

Registered number: 05379768

CORNWALL INSIGHT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



CORNWALL INSIGHT LIMITED

COMPANY INFORMATION

Director	G Miller
Registered number	05379768
Registered office	Level 3 The Union Building 51-59 Rose Lane Norwich Norfolk NR1 1BY
Independent auditors	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB

CORNWALL INSIGHT LIMITED

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CORNWALL INSIGHT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The directors present their strategic report for the Company.

Strategy and business model

The Company provides market regulatory, policy analysis, insight, training and advisory services to businesses and other stakeholders engaged in the energy sector. Services are delivered through subscription reports and models, advisory and consulting services and through training provision. The Company currently has a presence in Great Britain and through subsidiaries in Ireland and Australia.

The purpose of the Company is, through the provision of these services, to enable our customers to succeed in making the net zero transition a reality.

The strategy of the business is to:

- Build sustainable and strategic relationships with the proliferating range of actors who become engaged with the energy sector through the drive to further decarbonise all aspects of developed economies;
- Dynamically refine and improve existing service propositions around customer needs;
- Diversify our service provision across commercially interesting parts of the energy value chain;
- Enter selected new international markets where the directors consider that there are strong opportunities for Cornwall Insight to succeed;
- Digitalising the delivery of services and the user interfaces of clients with our insight; and
- Create meaningful and exciting careers for our people in a culture built on sound values and consistently strong leadership.

Business review

Company turnover in the year ended 31 March 2022 increased by approximately 21.6% to £7,265,479 compared to the previous financial year (2021 - £5,975,021).

This top-line growth is reflective of a robust and positive outcome for the Company in the trading period, with strong EBITDA performance arising from returns on investment in key areas of the Company's strategic plan, in particular the bolstering of our key client and relationship management function, review of our service proposition, and the expansion of our consulting business into broader areas of activity.

Growth in the Company's subscription order book was strong, with growth in key account relationships generally, and expansion of market share in the battery and flexibility space more specifically underpinning the overall trends. Overall subscription revenue reported in the period is 9.1% up on the previous fiscal year.

The Company's consulting revenues in the year ended 31 March 2022 increased by 33.7% on the previous year as the team continues to capitalise on a growing reputation in the investment due diligence and transactional space. Training revenues also increased by 39.1%.

In terms of investment, we have continued to invest in further expansion in Australia to build strategic capabilities for the medium to long term, further investments were made in expanding the consulting teams in the UK and in Ireland, and in also creating a Go to Market relationship and key account function. We also invested in people, platforms and capabilities in the technology and digital areas of the business. In most cases, given the lag between investment and revenue, we did not see returns on these investments arise in the

CORNWALL INSIGHT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

trading period, instead we anticipate growth in turnover occurring in the next trading period. Despite this, profit and profit margins are strong.

Principal risks and uncertainties

The directors have identified the following principal risks and uncertainties affecting the Company:

- **Return on investment:** We are pursuing a range of investment activities to deliver future growth, and risk arises to profitability and cash flow if return on investment lags expectation. We are managing this through staging of total investment into defined portions, and through quarterly evaluation of performance in areas where investment has been made so regular changes to the speed or quantum of further investment can be made. Investment in further digitalisation is planned for as part of this, with development of a detailed strategy, associated business cases and implementation plans for new investments being dependent on hiring in a new technology leader into the business. We completed the hiring of this position at the very end of the financial year and expect to be able to develop the strategy, business cases and execution plans early in the next fiscal year.
- **Talent acquisition:** The tightness in the labour market that emerged at the end of the Covid pandemic remains, and is heightened in our sector as skillsets to support decarbonisation and programmes to reduce energy costs are in high demand. We consider that acquiring and retaining talent will remain challenging in the period ahead of any labour market correction that could be driven by the movement to a recessionary environment. To address this, our People and Talent function have overhauled and significantly improved our approach to hiring, training and development and employee benefits.
- **Macro-economic uncertainty:** The global macro-economic picture is being impacted by high inflation, supply chain constraints in the exit period from the Covid pandemic and by the ongoing war in Ukraine. There are no direct signs that this fed through into customer propensity to buy, or credit quality of our customer base during the trading period, but the probability of these risks crystallising grow as we move into the next trading period, particularly with energy being at the heart of the cost-of-living crisis and being subject to possible policy and regulatory interventions. On balance, we consider that the mix of subscriptions and consulting capabilities, and the diversity of our interests across different energy sectors, leaves us well positioned to trade strongly even if risks arise. However, like all businesses, managing the impact of inflation on our cost base via our approach to pricing of our services, whilst remaining competitive and attractive to our customers, will be a paramount area of focus for us. We consider that our focus on continuous improvement of services, the non-substitutable nature of many products that we offer, and our focus on building enduring and long term mutually valuable relationships with our clients is of considerable value in this environment.

Key performance indicators and future developments

Outside of the normal production of financial statements the Company and its directors monitor performance using several lead and lag measures. These include:

- Monthly subscriptions gross and net order book growth by country, customer, and sector;
- Monthly consulting contracts secured by country, customer, and sector;
- Monthly Training bookings by type of training; and
- Rolling gross and risk adjusted pipelines across all channels.

CORNWALL INSIGHT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Final quarter performance against these indicators for the business were strong and improved on the position at the start and mid-point of the fiscal year.

As a result, the directors consider that recent initiatives and investments have begun to bear fruit and expect further benefits to be derived through significant growth in the coming fiscal year. This will be further boosted by the Group being acquired by the Bowmark Group in June 2022.

This report was approved by the board and signed on its behalf.



.....
G Miller
Director

Date: 21 December 2022

CORNWALL INSIGHT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is the provision of consultancy, information and training services to the energy sector.

Results and dividends

The profit for the year, after taxation, amounted to £1,139,822 (2021 - £967,113).

No final dividend (2021 - £Nil) was recommended for payment.

Directors

The directors who served during the year were:

D P Hambidge (resigned 24 January 2022)
G Miller

Future developments

Future developments are discussed in detail within the Strategic Report.

CORNWALL INSIGHT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Qualifying third party indemnity provisions

The Company maintains liability insurance for its directors and officers. The directors and officers have also been granted a qualifying third party indemnity provision under section 234 of the Companies Act 2006. Neither the Company's indemnity nor insurance provides cover in the event that a director or officer is proven to have acted fraudulently or dishonestly.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
G Miller
Director

Date: 21 December 2022

CORNWALL INSIGHT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL INSIGHT LIMITED

Opinion

We have audited the financial statements of Cornwall Insight Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

CORNWALL INSIGHT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL INSIGHT LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial 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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

CORNWALL INSIGHT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL INSIGHT LIMITED
(CONTINUED)**

Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Due to the field in which the Company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with UK tax legislation, UK accounting standards and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which, whilst not having a direct impact on the financial statements, are fundamental to the Company's ability to operate, including, health and safety, employment law and compliance with various other regulations relevant to the Company's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, potential litigation or claims and fraud;
- Reviewing legal and professional fees to confirm all matters where the Company engaged lawyers during the year;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.

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

CORNWALL INSIGHT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL INSIGHT LIMITED
(CONTINUED)**

Use of our 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 Auditors' 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.

Larking Gowen LLP

Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB

21 December 2022

CORNWALL INSIGHT LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	7,265,479	5,975,021
Cost of sales		(2,411,897)	(2,019,713)
Gross profit		4,853,582	3,955,308
Administrative expenses		(3,671,188)	(2,849,852)
Other operating income	5	76,806	36,457
Operating profit	6	1,259,200	1,141,913
Amounts written back on investments		163,934	-
Interest receivable and similar income	10	6	36
Interest payable and similar expenses	11	(5,384)	(7,547)
Profit before tax		1,417,756	1,134,402
Tax on profit	12	(277,934)	(167,289)
Profit after tax		1,139,822	967,113
Retained earnings at the beginning of the year		3,120,112	2,152,999
Profit for the year		1,139,822	967,113
Retained earnings at the end of the year		4,259,934	3,120,112

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 13 to 30 form part of these financial statements.

CORNWALL INSIGHT LIMITED
REGISTERED NUMBER: 05379768

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	712,138	812,167
Tangible assets	14	75,562	186,951
Investments	15	88	88
		<u>787,788</u>	<u>999,206</u>
Current assets			
Debtors	16	6,629,919	4,940,532
Cash at bank and in hand	17	1,021,828	1,302,778
		<u>7,651,747</u>	<u>6,243,310</u>
Creditors: amounts falling due within one year	18	(3,584,695)	(3,183,959)
Net current assets		<u>4,067,052</u>	<u>3,059,351</u>
Total assets less current liabilities		<u>4,854,840</u>	<u>4,058,557</u>
Creditors: amounts falling due after more than one year	19	(314,739)	(656,250)
Provisions for liabilities			
Deferred tax	21	(172,034)	(174,062)
		<u>(172,034)</u>	<u>(174,062)</u>
Net assets		<u><u>4,368,067</u></u>	<u><u>3,228,245</u></u>
Capital and reserves			
Called up share capital	22	111	111
Share premium account	23	108,012	108,012
Capital redemption reserve	23	10	10
Profit and loss account	23	4,259,934	3,120,112
		<u>4,368,067</u>	<u>3,228,245</u>

CORNWALL INSIGHT LIMITED
REGISTERED NUMBER: 05379768

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

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



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G Miller
Director

Date: 21 December 2022

The notes on pages 13 to 30 form part of these financial statements.

CORNWALL INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Cornwall Insight Limited is a private company, limited by shares and incorporated in England and Wales, registration number 05379768. The registered office is Level 3 The Union Building, 51-59 Rose Lane, Norwich, Norfolk NR1 1BY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cornwall Insight Group Limited as at 31 March 2022 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

CORNWALL INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Going concern

The directors have considered the Company's position at the time of signing the financial statements and in particular the trading performance throughout the 2022FY and the 2023FY to date, which has continued strongly and the Company's business plan for FY2022-24 including anticipated cashflows.

Based on this, the directors have concluded that they have a reasonable expectation that the Company and Group of which it is a part will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements and they therefore continue to adopt the going concern basis of accounting in these financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Turnover

Turnover relates to the provision of consultancy, information and training services to the energy sector.

Income from consultancy services is recognised based on the stage of completion of the contract.

Turnover from subscriptions is recognised over the subscription period on an accruals basis.

Turnover from training services is recognised on the date that the training course takes place.

At the period end, accrued income represents amounts earned by the Company that have not been billed, while deferred income represents amounts received from customers but not yet earned, in accordance with the above.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

CORNWALL INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.13 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

CORNWALL INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.15 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful life of computer software assets is 5 years.

2.16 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 33.33%
Fixtures and fittings	- 20-33.33%
Computer equipment	- 20-33.33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.23 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.24 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Impairment of debtors

The Company makes an estimate of the recoverable value of trade debtors. When assessing the impairment of trade debtors, management considers factors including the current credit rating, the ageing profile of debtors and historical experience.

Accrued income

The Company makes an estimate of the degree of completion on consultancy contracts at the year end by consideration to the percentage of work done on each project at the year end date.

Useful economic lives of tangible assets

The annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic conditions and the physical condition of the assets. Refer to note 2.16 for the useful economic lives of the asset.

Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually and are amended when necessary to reflect the current use of the assets acquired. Refer to note 2.15 for the useful economic lives of intangible assets.

4. Turnover

All turnover arose from the principal activity of the Company, namely the provision of consultancy, information and training services to the energy sector.

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants receivable	76,498	36,457
Sundry income	308	-
	<u>76,806</u>	<u>36,457</u>

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	4,454	(1,948)
Operating lease rentals	163,646	184,097
	<u>163,646</u>	<u>184,097</u>

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,650	9,100
	<u>9,650</u>	<u>9,100</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the Group accounts of the parent Company.

8. Employees

	2022 £	2021 £
Wages and salaries	3,408,132	2,710,246
Social security costs	343,281	253,849
Cost of defined contribution scheme	136,739	118,436
	<u>3,888,152</u>	<u>3,082,531</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Direct	51	45
Support	25	23
	<u>76</u>	<u>68</u>

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	180,015	197,479
Company contributions to defined contribution pension schemes	9,319	9,717
	<u>189,334</u>	<u>207,196</u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

During the year directors were granted 574 options over shares in the parent and were also granted 286 growth shares.

10. Interest receivable

	2022	2021
	£	£
Other interest receivable	6	36
	<u>6</u>	<u>36</u>

11. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	5,384	7,547
	<u>5,384</u>	<u>7,547</u>

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	267,457	194,148
Adjustments in respect of previous periods	9,573	(46,213)
Group taxation relief	2,932	-
	279,962	147,935
Total current tax	279,962	147,935
Deferred tax		
Origination and reversal of timing differences	5,796	21,438
Short term timing differences	(7,824)	(2,084)
Total deferred tax	(2,028)	19,354
Taxation on profit on ordinary activities	277,934	167,289

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	1,417,756	1,134,402
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	269,374	215,536
Effects of:		
Expenses not deductible for tax purposes	2	434
Fixed asset differences	(9,777)	(2,468)
Adjustment to tax charge in respect of previous periods	9,573	(46,213)
Income not taxable for tax purposes	(31,147)	-
Remeasurement of deferred tax for changes in tax rates	39,909	-
Total tax charge for the year	277,934	167,289

CORNWALL INSIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Taxation (continued)

Factors that may affect future tax charges

The main rate of corporation tax is expected to increase to 25% with effect from 1 April 2023.

13. Intangible assets

	Computer software £
Cost	
At 1 April 2021	937,039
Additions	137,663
At 31 March 2022	<u>1,074,702</u>
Amortisation	
At 1 April 2021	124,872
Charge for the year on owned assets	237,692
At 31 March 2022	<u>362,564</u>
Net book value	
At 31 March 2022	<u>712,138</u>
At 31 March 2021	<u>812,167</u>

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2021	54,157	43,309	495,381	592,847
Additions	-	-	35,213	35,213
Disposals	-	-	(147,482)	(147,482)
At 31 March 2022	<u>54,157</u>	<u>43,309</u>	<u>383,112</u>	<u>480,578</u>
Depreciation				
At 1 April 2021	28,808	34,597	342,491	405,896
Charge for the year on owned assets	10,933	7,604	128,065	146,602
Disposals	-	-	(147,482)	(147,482)
At 31 March 2022	<u>39,741</u>	<u>42,201</u>	<u>323,074</u>	<u>405,016</u>
Net book value				
At 31 March 2022	<u>14,416</u>	<u>1,108</u>	<u>60,038</u>	<u>75,562</u>
At 31 March 2021	<u>25,349</u>	<u>8,712</u>	<u>152,890</u>	<u>186,951</u>

15. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2021	88
At 31 March 2022	<u>88</u>

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Pixie Energy Limited	Provision of energy consultancy, information and training services to the public sector.	Ordinary	100%
Cornwall Insight Ireland Limited	Provision of energy consultancy, information and training services to the private sector.	Ordinary	100%
Cornwall Insight Australia Limited	Provision of energy consultancy, information and training services to the private sector.	Ordinary	100%

Registered Office:

Pixie Energy Limited - Level 3 The Union Building, 51-59 Rose Lane, Norwich, Norfolk, England, NR1 1BY.

Cornwall Insight Ireland Limited - Joyce House, 22/23 Holles Street, Dublin 2, D02 YP92.

Cornwall Insight Australia PTY Limited - Level 13, 664 Collins Street, Docklands, Victoria 3008.

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Debtors

	2022 £	2021 £
Trade debtors	1,891,243	2,269,087
Amounts owed by group undertakings	3,349,494	1,994,322
Other debtors	19,001	20,352
Prepayments and accrued income	1,370,181	656,771
	<u>6,629,919</u>	<u>4,940,532</u>

An impairment charge of £44,199 (2021 - £93,919) was recognised against trade debtors.

17. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,021,828	1,302,778
Less: bank overdrafts	(3,194)	-
	<u>1,018,634</u>	<u>1,302,778</u>

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	3,194	-
Bank loans	375,000	93,750
Trade creditors	276,554	25,770
Amounts owed to group undertakings	31,767	10,903
Corporation tax	251,482	174,562
Other taxation and social security	273,506	643,746
Other creditors	25,657	27,022
Accruals and deferred income	2,347,535	2,208,206
	<u>3,584,695</u>	<u>3,183,959</u>

Details of secured creditors are provided in note 19.

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	314,739	656,250

Bank loans of £689,739 (2021 - £750,000) relate to amounts borrowed through the Government's Coronavirus Business Interruption Loan Scheme (CBILS). The loan is repayable over 3 years, with no repayments in the first 12 months. Interest is payable on the loan at a rate of 2.99% over base rate.

Bank loans are secured by way of a debenture dated 29 March 2018 and cross guarantees from fellow group companies.

20. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	375,000	93,750
Amounts falling due 1-2 years		
Bank loans	314,739	375,000
Amounts falling due 2-5 years		
Bank loans	-	281,250
	689,739	750,000

21. Deferred taxation

	2022 £	2021 £
At beginning of year	174,062	154,708
Charged to profit or loss	(2,028)	19,354
At end of year	172,034	174,062

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. Deferred taxation (continued)

	2022 £	2021 £
Accelerated capital allowances	183,832	178,036
Short term timing differences	(11,798)	(3,974)
	<u>172,034</u>	<u>174,062</u>

The amount of net reversal of deferred tax expected to occur next year relating to existing timing differences is £5,796 (2021 - £24,381).

22. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
4,960 (2021 - 4,960) Ordinary A Shares of £0.02 each	99	99
582 (2021 - 582) Ordinary B Shares of £0.02 each	12	12
24 (2021 - 24) Ordinary C Shares of £0.02 each	-	-
	<u>111</u>	<u>111</u>

23. Reserves

Share premium account

The share premium account includes amounts paid for issued shares in excess of the par value of the shares purchased.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve arising from the Company's purchase of its own shares.

Profit and loss account

Profit and loss account includes all current and prior period retained profit and losses less dividends paid:

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

24. Share based payments

In June 2021, the Company entered into an Enterprise Management Incentive (EMI) Share Option Plan for certain employees in respect of FY20. 180 options were granted at an option price of £89 per share vesting over three years in three equal tranches commencing in June 2022.

In November 2021, the Company entered into a further EMI Share Option Plan for certain employees in respect of FY21. 1,312 options were granted at an option price of £91 per share vesting over three years in three equal tranches commencing in November 2022.

In June 2021, 166 options granted in respect of FY18 and FY19 were exercised at an option price of £150 per share. During the year ended 31 March 2022, 58 options lapsed.

On 31 March 2022, the total number of options in place was 1,742 (2021 - 474).

The directors have considered the value of the share options granted using an appropriate valuation tool and conclude the amounts are not material to the Company's financial statements. Accordingly no charges have been made to the Statement of Income and Retained Earnings over the vesting period.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £136,739 (2021 - £118,436). Contributions totalling £24,078 (2021 - £20,916) were payable to the fund at the reporting date and are included in creditors.

26. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	484,913	475,517
Later than 1 year and not later than 5 years	251,145	700,778
	<u>736,058</u>	<u>1,176,295</u>

CORNWALL INSIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

27. Related party transactions

The Company has taken advantage of the exemptions available under FRS102 section 33 not to disclose transactions between wholly owned members of a group.

During the year, sales were made to BGF Investment Management Limited, a group investor, of £15,000 (2021 - £12,350). No amounts were outstanding at the year end (2021 - £Nil).

At the year end, the Company was owed £Nil (2021 - £314) by a director and £Nil (2021 - £206) by a director of the parent Company.

Total key management personnel compensation for the year was £804,002 (2021 - £694,460).

28. Controlling party

The ultimate parent company of Cornwall Insight Limited is Cornwall Insight Group Limited who draw up the consolidated financial statements of the Group. There is no ultimate controlling party.

On 24 June 2022, 100% of the share capital of Cornwall Insight Group Limited was acquired by the Bowmark Group and management indirectly through the establishment of a new holding company. There remains no ultimate controlling party.

The Company's registered office is Level 3 The Union Building, 51-59 Rose Lane, Norwich, Norfolk NR1 1BY.