant adverse changes in the technological market, economic or legal environment in which the Company operates as well as the results of its ongoing development programs. Management also considers the carrying amount of the Company's net assets in relation to its market capitalisation as a key indicator.



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**Capitalised development costs**

Development costs incurred in building the Group's key platform for future expansion have been capitalised in accordance with the requirements of IAS38. The majority of these costs consist of salary expenses to which an estimated proportion of development time has been applied. Salary expenses are capitalised because the work done is expected to lead to future economic benefits for the Group.

**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.

**Investment in Subsidiaries**

The Company considers the recoverability of the investment in subsidiaries to be a key area of judgment, and this is held at its carrying amount which is expected to be recovered from the subsidiary. The directors believe that the investment in subsidiaries balance at year end is recoverable based on the directors' expectation around the potential that the subsidiaries have to generate sufficient economic benefits in the foreseeable future.

The investment in subsidiaries includes loans as detailed in note 15. The loans are considered recoverable by management, and the investments made have been impaired in line with their level of recoverability.

**Going Concern**

As discussed more fully in the in the Strategic Report on page 10, these financial statements have been prepared on the going concern basis. This approach is based on management's judgement that cashflow requirements for the continued development can be achieved through operating activities and additional fundraising if required.

**5. Segment information**

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

During the year, the Group's trading segments were machine learning and data services representing revenue of £693,734 (2022: £373,680) and its sports and leisure activities, comprising sports tuition at schools representing its revenue of £1,398,427 (31 March 2022: £1,334,110). All revenue was generated in the UK.

<b>31 March 2023</b>	<b>Machine learning and Data services £</b>	<b>Sport in Schools £</b>	<b>Total £</b>
Revenue	693,734	1,398,427	<b>2,092,161</b>
Cost of sales	(51)	(732,915)	<b>(732,966)</b>
Administrative expenses	(5,484,356)	(640,413)	<b>(6,124,769)</b>
Other gains/(losses)	(15,796)	(7,572)	<b>(23,368)</b>
Other income	1,291,873	444	<b>1,292,317</b>
Finance income	101	-	<b>101</b>
Finance costs	(81,518)	-	<b>(81,518)</b>
Impairments	(16,558,296)	-	<b>(16,558,296)</b>
<b>Profit/(Loss) before tax per reportable segment</b>	<b>(20,154,309)</b>	<b>17,971</b>	<b>(20,136,338)</b>
Additions to intangible asset	1,456,436	-	1,456,436
Reportable segment assets	20,809,036	566,580	<b>21,375,616</b>
Reportable segment liabilities	5,544,528	263,518	<b>5,808,046</b>

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<b>31 March 2022</b>	<b>Machine learning and Data services £</b>	<b>Sport in Schools £</b>	<b>Total £</b>
Revenue	373,680	1,334,110	<b>1,707,790</b>
Cost of sales	(14,335)	(704,733)	<b>(719,068)</b>
Administrative expenses	(4,697,299)	(558,805)	<b>(5,256,104)</b>
Other gains/(losses)	7,838	-	<b>7,838</b>
Other income	9,953	109,072	<b>119,025</b>
Finance income	3,878	-	<b>3,878</b>
Finance costs	(11,236)	(2,774)	<b>(14,010)</b>
Exceptional items	905,851	-	<b>905,851</b>
<b>Profit/(Loss) before tax per reportable segment</b>	<b>(3,421,670)</b>	<b>176,870</b>	<b>(3,244,800)</b>
Additions to intangible asset	38,217,000	-	<b>38,217,000</b>
Reportable segment assets	38,633,000	450,000	<b>39,083,000</b>
Reportable segment liabilities	4,780,000	226,000	<b>5,006,000</b>

**6. Revenue**

<b>31 March 2023</b>	<b>Machine learning and Data services £</b>	<b>Sport in Schools £</b>	<b>Total £</b>
Revenue	693,734	1,398,427	<b>2,092,161</b>

<b>31 March 2022</b>	<b>Machine learning and Data services £</b>	<b>Sport in Schools £</b>	<b>Total £</b>
Revenue	373,680	1,334,110	<b>1,707,790</b>

Lodbrok Capital LLP were the only customer that accounted for over 10% of the Group's revenue for the year, contributing £334,657.

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**7. Administrative expenses**

	<b>Year ended 31 March 2023 £</b>	Year ended 31 March 2022 £
Employee salaries and costs	1,374,989	1,149,262
Director remuneration	351,828	430,144
Office and expenses	152,481	77,703
Travel & subsistence	47,587	29,498
Professional & consultancy fees	635,774	927,649
IT & Software	81,902	71,595
Subscriptions	291,281	175,147
Insurance	106,719	84,819
Depreciation and amortisation	2,839,889	2,239,017
Share option expense	1,605	17,240
Exchange related costs	67,452	-
Other expenses	173,262	54,030
<b>Total administrative expenses</b>	<b>6,124,769</b>	<b>5,256,104</b>

**Services provided by the Company's auditor and its associates**

During the year, the Group (including overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	<b>Group</b>	
	<b>Year ended 31 March 2023 £</b>	Year ended 31 March 2022 £
Auditors' remuneration	70,500	90,998

**8. Other gain/(losses)**

	<b>Group</b>	
	<b>Year ended 31 March 2023 £</b>	Year ended 31 March 2022 £
Other Losses	23,368	-
Loss on disposal of Right of Use asset	-	7,838
<b>Other gain/(losses)</b>	<b>23,368</b>	<b>7,838</b>

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**9. Other operating income**

	<b>Group</b>	
	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
	<b>£</b>	<b>£</b>
Local Government grants	-	119,025
Sale of equipment	444	-
	<b>444</b>	<b>119,025</b>

**10. Finance income/(costs)**

	<b>Group</b>	
	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
	<b>£</b>	<b>£</b>
Interest received from cash and cash equivalents	101	3,878
<b>Finance Income</b>	<b>101</b>	<b>3,878</b>
Loan interest	(81,518)	(14,010)
<b>Finance Costs</b>	<b>(81,518)</b>	<b>(14,010)</b>

**11. Exceptional Items**

	<b>Group</b>	
	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
	<b>£</b>	<b>£</b>
Fair value uplift upon acquisition	-	1,759,221
Readmission and acquisition costs	-	(853,370)
	<b>-</b>	<b>905,851</b>

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**12. Property, plant and equipment**

**Group**

	Plant and equipment £	Total £
<b>Cost</b>		
<b>As at 1 April 2021</b>	<b>105,567</b>	<b>105,567</b>
Additions	34,310	34,310
Acquired upon acquisition	66,452	66,452
<b>As at 31 March 2022</b>	<b>206,329</b>	<b>206,329</b>
<b>As at 1 April 2022</b>	<b>206,329</b>	<b>206,329</b>
Additions	10,616	10,616
Disposals	(54,332)	(54,332)
<b>As at 31 March 2023</b>	<b>162,613</b>	<b>162,613</b>
<b>Depreciation</b>		
<b>As at 1 April 2021</b>	<b>102,605</b>	<b>102,605</b>
Charge for the year	17,322	17,322
Acquired upon acquisition	20,738	20,738
<b>As at 31 March 2022</b>	<b>140,665</b>	<b>140,665</b>
<b>As at 1 April 2022</b>	<b>140,665</b>	<b>140,665</b>
Charge for the year	23,593	23,593
Disposal	(39,293)	(39,293)
<b>As at 31 March 2023</b>	<b>124,965</b>	<b>124,965</b>
<b>Net book value as at 31 March 2022</b>	<b>65,664</b>	<b>65,664</b>
<b>Net book value as at 31 March 2023</b>	<b>37,648</b>	<b>37,648</b>

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

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**13. Right of use Assets**

**Group**

	Office assets £	Other £	Total £
<b>Cost</b>			
<b>As at 1 April 2021</b>	-	<b>154,180</b>	<b>154,180</b>
Additions	294,635	-	294,635
Acquired upon acquisition	407,731	-	407,731
Disposal	(702,366)	-	(702,366)
<b>As at 31 March 2022</b>	-	<b>154,180</b>	<b>154,180</b>
<b>As at 1 April 2022</b>	-	<b>154,180</b>	<b>154,180</b>
Additions	-	-	-
Disposal	-	-	-
<b>As at 31 March 2023</b>	-	<b>154,180</b>	<b>154,180</b>
<b>Depreciation</b>			
<b>As at 1 April 2021</b>	-	<b>102,787</b>	<b>102,787</b>
Charge for the year	117,202	12,848	130,050
Acquired upon acquisition	101,934	-	101,934
Disposal	(219,136)	-	(219,136)
<b>As at 31 March 2022</b>	-	<b>115,635</b>	<b>115,635</b>
<b>As at 1 April 2022</b>	-	<b>115,635</b>	<b>115,635</b>
Charge for the year	-	10,279	<b>10,279</b>
Disposal	-	-	-
<b>As at 31 March 2023</b>	-	<b>125,914</b>	<b>125,914</b>
<b>Net book value as at 31 March 2022</b>	-	<b>38,545</b>	<b>38,545</b>
<b>Net book value as at 31 March 2023</b>	-	<b>28,266</b>	<b>28,266</b>

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

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

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**14. Intangible assets**

Intangible assets comprise goodwill and development costs.

<b>Assets - Cost and Net Book Value</b>	<b>Goodwill £</b>	<b>Development Costs £</b>	<b>Technology assets £</b>	<b>Customer relationships £</b>	<b>Databases £</b>	<b>Total £</b>
<b>Cost</b>						
<b>As at 1 April 2021</b>	<b>60,000</b>	<b>1,085,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,145,000</b>
Additions	-	-	2,304,727	-	-	2,304,727
Acquired from business combination	21,561,803	-	14,081,000	1,207,000	1,094,000	37,943,803
<b>As at 1 April 2022</b>	<b>21,621,803</b>	<b>1,085,000</b>	<b>16,385,727</b>	<b>1,207,000</b>	<b>1,094,000</b>	<b>41,393,530</b>
Additions	-	1,456,436	-	-	-	1,456,436
<b>As at 31 March 2023</b>	<b>21,621,803</b>	<b>2,541,436</b>	<b>16,385,727</b>	<b>1,207,000</b>	<b>1,094,000</b>	<b>42,849,966</b>
<b>Amortisation</b>						
<b>As at 1 April 2021</b>	<b>-</b>	<b>(1,085,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,085,000)</b>
Amortisation	-	-	(1,964,556)	(74,724)	(52,095)	(2,091,375)
<b>As at 1 April 2022</b>	<b>-</b>	<b>(1,085,000)</b>	<b>(1,964,556)</b>	<b>(74,724)</b>	<b>(52,095)</b>	<b>(3,176,375)</b>
Amortisation	-	(537,328)	(2,018,000)	(94,404)	(156,285)	(2,806,017)
Impairment	(11,655,908)	(919,108)	(2,742,498)	(355,162)	(885,620)	(16,558,296)
<b>As at 31 March 2023</b>	<b>(11,655,908)</b>	<b>(2,541,436)</b>	<b>(6,725,054)</b>	<b>(524,290)</b>	<b>(1,094,000)</b>	<b>(22,540,688)</b>
<b>Net book value 2022</b>	<b>21,621,803</b>	<b>-</b>	<b>14,421,171</b>	<b>1,132,276</b>	<b>1,041,905</b>	<b>38,217,155</b>
<b>Net book value 2023</b>	<b>9,965,895</b>	<b>-</b>	<b>9,660,673</b>	<b>682,710</b>	<b>-</b>	<b>20,309,278</b>

- Goodwill of £60,000 included above relates to the acquisition of Pantheon Leisure Plc which is included at its deemed cost on first time application of IFRS.
- Goodwill of £19,041,000 included as at 31 March 2022 above to the acquisition of Insig Partners Limited.
- Goodwill of £2,520,000 included as at 31 March 2022 relates to the acquisition of Insig Data (formerly FDB Systems Limited).

Development costs are predominantly capitalised staff costs associated with enhancements to the technology being developed by Insig Partners Limited. The Group's technology, customer relationships and database technology are acquired from the acquisitions undertaken during the period.

Goodwill is recognised when a business combination does not generate cash flows independently of other assets or groups of assets. As a result, the recoverable amount, being the value in use, is determined at a cash-generating unit (CGU) level. These CGUs represent the smallest identifiable group of assets that generate cash flows. The CGUs are deemed to be the assets within the operating units. Each CGU to which goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The total intangible value in use for each CGU, incorporating goodwill and the intangible asset value, is determined using discounted cash flow projections derived from the total historical revenue profile of each identifiable CGU. The assumptions which are applied to each CGU including the useful economic life are set out in Note 2.7.

The original CGUs for the group were ESG Research Application, Portfolio Insights, Dash-Plus ML Framework, Crystal Ball, Insig Docs and Entity Master. These were combined and renamed to simplify marketing to customers. ESG Research

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Application is now named ESG Disclosures Research Tool; which is used to compare companies against ESG progress with the use of the Group's ESG framework.

The other CGUs are now part of a component catalogue which is licensed and deployed as part of Bespoke FinTech Data Science projects. These provide mid-sized investment managers the ability to utilise machine learning models.

The CGUs used by the group are consistent with the purchase price allocation exercise completed in the year ended 31 March 2022 which are as follows:

- Insig ESG (ESG Disclosures Research Tool.)
- Insig Portfolio (Bespoke FinTech Data Science)
- Insig Excelton (Bespoke FinTech Data Science)
- Insig Data (ESG Disclosures Research Tool)
- Insig Docs (Bespoke FinTech Data Science)

The key assumptions for the value in use calculations are those regarding growth rates particularly in respect of the growth in revenue and discount rates. The discount rate is reviewed annually to take into account the current market assessment of the time value of money and the risks specific to the cash generating units and rates used by comparable companies. The discount rate used to calculate the value in use is 24.9%. The long term growth rate used for the terminal value calculation was 2%.

An impairment review of the Group's development costs, technology, customer relationships and database technology is carried out on an annual basis. The recoverable amounts of the cash-generating units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding forecast revenues, discount rates and operating costs. Management have considered the following elements:

- (i) Based on current assessments of the Insig Partners activities made by the Directors, they consider that whilst revenues are forecast to grow in 2024 and exponentially grow from 2025-2027, these forecasts are reduced from previous forecasts prepared.
- (ii) The reduction of activities in Insig Data have led to the Directors assessing the need for an impairment.
- (iii) Operational costs are monitored and controlled

Following their assessment, the Directors concluded an impairment charge of £16,558,296 was necessary for the year ended 31 March 2023 due to the reduced future sales forecast and sale performance in the current and prior years.

**15. Investments in subsidiary undertakings**

Shares in Group Undertakings	Company	
	Investment in subsidiaries	Loans to Group Undertakings
<b>Cost</b>		
<b>31 March 2022</b>	<b>35,145,004</b>	<b>4,034,025</b>
Additions	-	1,612,305
Impairment	(19,550,467)	(857,731)
<b>31 March 2023</b>	<b>15,594,537</b>	<b>4,788,599</b>



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	<b>Company</b>	
	<b>NBV 31 March 2023</b>	<b>NBV 31 March 2022</b>
	<b>£</b>	<b>£</b>
Shares in Group Undertakings and Group Loans		
<b>Cost</b>		
Insig Partners	15,594,537	31,145,004
Insig Data	-	4,000,000
Loans to Group undertakings	4,788,599	4,034,025
<b>Total</b>	<b>20,383,136</b>	<b>39,179,029</b>

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

During the year, the £4,000,000 investment in Insig Data was fully impaired after Management concluded that it was appropriate to reduce the scale of Insig Data's business. It no longer has any employees, in addition to having a minimal cost base. After assessing the recoverability of the investments, the Directors also agreed that the intangible assets of Insig Data, being Customer Relationships and Database should be impaired. Further information on this is provided in note 14.

Although Insig Data's trading activity reduced significantly during the year, it hasn't ceased its trade.

During the year, £15,550,466 of the investment held in Insig Partners was impaired after reviewal from Management. This impairment was determined after comparing the total investment value of £31,145,004 with the value in use total. There was also an impairment of the intangible assets held within Insig Partners. This was applied as a result of a revised forecast dated from March 2023 to March 2030. The revised sales expected for the Company's products and cost base led to a reduced enterprise value of Insig Partners' intangible assets. Further information on this is provided in note 14.

During the year, the loans granted to Insig Data by Insig AI plc, totalling £363,610; and the loans granted to Westside Sports, totalling £89,947, were fully impaired. The loans granted to Pantheon Leisure were partially impaired by £404,174. These impairments were agreed based on the recoverability of the loans, after taking the net assets of the mentioned subsidiaries into account.

The Company has provided a guarantee in respect of the outstanding liabilities of the subsidiary companies listed below in accordance with Section 479A – 479C of the Companies Act 2006 as these subsidiary companies of the Group are exempt from the requirements of the Companies Act 2006 relating to the audit of the accounts by virtue of Section 479A of this Act.

**Subsidiaries**

The following companies were subsidiaries at the balance sheet date and the results and year end position of these companies have been included in these consolidated financial statements.

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Name of subsidiary	Registered office address	Country of incorporation and place of business	Proportion of ordinary shares held (%)	Nature of business
Insig Partners Limited	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	Artificial Intelligence
Westside Sports Limited	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	Holding company
Insight Capital Consulting Limited***	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	Artificial Intelligence
Insig Data Limited	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	Artificial Intelligence
Ultimate Player Limited	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	Dormant
Pantheon Leisure Plc *	6 Heddon Street, London, W1B 4BT	United Kingdom	85.87%	Activities of head office
Sport In Schools Limited**	6 Heddon Street, London, W1B 4BT	United Kingdom	85.87%	Sports coaching in schools
The Elms Group Limited **	6 Heddon Street, London, W1B 4BT	United Kingdom	85.87%	Dormant

\* Shares held indirectly through Westside Sports Limited

\*\* Shares held indirectly through Pantheon Leisure Plc

\*\*\* Shares held indirectly by Insig Partners Limited

**16. Trade and other receivables**

	Group		Company	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Current	£	£	£	£
Trade receivables	125,030	239,550	-	-
Amounts due from subsidiary undertakings	-	-	106,864	30,151
Prepayments	38,498	8,374	26,749	-
VAT receivable	-	25,109	18,086	59,263
Research and development receivable	542,000	-	-	-
Other receivables	14,312	16,786	-	-
<b>Total</b>	<b>719,840</b>	<b>289,819</b>	<b>151,699</b>	<b>89,414</b>

The ageing of trade receivables is as follows:

	As at 31 March 2023	As at 31 March 2022
	£	£
Up to 3 months	125,030	239,550
<b>Total</b>	<b>125,030</b>	<b>239,550</b>

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**17. Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2023</b>	31 March 2022	<b>31 March 2023</b>	31 March 2022
	£	£	£	£
Cash at bank and in hand	<b>280,584</b>	473,390	<b>3,749</b>	61,314

**18. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2023</b>	31 March 2022	<b>31 March 2023</b>	31 March 2022
	£	£	£	£
Trade payables	266,978	271,103	149,346	196,341
Accruals	371,056	183,311	233,290	109,000
Deferred income	50,000	100,407	-	-
Other creditors	4,852	69,568	-	-
Taxes and social security	240,041	185,942	-	3,203
	<b>932,927</b>	<b>810,331</b>	<b>382,636</b>	<b>308,544</b>

The ageing of trade and other payables is as follows:

	<b>As at 31 March 2023</b>	As at 31 March 2022
	£	£
Up to 3 months	170,849	412,000
3 to 6 months	296,448	114,000
6 to 12 months	-	-
<b>Total</b>	<b>467,297</b>	<b>526,000</b>

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**19. Leases and borrowings**

	Group		Company	
	31 March 2023 £	31 March 2022 £	31 March 2023 £	31 March 2022 £
<b>Not later than one year:</b>				
Convertible loan note	2,261,769	-	2,261,769	-
Right of use liability	10,386	8,675	-	-
<b>Later than one year:</b>				
Right of use liability	16,868	28,966	-	-
<b>Total</b>	<b>2,289,023</b>	<b>37,641</b>	<b>2,261,769</b>	<b>-</b>

**Convertible loan notes**

	31 March 2023 £
<b>Convertible loan note</b>	
Proceeds of issue of convertible loan notes – May 2022	1,000,000
Proceeds of issue of convertible loan notes – June 2022	750,000
Proceeds of issue of convertible loan notes – September 2022	500,000
<b>Interest</b>	
Total interest payable to date (5%)	63,567
<b>Equity</b>	
Derivative Split	(51,798)
<b>Total</b>	<b>2,261,769</b>

On the 4 May 2022, the Company entered into a formal agreement for a £1.0m convertible loan note to be provided by Richard Bernstein, Chairman of the Company. A total of £1,000,000 has been drawn down by the Company. The loan facility when issued was repayable on or before 31 December 2022, and interest accrued from the date monies were drawn down at a rate of 5%. The convertible loan note can be converted at the noteholder's discretion.

On 17 June 2022, the Company entered into a convertible loan facility agreement with David Kyte, a long-term shareholder in the Company for £500,000. A total of £500,000 has been drawn down by the Company. The loan facility when issued was repayable on or before 31 December 2022, and interest accrued from the date monies were drawn down at a rate of 5%. The convertible loan note can be converted at the noteholder's discretion.

On 22 December 2022, the Company agreed revised terms for both the convertible loan note (CLN) agreements with Richard Bernstein and David Kyte for £1m and £0.5m respectively.

The following revisions were made:

- Interest owed on the first CLN will be rolled up into the loan expiring 31 December 2023, with an interest of 8% per annum.
- A conversion price of 20 pence for Richard Bernstein, and 18 pence for David Kyte.
- The issuance of 1,666,667 warrants expiring on 31 December 2025 exercisable at a price of 30 pence for Richard Bernstein.
- The issuance of 1,388,889 warrants expiring on 31 December 2025 exercisable at a price of 25 pence for David Kyte.

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On the 12 September 2022, the Company entered into a formal agreement for a £750,000 convertible loan note to be provided by Richard Bernstein, Non-Executive Chairman of the Company. A total of £750,000 has been drawn down by the Company. The loan facility is repayable on or before 30 June 2023, and interest will be accrued from the date monies are drawn down at a rate of 5%. The loan facility has a conversion price which is set at the higher of 35 pence per ordinary share or the prevailing share price at the date of conversion. The convertible loan note can be converted at the noteholder's discretion.

**20. Deferred tax**

An analysis of the deferred tax liability is set out below.

	<b>Cost</b> <b>£</b>
<b>Deferred tax liability</b>	
<b>As at 31 March 2021</b>	-
Deferred tax acquired on acquisition	3,218,747
Deferred tax liability for intangibles	941,341
<b>As at 31 March 2022</b>	<b>4,160,088</b>
Deferred tax liability for intangibles	(1,573,992)
<b>As at 31 March 2023</b>	<b>2,586,096</b>

**21. Financial Instruments by Category**

**Group**

	31 March 2023		31 March 2022	
	Amortised cost £	Total £	Amortised cost £	Total £
<b>Assets per Statement of Financial Position</b>				
Trade and other receivables	681,341	681,341	256,336	256,336
Cash and cash equivalents	280,584	280,584	473,390	473,390
	<b>961,925</b>	<b>961,925</b>	<b>729,726</b>	<b>729,726</b>

	31 March 2023		31 March 2022	
	Amortised cost £	Total £	Amortised cost £	Total £
<b>Liabilities per Statement of Financial Position</b>				
Trade and other payables	2,964,025	2,964,025	526,612	526,612
Right of use lease liabilities	27,254	27,254	37,641	37,641
	<b>2,991,279</b>	<b>2,991,279</b>	<b>564,253</b>	<b>564,253</b>

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The convertible loan notes provided during the year by Richard Bernstein and David Kyte have been included in the payables as they are classed as financial liabilities.

**Company**

	31 March 2023		31 March 2022	
	Amortised cost	Total	Amortised cost	Total
	£	£	£	£
<b>Assets per Statement of Financial Position</b>				
Trade and other receivables	106,864	106,864	30,151	30,151
Due from subsidiary undertakings	4,788,599	4,788,599	4,034,025	4,034,025
Cash and cash equivalents	3,749	3,749	61,314	61,314
	<b>4,899,212</b>	<b>4,899,212</b>	<b>4,125,490</b>	<b>4,125,490</b>

	31 March 2023		31 March 2022	
	Amortised cost	Total	Amortised cost	Total
	£	£	£	£
<b>Liabilities per Statement of Financial Position</b>				
Trade and other payables	382,636	382,636	305,341	305,341
	<b>382,636</b>	<b>382,636</b>	<b>305,341</b>	<b>305,341</b>

The Company's financial instruments comprise cash and cash equivalents, receivables and payables which arise in the normal course of business. As a result, the main risks arising from the Company's financial instruments are credit and liquidity risks. Please refer to Note 3.1.

**22. Share capital and premium**

Group and Company	Number of shares		Share capital	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Ordinary shares	105,675,645	105,675,645	1,056,757	1,056,757
Deferred shares	22,811,638	22,811,638	2,053,047	2,053,047
<b>Total</b>	<b>128,487,283</b>	<b>128,487,283</b>	<b>3,109,804</b>	<b>3,109,804</b>

	Number of Ordinary shares	Share capital £	Share premium £	Total £
Issued at 0.01 pence per share				
As at 31 March 2022	105,675,645	1,056,000	39,077,000	40,133,000
As at 31 March 2023	105,675,645	1,056,000	39,077,000	40,133,000

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Deferred Shares (nominal value of 0.09 pence per share)	Number of Deferred shares	Share capital £
<b>As at 31 March 2022</b>	<b>22,811,638</b>	<b>2,053,047</b>
<b>As at 31 March 2023</b>	<b>22,811,638</b>	<b>2,053,047</b>

The Company has an authorised share capital limit in place, which will be considered by shareholders at the next annual general meeting.

**23. Share based payments**

The Company has established a share option scheme for Directors, employees and consultants to the Group. Share options and warrants outstanding and exercisable at the end of the period have the following expiry dates and exercise prices:

Grant Date	Vesting Date	Expiry Date	Exercise price in £ per share	Options & Warrants	
				31 March 2023	31 March 2022
<b>Options</b>					
1 August 2019	31 January 2020	31 July 2023	0.20	666,666	666,666
1 August 2019	31 July 2021	31 July 2023	0.20	333,333	333,333
1 August 2019	31 July 2020	31 January 2024	0.40	333,333	333,333
1 August 2019	31 July 2021	31 January 2024	0.40	666,666	666,666
1 August 2019	31 January 2022	31 January 2025	0.60	666,666	666,666
1 August 2019	31 January 2022	31 July 2025	0.60	666,666	666,666
1 August 2019	31 July 2022	31 July 2025	0.60	666,670	666,670
8 March 2022	4 October 2024	7 March 2032	0.48	2,000,000	2,000,000
8 March 2022	4 August 2024	7 March 2032	0.48	900,000	900,000
8 March 2022	4 January 2025	7 March 2032	0.48	150,000	150,000
8 March 2022	4 March 2025	7 March 2032	0.48	300,000	300,000
<b>Warrants</b>					
5 October 2021	5 October 2021	10 May 2027	0.84	396,582	396,582
22 December 2022	22 December 2022	31 December 2025	0.30	1,666,667	-
22 December 2022	22 December 2022	31 December 2025	0.25	1,388,889	-
<b>Lapsed</b>					
13 April 2022	4 January 2025	7 March 2032	0.48	(100,000)	-
10 June 2022	4 August 2024	7 March 2032	0.48	(75,000)	-
15 January 2023	4 January 2025	7 March 2032	0.48	(50,000)	-
15 January 2023	4 March 2025	7 March 2032	0.48	(50,000)	-
27 January 2023	4 August 2024	7 March 2032	0.48	(250,000)	-
4 February 2023	4 March 2025	7 March 2032	0.48	(250,000)	-
				<b>10,027,138</b>	<b>7,746,582</b>

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

During the year, a total of 775,000 options lapsed as a result of employees leaving the group.

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**Warrants**

	2023	2022
<b>Outstanding at beginning of period</b>	<b>396,582</b>	-
Exercised	-	-
Vested	3,055,556	396,582
<b>Outstanding as at period end</b>	<b>3,452,138</b>	<b>396,582</b>
<b>Exercisable at period end</b>	<b>3,452,138</b>	<b>396,582</b>

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

	2023	2022
<b>Outstanding at beginning of period</b>	0.84	-
Granted	0.28	0.84
<b>Outstanding as at period end</b>	1.12	0.84
<b>Exercisable at period end</b>	0.46	0.84

In accordance with IFRS2, the fair value of the warrants issued and recognised as a charge in the accounts for the 12 month period is £1,605 (12 months ended 31 March 2022 - £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 fair value of the equity instruments granted was determined using the Black Scholes Model. The inputs into the model for warrants outstanding at the year-end were as follows

	2022 Warrants
Granted on:	22 December 2022
Life (years)	3 years
Share price (pence per share)	15p
Exercise price	25p
Shares under option	3,055,556
Vesting period (years)	3 years
Small company discount factor	20%
Total fair value (pence per option)	0.33

**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. In March 2022, the Company granted options over 3,350,000 ordinary shares to a Director and certain employees. Details of the options are set out below:

	2023	2022
<b>Outstanding at beginning of period</b>	7,350,000	4,000,000
Lapsed during period	(775,000)	-
Exercised	-	-
Granted	-	3,350,000
<b>Outstanding as at period end</b>	<b>6,575,000</b>	<b>7,350,000</b>
<b>Exercisable at period end</b>	<b>4,000,000</b>	<b>3,333,000</b>



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

	<b>2023</b>	<b>2022</b>
<b>Outstanding at beginning of period</b>	46.0	45.0
Lapsed	48.0	45.0
Exercised	-	-
Granted	-	48.0
<b>Outstanding as at period end</b>	<b>44.0</b>	<b>46.0</b>
<b>Exercisable at period end</b>	<b>44.0</b>	<b>46.0</b>

The fair value of the equity instruments granted was determined using the Black Scholes 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:

	2019 Options	2019 Options	2019 Options	2022 Options
Granted on:	1 August 2019	1 August 2019	1 August 2019	8 March 2022
Life (years)	3 years	3 years	3 years	10 years
Share price (pence per share)	17p	17p	17p	27.5p
Exercise price	20p	40p	60p	48p
Shares under option	1,000,000	1,000,000	2,000,000	3,350,000
Risk free rate	0.57%	0.57%	0.57%	0.57%
Expected volatility	43.1%	43.1%	43.1%	43.1%
Vesting period (years)	1 to 3 years	1 to 4 Years	2 to 5 Years	8 to 9 years
Small company discount factor	35%	35%	35%	35%
Total fair value (pence per option)	2.5	2.5	0.7	0.02

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 12 month period is £nil (31 March 2022 - £17,000).

The weighted average contractual life of options outstanding on 31 March 2023 was 4.3 years (31 March 2022: 2.4 years).

**24. Other reserves**

	<b>Equity reserve for convertible loan notes</b>	<b>Merger reserve £</b>	<b>Total £</b>
<b>At 31 March 2022</b>	-	<b>325,583</b>	<b>325,583</b>
<b>At 31 March 2023</b>	<b>51,798</b>	<b>325,583</b>	<b>377,381</b>

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**25. Employee benefit expense**

	<b>Group</b>		<b>Company</b>	
	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Staff costs (excluding Directors)</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries and wages	2,081,959	2,227,000	-	-
Social security costs	305,479	270,789	-	-
Pension contributions	128,743	108,830	-	-
Other employment costs	13,668	5,933	-	-
	<b>2,529,849</b>	<b>2,612,552</b>	-	-

The average monthly number of employees for the Group during the year was 112 (31 March 2022: 119) and the average monthly number of employees for the Company was nil (31 March 2022: nil).

Of the above Group staff costs, £1,167,769 (31 March 2022: £1,463,000) has been capitalised in accordance with IAS 38 as development costs and are shown as an intangible addition in the year.

There were no employees in the Company apart from Directors whose remuneration is disclosed in Note 26.

**26. Directors' remuneration**

	<b>31 March 2023</b>		
	<b>Salary £</b>	<b>Pension £</b>	<b>Total £</b>
<b>Executive Directors</b>			
Richard Bernstein	35,000	-	35,000
Steven Cracknell	146,667	10,000	156,667
Warren Pearson	146,667	10,000	156,667
Colm McVeigh	233,333	9,333	242,666
<b>Non-executive Directors</b>			
John Murray	35,000	-	35,000
Richard Cooper	43,826	-	43,826
	<b>640,493</b>	<b>29,333</b>	<b>669,826</b>

Directors who were appointed during the year:

- Richard Cooper – appointed 11 April 2022

Directors who retired after the year end:

- John Murray – deceased 24 April 2023

Of the above Group directors' remuneration, £288,665 (year ended 31 March 2022: £375,210) has been capitalised in accordance with IAS 38 as development related costs and are shown as an intangible addition in the year.

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	<b>31 March 2022</b>		
	<b>Remuneration</b>	<b>Share based payments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Executive Directors</b>			
Richard Bernstein	22,167	-	22,167
Steven Cracknell	216,843	-	216,843
Warren Pearson	228,924	-	228,924
Colm McVeigh	124,679	-	124,679
Matthew Farnum-Schneider	140,258	17,000	157,258
<b>Non-executive Directors</b>			
John Murray	31,237	-	31,237
Peter Rutter	22,487	-	22,487
David Coldbeck	10,551	-	10,551
John Zucker	10,551	-	10,551
David Hillel	15,827	-	15,827
	<b>823,524</b>	<b>17,000</b>	<b>840,524</b>

The fair value of the share options issued to Matthew Farnum-Schneider and recognised as a charge in the accounts for the 12 month period is £17,000.

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

**27. Income tax expense**

	<b>Group</b>	
	<b>Year ended</b>	Year ended
	<b>31 March</b>	31 March
	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
<b>Deferred Tax</b>		
Fixed assets and short-term temporary difference	(1,573,992)	(538,501)
Intangibles on business combinations	-	(402,840)
Losses and other deductions	-	-
<b>Total deferred tax</b>	<b>(1,573,992)</b>	<b>(941,341)</b>
<b>Current Tax</b>		
UK corporation tax on profit for the year	(542,000)	-
Adjustments in respect of prior periods	(749,873)	-
Total current tax	(1,291,873)	-
<b>Total income tax expense</b>	<b>(2,865,865)</b>	<b>(941,341)</b>

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	<b>Group</b>	
	<b>Year ended 31 March 2023 £</b>	<b>Year ended 31 March 2022 £</b>
Loss before tax	(21,428,211)	(3,243,000)
Tax at the applicable rate of 19% (2022: 19%)	(4,071,360)	(616,000)
Effects of:		
Expenditure not deductible for tax purposes	2,940,457	1,456,000
Additional deduction for R&D expenditure	(401,421)	-
Surrender of tax losses for R&D tax credit refund	168,207	-
R&D expenditure credits	8,461	-
Group relief surrendered/(claimed)	(20,948)	-
Adjustments in respect of prior periods regarding R&D	(749,873)	-
Effect of tax rate change on deferred tax opening balance	(209,040)	-
Effect of tax rate change on deferred tax acquired in business combinations	-	226,000
Unrecognised deferred tax asset in relation to carried forward losses	(530,348)	(2,008,000)
<b>Tax charge</b>	<b>(2,865,865)</b>	<b>(942,000)</b>

The Group has unutilised tax losses of approximately £13,828,392 (31 March 2022 £11,707,000) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

## **28. Loss per share**

### **Group**

The calculation of the total basic loss per share of (17.89) pence (31 March 2022: (4.40) pence) is based on the loss attributable to equity holders of the parent company of £18,563,996 (31 March 2022: £4,199,720) and on the weighted average number of ordinary shares of 103,757,837 (31 March 2022: 95,267,869) in issue during the year.

In accordance with IAS 33, basic and diluted loss per share are identical for the Group as the effect of the exercise of share options would be to decrease the loss per share. Details of share options that could potentially dilute earnings per share in future periods are set out in Note 23.

## **29. Contingent liabilities**

In the prior year, there was an ongoing legal dispute between the Company and a former employee for breach of contract. A settlement was agreed in relation to this dispute on 17<sup>th</sup> March 2023 and the matter is now closed.

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**30. Related party transactions**

**Loans to Group undertakings**

Amounts receivable as a result of loans granted to subsidiary undertakings are as follows:

	<b>Company</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>
Insig Partners	4,655,904	3,333,269
Insig Data (formerly FDB Systems Limited)	-	71,850
Insight Capital Consulting Limited	31	-
Pantheon Leisure	132,664	538,959
Westside Sports Limited	-	89,947
	<b>4,788,599</b>	<b>4,034,025</b>

**Insig Partners Limited**

Loans totalling £1,322,635 were provided to Insig Partners Limited from Insig AI Plc during the year to cover operating costs (31 March 2022: £3,113,269).

**Insig Data Limited (formerly FDB Systems Limited)**

Loans totalling £291,761 were provided to Insig Data from Insig AI Plc during the year to cover operating costs (31 March 2022: £71,850).

At the end of the year, the loan balance was fully impaired.

**Insight Capital Consulting Limited**

Loans totalling £31 were provided to Insight Capital Consulting from Insig Partners Limited during the year to cover operating costs (31 March 2022: £15,718).

**Westside Sports Limited**

At the end of the year, the loan balance was fully impaired

**Pantheon Leisure Plc**

Loans totalling £2,121 were provided to Pantheon Leisure from Insig AI Plc during the year to cover operating costs (31 March 2022: £26,645).

At the end of the year, the loan balance was partially impaired by £404,174.

These amounts are unsecured and repayable on demand.

All intra Group transactions are eliminated on consolidation.

**Other transactions**

The Group defines its key management personnel as the Directors of the Company as disclosed in the Directors' Report.

Luclem Estates, a limited company of which Richard Cooper is a director, was paid a fee of £32,112 for the year ended 31 March 2023 (31 March 2022: £nil) for the provision of corporate management and consulting services to the Company. There was a balance of £7,362 owing at year end (31 March 2022: £Nil).

On the 4 May 2022, the Company entered into a formal agreement for a £1.0m convertible loan note to be provided by Richard Bernstein. The loan facility when issued was repayable on or before 31 December 2022, and interest accrued from the date monies were drawn down at a rate of 5%.

On the 12 September 2022, the Company entered into a formal agreement for a £750,000 convertible loan note to be provided by Richard Bernstein. A total of £750,000 has been drawn down by the Company. The loan facility is repayable on or before 30 June 2023, and interest will be accrued from the date monies are drawn down at a rate of 5%.

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On 21 December 2022, Steven Cracknell and Warren Pearson, Chief Product Officer and Chief Technology Officer gifted at nil value, their shares to the Company to be held in treasury and to be used at the discretion of the Company. Steven Cracknell gifted 4,500,000 ordinary shares of 1p each and Warren Pearson has gifted 2,500,000.

On 22 December 2022, the Company agreed revised terms for the convertible loan note, being Interest owed on the first CLN to be rolled up into the loan expiring 31 December 2023, with an interest of 8% per annum.

In addition the Company also granted Richard Bernstein 1,666,667 warrants as part of the revision to the terms.

**31. Ultimate controlling party**

The Directors believe there is no ultimate controlling party.

**32. Events after the reporting date**

On 24 April 2023 the Company announced that it had successfully raised £0.9 million by way of equity subscription for 5,294,118 ordinary shares of 1 pence each in the Company at 17 pence per Ordinary Share. The shares will be issued from Treasury, from shares gifted to the Company in December 2022 by founders Steve Cracknell and Warren Pearson, Chief Product Officer and Chief Technology Officer. Specifically, 1,764,705 Subscription Shares were issued on 27 April 2023 with the balance of 3,529,413 Subscription Shares being issued on 23 June 2023.

On 4 July 2023, the Company announced that it had agreed revised terms for the convertible loan note (CLN) agreement with Richard Bernstein as announced on 12 September 2022 for £0.75 million. The Company and Loan Note Holder agreed to extend the term of the CLN by six months to 30 December 2023.