



Insight Investment Management Limited

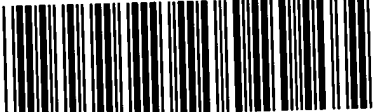
Directors' report and financial statements

Year ended 31 December 2017

Registered No: 2111149

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Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2017.

Structure of these accounts

The Company is exempt by virtue of s. 401 of the Companies Act 2006 from the requirement to prepare group financial statements. The Directors availed themselves of this exemption last year and have continued this year. These financial statements present information about the Company as an individual undertaking and not about its group, except where stated.

Result and dividends

The Company recorded a profit before tax for the financial year of £nil (2016: £25,986,000). Dividends totalling £nil (2016: £20,000,000) have been paid and approved by the Directors during the year.

During February 2018 the board agreed a dividend amounting to £121,000,000, payable to Bank of New York Mellon Corporation.

Principal activities and business review

The principal activity of the Company is to act as parent to the UK Insight operating entities.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis in preparing the financial statements continues to be adopted.

Proposed dividend

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

Audit information

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

Auditor

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

Political and charitable contributions

The Company made no political contributions during the year (2016: £nil). Donations to UK charities amounted to £nil (2016: £nil), however Insight staff worked closely in 2017 with Haven House Children's Hospice, our chosen charitable partner, with various fund raising events organised throughout the year.

Employees

Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

Our employee policy is consistent with the BNY Mellon group wide policy. Please refer to BNY Mellon International Asset Management Group Limited Directors' report for further information.

Directors

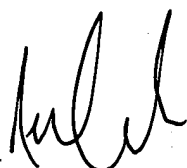
The Directors who held office during the period were as follows:

- Abdallah Nauphal
- Andrew Giles
- Atul Manek
- Adrian Grey
- Jonathan Eliot (appointed 01 November 2017)
- Angus Woolhouse (appointed 20 November 2017)
- Eric Anstee (non-executive)
- Mitchell Harris (non-executive)
- Gregory Brisk (non-executive)
- Sir Brian Ivory (non-executive)
- Philip Anker – (resigned 16 June 2017)
- Charles Farquharson (resigned 30 June 2017)
- Stephen Trickett (resigned 24 July 2017)

International financial reporting standards

These accounts are prepared in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) and its interpretations as endorsed by the EU and effective at 31 December 2017.

By order of the Board



Atul Manek
Director

Registered Office:
160 Queen Victoria Street
London
EC4V 4LA

21 March 2018

Statement of Directors' responsibilities

In respect of the strategic report and the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

Strategic report

The Directors present their strategic report for the year ended 31 December 2017.

Business update

Insight Investment Management Limited and its' subsidiaries (The Group) businesses experienced continued year over year growth in assets under management during the course of the year, by generating strong sales across our Financial Solutions, Cash, Multi Asset and Fixed Income product ranges with some benefit from favourable market movements. We continue working closely with our clients to devise tailored and effective solutions for their investment needs.

We continue working with BNY Mellon's distribution channels in selling our products to new markets, gaining traction in geographies such as the USA and Australia, where we have enhanced our investment management capability and presence through the launch of new strategies, new hires and relocation of people. The Company incorporated in 2016 a wholly owned subsidiary in Ireland, Insight Investment Management (Ireland) Limited, to act as management company to our Irish pooled funds in expectation of regulatory change. The company started full operational activities on 1st February 2017.

The operating model with our shareholder preserves Insight's autonomy and ensures that the business can continue to focus on its principal investment and service activities.

Strategy and targets

Since launch, our aim has been to create a resilient business model which is focused on our clients' needs and is well-positioned for all market conditions. We have ambitious targets for future growth and seek to retain and grow our client base by evolving our investment capabilities to meet our clients' needs and to offer them tailored solutions, as well as through new distribution channels and geographies. Having worked hard to establish our investment pedigree in the UK and building a recognisable brand, we continue to grow our global presence: notably in Europe and the USA and Australia.

By leveraging BNY Mellon's reach, continuing to capitalise on the 2013 acquisition of Parèto, working closely with, operating and administering the Cutwater group of companies acquired by BNY Mellon in January 2015, we are executing a targeted international expansion currently focused on North America. BNY Mellon's acquisition of the Cutwater group of companies, a US-based fixed income and solutions specialist with a 20 year track record, has supported Insight's North American growth agenda as Cutwater's products and investment solutions are complementary to those of Insight and the business is now fully aligned with Insight's.

We also experienced meaningful growth in distributing our capabilities to the Asian and Australian client base.

The key aspects of our strategy are described below:

Provide superior investment solutions and repeatable performance

Insight is a solutions provider. Putting clients' investment objectives at the forefront of our solutions enables us to deliver an investment solution that meets their needs. At the same time we have developed a superior product range of pooled solutions across a broad range of asset classes and the entire risk/return spectrum, offering clients absolute or relative return performance benchmarks which are aligned with and benefit from the expertise of our core investment capability.

Embedding innovation into the organisation has enabled us to pioneer market leading solutions such as liability driven investing and absolute return strategies as well as broadening our fixed income capabilities with investment in less liquid parts of the investment universe.

We aim to achieve consistent and repeatable returns through a focus on our core capabilities and by maintaining well-resourced, highly skilled teams of specialists.

Maintain and enhance our reputation as a quality investment brand

Insight has established a pedigree for the provision of innovative investment solutions in the UK institutional and wholesale market and is considered a key player in its chosen areas of investment expertise. With repeatable performance, quality service and superior investment solutions, we aim to be one of the leading investment brands in the market.

Our people are pivotal to achieving our strategy and vision and our team-orientated approach has become synonymous with our investment brand. In order to maintain our competitive advantage, we will continue to improve and innovate, whilst also investing in front office infrastructure and the recruitment, retention and training of quality professionals. To enable the retention of our staff, we operate long term incentive schemes, offering participants the opportunity to benefit directly from the growth of the business and to ensure that our remuneration strategy remains competitive and compliant with responsible remuneration directives advocated by the regulatory authorities.

Increase profitability, revenues and shareholder value

The business has successfully grown its assets under management ("AUM") to £571.9 billion as at 31 December 2017 (2016: £508.8 billion). We are conscious of the potential impact markets can have on our AUM, which is the basis on which we earn our investment management fees. As a result, we extended the revenue hedging programme we initiated in 2011, which seeks to offset some of the effect markets have on our revenues.

Asset growth continues to be driven by key client wins in the area of liability driven investment as well as through the sale of fixed income, liquidity and multi-asset strategies.

Financial performance and highlights

At a high level our 2017 financial performance, together with the comparison for 2016, is as follows:

Financials	2017	2016
Profit/loss before tax	£0.0 million	£26.0 million
Total assets under management (AUM)	£571.9 billion	£508.8 billion
New fund inflows (£bn)	£54.8 billion	£27.7 billion

Capital management

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

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

The principal forms of capital are included in the following balances on the statement of financial position: called up issued capital, share premium account and retained earnings. The Company held total capital of £103.6 million as at 31 December 2017 (2016: £108.5 million).

The FCA supervises the Company's three main UK operating subsidiaries on an individual basis and, as such, receives information on the capital adequacy of, and sets capital requirements for, Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Pareto Investment Management Limited. All three subsidiaries complied with the FCA's capital adequacy requirements throughout 2017 and 2016. Insight Investment Management (Ireland) Limited is supervised by the Central Bank of Ireland (CBI) and also complied with all capital adequacy requirements throughout 2017.

During 2010 Insight implemented an Internal Capital Requirement Process ("ICR") and continued this again in 2017, identifying inherent risks within the business and the probability of these arising; assessing the capital required to manage the financial impact if these risks were to materialise; determining how much capital should be held going forward through stress testing and scenario analysis. At the statement of financial position date, Insight as a group had a significant surplus on this internal capital requirement.

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

Corporate governance

Governance of the Company is carried out through the Board of Directors. The Board has legal and regulatory responsibility for all aspects of the business and ancillary activities of the various legal entities within the Insight group. A number of committees support the Board, including:

- Executive Management Committee (EMC) is the key business management committee for the Company and its subsidiaries responsible for strategy and execution, operational management and finance.
- The Risk Committee oversees the management of risks within the Company and manages the production of statutory and regulatory financial information. Membership consists of two Non-Executive Directors and two Independent Non-Executive Directors and the Chief Risk Officer of the Company also attends all meetings. The Risk Committee receives reports on the overall business environment and key business trends and the processes and procedures for the identification, evaluation and management of the risks facing the business.
- Remuneration Committee considers recommendations and where appropriate recommends to the relevant employing entity, items in relation to terms, conditions, remuneration and incentives for staff employed within the Insight group. Where appropriate, the Remuneration Committee will ensure that recommendations are consistent with regulatory requirements. The Remuneration Committee comprises of one Director representing the BNY Mellon Group and two independent non-executive Director.
- The Nomination Committee was disbanded in Q3 2017; its responsibilities will be absorbed by the other committees.

Revenue hedging activities

In 2011 the Company implemented a revenue hedging programme designed to mitigate the impact on future revenue streams of movements in macroeconomic drivers such as interest rates and inflation. This continued during the year. Gains and losses arising on the hedge portfolio, which comprises various Over-the-Counter (OTC) derivatives such as interest rate and inflation swaps, are recognised in full when they arise. The derivative positions are collateralised on a daily basis. In 2013 management decided to extend the hedging strategy to protect Insight's revenue streams against equity and currency market sensitivity, taking positions in total return swaps, equity and index futures and foreign exchange forward contracts. In 2016 this activity was continued and additional FX forwards contracts were purchased to mitigate the currency risk implicit in future EUR billed revenue. In 2017, as a result of AUM and revenue growth, a decision was taken to further extend the hedges and additional interest rate swaps were executed through the London Clearing House.

Key risks and uncertainties

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

People risk

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

Strategic risk

This is principally the risk of the business declining due to external factors (for example a sustained fall in markets) or risks stemming from internal factors (for example sustained poor long term investment performance). We seek to manage these risks by being willing to adapt our products to meet changing market needs and controlling costs effectively. We regularly review investment performance and encourage a culture of open debate on investment strategy and change through our executive committee and our business management group.

Investment performance

Failure to deliver investment performance reduces the appeal of the business's offering, particularly in the increasingly competitive market in which it operates, and could result in the failure to meet its Business Plan through the withdrawal of funds from its management, reduction in new business levels and, hence, non-achievement of sales and revenue targets. However, performance is fundamental to the business and recruitment and retention of high quality people, robust processes and controls, core investment philosophy and research are all components of our low appetite for risk in this area.

Financial and liquidity risk

Further details on how the Company manages the financial and liquidity risks that it faces are disclosed in note 19 to the financial statements.

Future prospects

In spite of a challenging industry background during 2017, the business managed to produce another year of success. We expect 2018 to be another challenging year with continued regulatory requirements, pressure on fees and uncertainty on Brexit; however we believe our business model is well equipped to continue to grow even in this difficult environment.

Insight has developed strong capabilities across liability driven investment, fixed income, absolute return, liquidity, multi-asset, currency risk management and real asset strategies. Our focus remains on delivering superior and repeatable performance and service excellence through the creation of innovative solutions and products. Innovation is critical to the development of our investment capabilities and as leaders in our chosen areas of expertise we continue to look for opportunities to grow and develop our business across new client channels and countries. Innovation forms the basis of our distinct investment culture and excellent client service.

INSIGHT INVESTMENT MANAGEMENT LIMITED

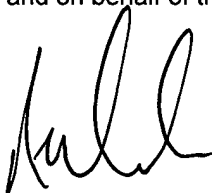
We aim to improve upon our existing strategies and bring appealing new strategies to investors in the coming period. Being a part of the BNY Mellon multi-boutique approach provides Insight with the attractive combination of business autonomy, long-term financial stability and distribution opportunities through BNY Mellon's global network; an ideal platform for the continued development of our investment services to both existing and new clients and a potential route to previously untapped markets. We will continue to retain and grow our client base by matching Insight's investment capability to our clients' needs across distribution channels and geographies. The addition of Pareto Investment Management Limited to the Insight group in 2013 further enhanced our investment capabilities and the addition of the Cutwater business to the BNYM group provides greater access to geographical markets where Insight has not historically had a meaningful presence.

In early 2018 Pareto Investment Management Limited (PIML) was renamed to Insight Investment International Limited (IIIL) to better align with the Insight brand and group of companies.

Dividend declaration

During February 2018 the board agreed a dividend amounting to £121,000,000, payable to Bank of New York Mellon Corporation.

For and on behalf of the Board



Atul Manek
Director

Registered Office:
160 Queen Victoria Street
London
EC4V 4LA

21 March 2018

Independent auditor's report to the members of Insight Investment Management Limited

Opinion

We have audited the financial statements of Insight Investment Management Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of Profit and Loss and Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

The purpose of our audit work and to whom we owe our responsibilities

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



Paul McKechnie (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

22 March 2018

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Administrative expenses		(54,267)	(44,483)
Management service charge		60,176	73,715
Results from operating activities		5,909	29,232
Financial income	2	124	30,045
Financial expense	2	(6,033)	(33,291)
Net financial expense		(5,909)	(3,246)
Profit/ (loss) before tax	3	-	25,986
Tax expense	7	(4,902)	(4,064)
Profit/ (loss) for the year		(4,902)	21,922
Total comprehensive income/(loss) for the year (net of tax)		(4,902)	21,922

There are items of other comprehensive income during the year therefore no statement of other comprehensive income has been presented.

All amounts in the statement of profit or loss and other comprehensive income are in respect of continuing operations.

The notes on pages 17 to 44 form part of these financial statements.

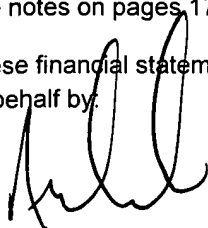
Statement of financial position

As at 31 December 2017

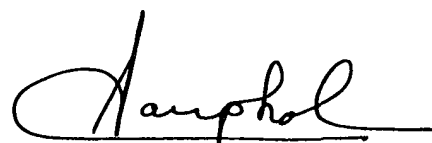
		31-Dec	31-Dec
	Note	2017	2016
		£'000	£'000
Assets			
Other investments	9	149,744	146,744
Deferred tax asset	11	12,436	10,553
Non-current assets		162,180	157,297
Other investments	10	87,640	79,217
Derivatives	12	9,225	6,565
Trade and other receivables	13	14,175	729
Cash and cash equivalents	14	35,030	77,987
Current assets		146,070	164,498
Total assets		308,250	321,795
Equity			
Issued capital	15	10,012	10,012
Share premium	15	63,593	63,593
Retained earnings	15	30,780	35,682
Treasury Shares	15	(822)	(822)
Total equity		103,563	108,465
Liabilities			
Derivatives	16	53,739	50,027
Trade and other payables	17	150,948	163,212
Total current liabilities		204,687	213,239
Total equity and liabilities		308,250	321,704

The notes on pages 17 to 44 form part of these financial statements.

These financial statements were approved by the Board of Directors on 21 March 2018 and were signed on its behalf by:



Atul Manek
Director



Abdallah Nauphal
Director

Company registration number: 2111149

Statement of changes in equity

For the year ended 31 December 2017

		Share capital	Share premium	Retained earnings	Treasury shares	Total
	Note	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2015		10,012	63,593	33,963	(822)	106,746
Total comprehensive income for the year						
Profit		-	-	21,922	-	21,922
Total comprehensive income for the year		-	-	21,922	-	21,922
Contributions by and distributions to owners of the Company						
Disposals of interest in joint venture	15	-	-	(203)		
Dividends paid	15	-	-	(20,000)	-	(20,000)
Total contributions by and distributions to owners of the Group		-	-	(20,203)	-	(20,203)
Balance at 31 December 2016		10,012	63,593	35,682	(822)	108,465
Total comprehensive income/(loss) for the year						
Profit/(loss)		-	-	(4,902)	-	(4,902)
Total comprehensive income/(loss) for the year		-	-	(4,902)	-	(4,902)
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners of the Company						
Total contributions by and distributions to owners of the Group		-	-	-	-	-
Balance at 31 December 2017		10,012	63,593	30,780	(822)	103,563

The notes on pages 17 to 44 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Profit for the year		(4,902)	21,922
Adjustments for:			
Tax	7	4,902	4,064
Dividend income	-	-	(26,000)
Net change in fair value of financial assets and derivative instruments designated at fair value through profit or loss	2	-	(104)
Net change in fair value of derivatives	-	1,052	22,799
Interest income and foreign exchange gain	2	(124)	(79)
Interest expense and foreign exchange loss	2	1,666	-
		2,594	22,602
Increase in trade and other receivables	13	(13,446)	55,156
Decrease in trade and other payables	17	(12,264)	2,059
Cash generated from operations		(23,116)	79,817
Interest paid		(1,666)	-
Taxes paid		(6,786)	(3,744)
Net cash from operating activities		(31,568)	76,073
Cash flows from investing activities			
Interest received and foreign exchange gain		124	79
Dividends received		-	26,000
Investments in subsidiary undertakings	9	(3,000)	(14,401)
Acquisition of other current investments	10	(8,423)	(37,700)
Net cash from investing activities		(11,299)	(26,022)
Cash flows from financing activities			
Dividends paid	8		(20,000)
Net cash from financing activities		-	(20,000)
Net decrease in cash and cash equivalents		(42,867)	30,051
Cash and cash equivalents at 1 January	14	77,897	47,846
Cash and cash equivalents at 31 December	14	35,030	77,897

The notes on pages 17 to 44 form part of these financial statements.

Notes to the financial statements

1. Significant accounting policies

Insight Investment Management Limited (the "Company") is a company domiciled in the United Kingdom. The financial statements were authorised for issue by the Directors on 21 March 2018. The Company and its subsidiaries operate as a single asset management business and consider themselves a single segment investment management business.

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and its interpretations as endorsed by the EU and effective at 31 December 2017.

The accounting policies set out below have been applied in respect of the financial year ended 31 December 2017.

b) Basis of preparation

The financial statements are prepared on a going concern basis.

The financial statements are presented in Sterling, rounded to the nearest thousand. They are prepared on the historical cost basis except for current asset investments and derivatives used for hedging revenues, which are stated at their fair value.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Disclosures about critical accounting estimates and the related assumptions are included in the appropriate Notes to the Accounts. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

c) Basis of non-consolidation

The Company is exempt by virtue of s. 401 of the Companies Act 2006 from the requirement to prepare group financial statements and the Directors have availed this exemption this year. These financial statements present information about the Company as an individual undertaking and not about its group.

d) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

e) Other investments

Investments in subsidiaries and general partnerships

The investments in subsidiary undertakings and in general partnerships in the Company's financial statements are stated at cost less impairment.

Investments in subsidiary undertakings and in general partnerships are assessed for impairment where there is an indication of impairment. Where impairment exists, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss recognised in the statement of profit or loss and other comprehensive income.

Investments in joint ventures

The investments in joint ventures in the Company's financial statements are stated at cost plus the share of profits to date less impairment.

Current asset investments

Current asset investments are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises current asset investments when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Current asset investments are designated as fair value through profit and loss with gains and losses taken to the statement of profit or loss and other comprehensive income as they arise. Fair value is determined by reference to quoted market prices on the statement of financial position date.

f) Trade and other receivables

Trade receivables and other receivables are measured at fair value, less provision for impairment, and can be subsequently measured at amortised costs using the effective interest rate method if considered material. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss and other comprehensive income, where there is objective evidence that the asset is impaired.

g) Cash and cash equivalents

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

h) Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

i) Dividends

Dividends are recognised as a liability in the period in which they are declared.

j) Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

k) Trade and other payables

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

l) Revenue

Revenue comprises of fees arising from investment management and other related services.

Management fees are recognised in the statement of profit or loss and other comprehensive income as they are earned. Performance fees are recognised when the quantum of the fee can be estimated reliably and it is probable that the fee will crystallise.

m) Administrative expenses

Certain expenses relating to the Company are incurred and paid by Insight Investment Services Limited. These expenses are re-charged to the Company at cost and recognised in the Company's accounts on an accrual basis. The recharge is predominantly done pro-rata based on income in the subsidiaries within the Insight Group Companies (Insight Investment Funds Management Limited, Insight Investment Management Limited, Insight Investment Management (Global) Limited, Insight Investment International Limited, formerly Pareto Investment Management Limited, and Insight Investment Services Limited).

n) Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided: goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries which are deemed as capital items for tax purposes and therefore will be subject to that regime. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, and is calculated using the enacted future tax rate at the date of the financial statement.

o) Financial income and financial expense

Financial income comprises income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expense comprises interest expense on borrowings and bank overdrafts.

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

The Company recognises dividend income when the Company's right to receive payment is established.

p) Pension schemes

All employees performing services on behalf of the group are contractually employed by Insight Investment Management Limited and employees are members of a defined contribution scheme, the Insight Group Pension Plan. Obligations for contributions to defined contribution pension plans are recognised as an employee expense in the statement of comprehensive income in the periods during which services are rendered by employees.

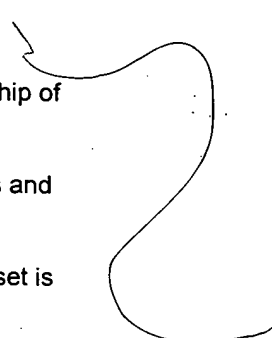
q) Financial instruments

A financial asset is classified on initial recognition as either being at fair value through profit or loss; a loan or receivable; held-to-maturity or available-for-sale. Financial liabilities are categorised on initial recognition as either at fair value through profit or loss or as "other" liabilities. The categorisation on initial recognition determines whether and where any re-measurement to fair value is recognised.

Financial assets are measured at fair value except for loans and receivables, held-to-maturity investments and unlisted equity instruments in the rare circumstances that fair value cannot be measured reliably.

Financial liabilities are measured either at fair value through profit or loss or at amortised cost depending on their categorisation on initial recognition.

A financial asset is derecognised when:

- the rights to the cash flows from the asset expire;
 - the rights to the cash flows from the asset and substantially all the risks and rewards of ownership of the asset, are transferred;
 - an obligation to transfer the cash flows from the asset is assumed and substantially all the risks and rewards are transferred; or
 - substantially all the risks and rewards are neither transferred nor retained, but control of the asset is transferred.
- 

A financial liability is derecognised when the obligation is discharged, cancelled or expired.

r) Derivatives

Derivative instruments used for the purpose of hedging future revenue streams are recognised at fair value through profit and loss and those that are in-the-money are disclosed within current assets on the face of the statement of financial position while those out-the-money are disclosed within current liabilities on the face of the statement of financial position.

Any maintenance margin posted with the derivative counterparty in relation to the derivative instrument remains an asset of the Company until the instrument matures or an event of default is triggered.

In the event of a gain on the derivative, margin collateral received would not be recognised as a current asset as the counterparty retains the risks and rewards of ownership and the right of substitution. Only at the point of maturity or default would the Company recognise the collateral received as a financial asset.

Hedge accounting cannot apply because the future revenues being hedged are not a financial asset and so the conditions set out in IAS 39, 'Financial Instruments: Recognition and Measurement' for hedge accounting are not met.

s) Changes in accounting policy and disclosures

The following adopted IFRSs have been issued but are not yet effective as of the financial statement date. Their adoption has not had or is not expected to have a material effect on the financial statements unless otherwise indicated:

IFRS 9 Financial Instruments

Introduction

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets and liabilities, and introduces an alternative hedge accounting model to that contained in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is effective for annual periods beginning on or after 1 January 2018 and replaces much of IAS 39.

Classification of financial assets

IFRS 9 contains a revised classification and measurement approach that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classifications categories for financial assets: measured at amortised cost, measured at fair value through Other Comprehensive Income (FVOCI) and measured at fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

For investments in equity instruments that are held for trading, an irrevocable election is available on initial recognition on an instrument-by-instrument basis to recognise all changes in fair value in OCI.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not bifurcated; instead, the hybrid financial instrument as a whole is assessed for classification.

Based on its assessment, the Company believes that the new classification requirements will not affect its accounting for financial assets.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model contained in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to debt instruments and financial guarantee contracts issued that are not measured at FVTPL. ECLs on instruments classified at FVOCI will be recognised in OCI rather than reducing the value of the instrument. No impairment loss will be recognised on equity instruments.

Under IFRS 9, the Company generally will recognise loss allowances at an amount equal to 12-month ECL (the portion of ECL that results from default events that are possible within 12 months after the reporting date) unless there has been significant increase in credit risk since origination of the instrument, in which case ECLs are recognised on a lifetime loss basis.

The Company expects the impact of the impairment requirements of IFRS 9 to be immaterial.

Transition

Changes in accounting arising from the adoption of IFRS 9 generally will be applied retrospectively; however, the Company plans to take advantage of the exception allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amount of financial instruments resulting from the adoption of IFRS 9 generally will be recognised in retained earnings and reserves as at 1 January 2018.

s) Changes in accounting policy and disclosures (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 is effective for annual periods beginning on or after 1 January 2018.

The Company has completed its evaluation of the potential impact of this guidance on our accounting policies, and based on that evaluation, the timing of most of our revenue recognition will remain the same and expects no impact from the new standards. The Company plans to adopt the guidance as of 1 January 2018 using the cumulative effect transition method. The Company is currently developing the disclosures required about revenue and contract costs and finalizing changes to internal control.

2. Financial income and financial expense recognised in profit and loss

	2017	2016
	£'000	£'000
Net change in fair value of financial assets designated at fair value through profit or loss	124	104
Interest income on other financial assets	-	79
Foreign exchange gain	-	29
Other income	-	3,833
Interim dividend received	-	26,000
Financial income	124	30,045
Interest expense on financial liabilities measured at amortised cost	(1,665)	(3,165)
Net change in fair value of derivative financial instruments	(4,367)	(30,126)
Foreign exchange loss	(1)	-
Financial expense	(6,033)	(33,291)
Net finance income recognised in profit or loss	(5,909)	(3,246)

3. Profit before tax

	2017	2016
	£'000	£'000
Profit before tax is stated after charging:		
Auditors' remuneration for:		
Audit services	22	21

4. Personnel expenses

Included within administrative expenses are the following aggregate payroll costs

	2017	2016
	£ 000	£ 000
Wages and salaries	96,184	79,195
Compulsory social security contributions	6,044	5,482
Contributions to defined contribution plans	3,283	3,155
Expense arising from share-based payments	220	1,145
	105,731	88,977

The staff costs shown above have been incurred by another group entity and allocated among fellow subsidiary undertakings through a management service charge

The average number of persons employed by Insight Investment Management Limited (including directors) during the year was 523 (2016: 507)

5. Shared based payment and deferred cash arrangements**Share Schemes**

The Company operates cash-settled long term incentive schemes ensuring a competitive remuneration strategy and to align the interests of management and staff with the long term objectives of shareholders

Valuations are performed on the Company using a discounted cash flow model with an imputed interest rate in September and December of each year and are undertaken by external valuation specialists

5. Shared based payment and deferred cash arrangements (continued)

Jointly Owned Equity Plan

The Jointly Owned Equity Plan ("JOE") is a tripartite agreement between the Company, RBC Cees Trustee Limited (the Trustee of the Insight Employee Benefit Trust ("EBT")) and the participants subscribing for an interest in shares (selected employees). Each year the Company may invite participants to subscribe for or acquire shares. The intention is to make a new grant each year in March or if required, and at the sole discretion of the Insight Remuneration Committee, an off-cycle grant at another time.

Scheme participants have been allocated ordinary C shares of nominal value 0.0001p each, which carry neither rights to dividends nor any voting rights (see note 15).

The vesting period for the participant's interest in the shares ranges from one to three years from the date the shares are jointly issued to the Trustee and the participant.

The shares are subject to a minimum holding period after the initial vesting date of six months and one day and the maximum holding period following the end of the stated vesting period is four years. If participants neglect to sell their shares prior to the end of the maximum holding period after the vesting period comes to an end, the right to sell the shares lapses and the shares must be acquired by the Trustee.

In accordance with the FCA Remuneration Code the March 2012 and March 2013 JOE grant for Identified Code Staff vest in three equal instalments annually. For the purposes of these financial statements, such grants have been included within the JOE scheme details.

All-Employee Long Term Incentive Plan

The All-Employee Long Term Incentive Plan ("LTIP") was designed to give all permanent employees the opportunity to share in the future growth of the Company.

Employees are offered ordinary D shares of nominal value 0.0001p each and the shares carry neither rights to dividends nor any voting rights (see note 16). The award of free shares is subject to a minimum holding period commencing on the date of award and culminating three years later, during which time the participant cannot sell the shares. During this period the free shares are held on behalf of the participating employees by the Trustee within the Insight EBT. As there is no liquid secondary market for the shares, as soon as possible after the vesting date the Trustee will purchase the participant's shares at the price determined during the most recent valuation.

5. Shared based payment and deferred cash arrangements (continued)**Movement in shares**

2016	JOE Units	LTIP Units
Outstanding at 1 January	28,057,749	683,316
Granted during the year	5,187,541	139,996
Exercised during the year	(11,911,748)	(404,681)
Forfeited during the year	(234,553)	(23,248)
Outstanding at 31 December 2016	21,098,989	395,383
2017	JOE Units	LTIP Units
Outstanding at 1 January	21,098,989	395,383
Granted during the year	4,546,698	121,359
Exercised during the year	(4,915,160)	(146,891)
Forfeited during the year	(560,756)	(34,623)
Outstanding at 31 December 2017	20,169,771	335,228

Shares exercised during the year related to certain individuals deemed as good leavers (at the sole discretion of the Insight Remuneration Committee) and to those eligible to exercise fully vested JOE shares where the minimum holding period has elapsed.

There were two opportunities to exercise during the year; in March 2017 at a price of £5.66 and in December 2017 at a price of £6.49.

Shares forfeited during the year relate to staff who had left the Company and lost the right to beneficial interest in shares granted under these schemes.

	2017 £'000	2016 £'000
Cash settled share based payment expense	53,491	41,048
Total carrying amount of liabilities	113,674	94,303

The cost of share based payments is amortised over the vesting period of each scheme. These costs are recharged by the Company to its operating subsidiaries, Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Insight Investment International Limited (formerly Pareto Investment Management Limited).

5. Shared based payment and deferred cash arrangements (continued)

FCA Remuneration Code

In response to the Company falling within the scope of the FCA Remuneration Code, the following reward schemes were launched during 2012 as applied to the deferral of remuneration for Identified Code Staff (now commonly referred to as Material Risk Material Takers) where applicable:

Deferred Cash Scheme

Awards are deferred in three equal instalments over three years with interest earned on a compound basis, with grants being made in March each year since the inception of the scheme. The interest rate is set by The Bank of New York Mellon each year and all accrued interest is paid out in full at the time an annual instalment falls due for settlement. The value of the accrued awards outstanding at the end of the year is £1,128,000 (2016: £990,000), based on the value of awards being spread one third over a one year period; one third over a two year period and one third over a three year period. This expense was incurred by one of the Company's subsidiaries, Insight Investment Services Limited.

Retained Share Plan

An element of a participant's cash incentive is awarded in the form of Insight shares that vest immediately on award but are held for at least six months and one day before they are exercised. The awards are approved at a cash value and then converted into shares by dividing the cash value by the Insight valuation prevailing at that time. Any increase in value is accounted for by the Company as cash-settled and expensed through the profit and loss account when the latest valuation price has been approved.

At the point of award the shares are held by the Insight EBT as nominee for the individual. The beneficial interest of the shares resides with the individual until exercise whereupon it is the intention of the Insight EBT to acquire the shares and beneficial interest from the participants.

The maximum holding period for the shares following the end of the stated vesting period is seven years.

For the 2017 performance year, no Retained Share awards were required to be granted to identified Code Staff due to Insight being reclassified as a proportionality Level 3 firm (detailed below).

Retained Share Plan

In November 2015, the FCA formally approved a re-tiering application for Insight to be treated as a proportionality Level 3 firm on the basis that neither Insight nor any other BNYM group company will offer capital support to the constant NAV funds being operated across the BNYM platform.

As a Level 3 firm, Insight does not have to apply deferral rules and bonus cap provisions to identified Material Risk Takers for the 2017 performance year.

6. Remuneration of directors

	2017	2016
	£'000	£'000
Aggregate directors' remuneration:		
Directors' emoluments	7,686	6,060
Long term incentive schemes	11,091	9,478
Pension contributions	175	158
	18,952	15,696
Highest paid director:		
Directors' emoluments	2,794	1,826
Long term incentive schemes	4,687	3,701
Pension contributions	22	22
	7,503	5,549

The aggregate amount of remuneration paid to or receivable by directors in respect of qualifying services is disclosed above. Qualifying services include services as a director of the company, as a director of any of its subsidiary undertakings or otherwise in connection with the management of the affairs of the Company or any of its subsidiary undertakings. The amounts are disclosed irrespective of which BNY Mellon group company actually makes the payment to the directors.

7. Tax Expense

	2017	2016
	£'000	£'000
Analysis of the charge for the period		
Taxation is based on loss before tax for the year and comprises:		
Current tax charge for the year at 19.00% (2016: 20.00%)	6,900	3,567
Adjustments in respect of prior periods	(114)	(52)
	6,786	3,515
Deferred tax charge/ (credit)		
Origination/ reversal of timing differences	(2,133)	(729)
Effect of decrease in tax rate	249	1,278
	(1,884)	549
Tax on profit on ordinary activities	4,902	4,064
Reconciliation of effective tax rate		
Profit on ordinary activities before tax	-	25,986
Tax charge on profit on ordinary activities at standard rate of 19.00% (2016: 20.00%)	-	5,197
Non-deductible expenses	4,767	3,500
Income not subject to tax	-	(5,862)
Impact of change in rates	249	1,282
Adjustments in respect of prior periods	(114)	(52)
	4,902	4,065

Factors that may affect future and total tax charges

A reduction in the UK corporate tax rate from 20% to 19% (effective 1 April 2017) was enacted on 26 October 2015 and a further reduction to 17% (effective 1 April 2020) was enacted on 6 September 2016. This will reduce the company's future tax charge accordingly. The deferred tax position as at 31 December 2017 has been calculated based on these rates.

8. Dividends

	2017	2016
	£'000	£'000
Ordinary dividends		
Interim dividend paid: nil pence per ordinary share (2016: 199.87)	-	20,000
During the year the company declared and paid to its immediate parent company (see note 15) an interim dividend of nil (2016: 199.87) pence per ordinary share totalling nil (2016: £20,000,000). A final dividend was not recommended for 2017.		

9. Other investments – non-current

	2017	2016
	£'000	£'000
Shares in group undertakings		
At the beginning of the year	146,744	132,343
Additions	3,000	14,401
At 31 December 2017	149,744	146,744
Interest in joint ventures		
Share of net assets at the beginning of the year	-	203
Disposal	-	(203)
At 31 December 2017	-	-
Total non-current assets at 31 December 2017	149,744	146,744

10. Other investments - current

	2017	2016
	£'000	£'000
Other investments	87,640	79,217
	87,640	79,217

Other investments relate to holdings in the Insight Liquidity Funds plc ("ILF") and the net collateral posted on the derivative positions (note 12 and 16). The ILF is an umbrella open ended investment company. The Company's investment is in the ILF Sterling Liquidity fund. The aim of the fund is to provide a flexible and stable alternative to bank deposits for institutional and professional investors. The fund carries an AAAm rating from Standard & Poor's and has same day settlement terms.

11. Deferred tax asset

	2017	2016
	£'000	£'000
Deferred tax asset	12,436	10,553
	12,436	10,553

Deferred tax is made up of:

At 1 January	10,552	11,101
Credit/ (charge) to income during the year	2,133	729
Impact of rate change	(249)	(1,278)
	12,436	10,552

Deferred tax has been recognised in full & consists of the following

Long term incentive charged in profit and loss	12,436	10,553
	12,436	10,553

12. Derivative financial assets at fair value through profit and loss

	2017	2016
	£'000	£'000
Derivative financial instruments	9,225	6,565
	9,225	6,565
Unrealised gains on derivative financial instruments are marked to market through profit and loss and are disclosed separately on the face of the balance sheet to unrealised losses on financial instruments as no right of offset exists between the two. Refer to note 17 for disclosure of the impact of marking-to-market derivative instruments at a loss during the course of the year.		

13. Trade and other receivables

	2017	2016
	£'000	£'000
Amounts receivable from related parties	13,828	-
Other receivables	347	729
	14,175	729

14. Cash and cash equivalents

	2017	2016
	£'000	£'000
Bank balances	35,030	77,897
Cash and cash equivalents in the statement of cash flows	35,030	77,897

15. Capital and reserves

	Equity: Ordinary shares of £1 each £'000	Equity: Ordinary B shares of 0.0001p each £'000	Equity: Ordinary C shares of 0.0001p each £'000	Equity: Ordinary D shares of 0.0001p each £'000	Equity: Ordinary E shares of 0.0001p each £'000	Equity: Ordinary F shares of 0.0001p each £'000	Total £'000
--	---------------------------------------------------------	----------------------------------------------------------------------	----------------------------------------------------------------------	----------------------------------------------------------------------	----------------------------------------------------------------------	----------------------------------------------------------------------	----------------

Allotted, called up and fully paid

At 1 January 2016	10,007	0	5	0	0	0	10,012
Issued during the year	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-
At 31 December 2016	10,007	0	5	0	0	0	10,012
At 1 January 2017	10,007	0	5	0	0	0	10,012
Issued during the year	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-
At 31 December 2017	10,007	0	5	0	0	0	10,012

Issued Share Capital

Issued share capital of the company consists of the following ordinary shares:

	Number of shares
Ordinary Shares of £1	10,006,505
B Class Ordinary Shares of 0.0001p each	2,097,642
C Class Ordinary Shares of 0.0001p each	46,837,352
D Class Ordinary Shares of 0.0001p each	1,490,893
E Class Ordinary Shares of 0.0001p each	522,143
F Class Ordinary Shares of 0.0001p each	473,098

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The holders of B, C, D, E and F shares have no right to dividends or to vote in general meetings of the Company. Holders of B, C, D, E and F Shares shall be entitled to 3.9138p for each £1.00 payable in respect of an ordinary share in the event of a winding-up of the Company.

For more information about the Company's capital management policy, please refer to the capital management policy section within the Strategic Report.

15. Capital and reserves (continued)

	Share premium £'000	Retained earnings £'000	Total £'000
Reconciliation of movement in capital and reserves			
Balance at 1 January 2016	63,593	33,963	97,556
Issued during the year			
Disposal of JV held at cost less impairment	-	(203)	(203)
Total recognised income and expenses	-	21,922	21,922
Dividends paid	-	(20,000)	(20,000)
Balance at 31 December 2016	63,593	35,682	99,275
Balance at 1 January 2017	63,593	35,682	99,275
Issued during the year	0		
Total recognised income and expenses	-	(4,902)	(4,902)
Dividends paid	-		
Balance at 31 December 2017	63,593	30,780	94,373

15. Capital and reserves (continued)

	Number	£'000
Treasury shares		
At 1 January 2016	422	822
Purchase of treasury shares	-	-
At 31 December 2016	422	822
At 1 January 2017	422	822
Purchase of treasury shares	-	-
At 31 December 2017	422	822

The treasury shares relate to the fair value of shares purchased by the Insight EBT from participants in the retained Share Plan

16. Derivative liabilities at fair value through profit and loss

	2017	2016
	£'000	£'000
Interest rate and inflation swaps	51,301	48,450
Equity total return swaps	2,438	1,577
	53,739	50,027

Out-of-the-money financial assets are marked to market through profit and loss and are disclosed separately on the face of the balance sheet as no right of offset exists with in-of-the-money financial assets.

The total mark-to-market adjustment recognised in finance expense for the period ended 31 December 2017 was £2.7m (2016: £30.1m). This amount is recharged by the Company to its operating subsidiaries, Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Insight Investment International Limited (formerly Pareto Investment Management Limited).

17. Trade and other payables

	2017	2016
	£'000	£'000
Amounts payable to related parties	26,212	62,443
Tax payable	6,384	3,878
Other payables	4,677	2,588
Accrued expenses	113,674	94,303
	150,948	163,212
An amount of £1,702,855 (2016: £1,700,000) is accrued within other payables in relation to a liability for the repurchase of class F shares issued to Insight North America LLC, previously Pareto New York LLC, a sister entity in the wider BNY Mellon group of companies and not part of the Insight sub-group		

18. Related party disclosures

	2017	2016
	£'000	£'000
At the end of the year, the Company had the following balances with related parties:		
Debtors		
BNY Mellon Group undertakings		
Insight Investment Funds Management Limited	3,967	-
Insight Investment Management (Global) Limited	9,059	-
Insight Investment International Limited	89	-
Other related parties	713	-
	13,828	-
Creditors		
BNY Mellon Group undertakings		
Insight Investment Funds Management Limited	-	(11,364)
Insight Investment Management (Global) Limited	-	(20,163)
Insight North America	-	(12)
Insight Investment Services Limited	(1,572)	(1,732)
Insight Investment International Limited	(24,575)	(29,172)
Other related parties	(65)	-
	(26,212)	(62,443)

The company recharged costs to its subsidiaries during the year of £60,176,069 (2016: £73,714,000).

19. Financial instruments

Exposure to credit, market risk (which combines foreign currency risk, interest rate risk and market price risk) and liquidity risk arises in the normal course of the Company's business.

Credit Risk

The credit risk to the Company is limited to the non-payment of investment management fees, amounts owed by BNY Mellon Group undertakings together with cash at banks. At the statement of financial position date there were no significant concentrations of credit risk external to the group other than cash balances at Lloyds Bank Plc.

The credit risk policy for cash and cash equivalents is to maintain bank accounts with Lloyds Bank Plc and to invest surplus cash in the Insight Liquidity Funds plc. At the statement of financial position date the Standard and Poor's credit rating for Lloyds Bank Plc was A.

The credit risk policy for trade and other receivables is to monitor the level of past due receivables on a regular basis. The policy does not require collateral in respect of financial assets because for the majority of client accounts, Insight has the right to deduct its management fees from the client's investment portfolio. The historical incidence of default has not been significant and in the majority of cases there is an ongoing relationship with the client.

The maximum exposure to credit risk at the statement of financial position date was as follows:

	31-Dec 2017	31-Dec 2016
	£'000	£'000
Trade and other receivables (note 13)	14,175	729
Cash and cash equivalents (note 14)	35,030	77,897
Total	49,206	78,626

The carrying amounts of financial assets represent the maximum credit exposure.

The ageing of trade and other receivables at the reporting date was as follows:

	31-Dec 2017	31-Dec 2016
	£'000	£'000
Neither past due nor impaired	14,175	729
Past due up to 1 month	-	-
Past due from 1 month to three months	-	-
Past due from three months to one year	-	-
More than 1 year past due	-	-
Total	14,175	729

19. Financial instruments (continued)**Foreign currency risk**

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	US Dollar £'000
At 31 December 2017	
Trade and other receivables	713
Cash and cash equivalents	2
Total	715
At 31 December 2016	
Trade and other receivables	-
Cash and cash equivalents	-
Total	-

This risk arises as a result of outstanding fees (either billed or unbilled) due for settlement and the operation of foreign currency bank accounts. The Company manages this risk through a proactive debtor management process and by sweeping surplus foreign currency cash balances into Sterling on a periodic basis.

Sensitivity analysis

A 10 percent strengthening of Sterling against the following currencies at 31 December 2017 would have increased / (decreased) equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2016.

	Impact on equity £'000	Impact on profit or loss £'000
At 31 December 2017		
US Dollar	(65)	(65)
At 31 December 2016		
US Dollar	-	-

A 10 percent weakening of Sterling against the above currencies at 31 December 2017 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

19. Financial instruments (continued)**Interest rate risk****Effective interest rates and maturity analysis**

Income-earning financial assets and interest-bearing financial liabilities earn/bear interest on a floating rate basis. Management deem interest rate risk immaterial and do not actively manage this risk. The following table indicates the periods in which they mature and the effective interest rate earned/ borne.

	2017		2016	
	Cash and cash equivalents	Current asset investments	Cash and cash equivalents	Current asset investments
Effective rate	0.12%	0.24%	0.24%	0.47%
	£'000	£'000	£'000	£'000
One year or less	35,030	87,640	77,897	79,217

The annualised impact of an increase or decrease of 50 basis points in interest rates at the statement of financial position date would be to increase / (decrease) equity and profit or loss by £497,000 / (£497,000) (2016: £636,000 / (£636,000)).

This calculation assumes that the change occurs at the statement of financial position date and is applied to risk exposures existing at that date and is stated net of tax assuming the current corporation tax rate of 19.00% (2016: 20.00%).

The derivative positions held are impacted by changes to future expectations of real interest rate levels. The impact of a 50 basis points shift in the real interest rate swap curve at the statement of financial position date would be to increase equity and profit or loss by £852,000

Market price risk

The Company holds investments in the Insight Liquidity Funds plc (see note 10) as part of its capital management policy. Market price risk is managed by monitoring the holding and the rating of the fund. Exposure at the year end was £87,640,000 / (£87,640,000) (2016: £79,217,000 / (£79,217,000)).

The annualised impact of an increase or decrease of 50 basis points in interest rates at the statement of financial position date would be to increase / (decrease) equity and profit or loss by £355,000 / (£355,000) (2016: £321,000 / (£321,000)).

This calculation assumes that the change occurs at the statement of financial position date and is applied to risk exposures existing at that date and is stated net of tax assuming the current corporation tax rate of 19.00% (2016: 20.00%).

Equity market risk

The company has taken out index-linked derivatives as part of its strategy to neutralise the impact of equity market movements on its future revenues. The instruments are linked to the MSCI EAFE and MSCI US indices. A 50 basis point (0.05%) increase / (decrease) across the underlying indices would (decrease) / increase equity and profit or loss by £(10,000)/£10,000

19. Financial instruments (continued)**Liquidity risk**

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off-statement of financial position instruments. The Company monitors liquidity risk and does not have any borrowings or overdrafts and therefore has negligible liquidity risk especially given the large cash balances and liquid current asset investments on the statement of financial position.

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

	31-Dec 2017	31-Dec 2016
	£'000	£'000
One month or less	28,910	66,164
Between one month and three months	1,979	-
Between three months and one year	6,384	6,240
Between one year and five years	113,674	93,170
Over five years	-	-
Total	150,948	165,574

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

19. Financial instruments (continued)**Fair values**

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

	31-Dec 2017	31-Dec 2016
	£'000	£'000
Carrying amount		
Current asset investments designated at fair value through profit and loss (note 10)	87,640	79,217
Derivative assets (note 12)	9,225	6,565
Trade and other receivables at fair value (note 13)	14,175	729
Cash and cash equivalents (note 14)	35,030	77,897
Derivative liabilities (note 13)	53,739	50,027
Other financial liabilities measured at fair value – trade and other payables (note 17)	150,948	163,212
Fair value		
Current asset investments designated at fair value through profit and loss (note 10)	87,640	79,217
Derivative assets (note 12)	9,225	6,565
Trade and other receivables at fair value (note 13)	14,175	729
Cash and cash equivalents (note 14)	35,030	77,897
Derivative liabilities (note 13)	53,739	50,027
Other financial liabilities measured at fair value – trade and other payables (note 17)	150,948	163,212

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Current asset investments

Fair value is based on quoted market prices at the statement of financial position date without any deduction for transaction costs.

19. Financial instruments (continued)**Trade & other receivables / payables**

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
At 31 December 2017				
Financial assets designated at fair value through profit or loss	122,670	-	-	122,670
Derivative assets designated at fair value through profit or loss	-	9,225	-	9,225
Derivative liabilities designated at fair value through profit or loss	-	(53,739)	-	(53,739)
Total	122,670	(44,514)	-	78,156
At 31 December 2016				
Financial assets designated at fair value through profit or loss	79,217	-	-	79,217
Derivative assets designated at fair value through profit or loss	-	6,565	-	6,565
Derivative liabilities designated at fair value through profit or loss	-	(50,027)	-	(50,027)
Total	79,217	(43,462)	-	35,755

During the year there have been no transfers between Levels.

20. Pension Schemes

At 31 December 2017 all employees performing services on behalf of the Company are contractually employed by the Company and are members of the Insight Group Personal Pension Plan (the "Plan").

This Plan is a defined contribution scheme and the Plan's assets are held independently from those of the Company under a separately administered trust.

The pension cost charge in respect of the Plan amounted to £3,283,000 (2016: £3,155,000).

The cost was incurred by one of the Company's subsidiaries, Insight Investment Services Limited which in turn recharged the cost to Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Insight Investment International Limited (formerly Pareto Investment Management Limited).

The schemes' assets, liabilities and any associated costs are fully disclosed in the financial statements of The Bank of New York Mellon Corporation in accordance with IAS 19.

21. Ultimate parent undertaking

As at 31 December 2017 the Company's immediate parent company was BNY Mellon International Asset Management Group Limited.

The Company's ultimate parent company as at 31 December 2017 was The Bank of New York Mellon Corporation, incorporated in the United States of America. The consolidated financial statements of the ultimate parent company may be obtained from:

The Bank of New York Mellon Corporation
225 Liberty Street
New York
NY 10286
USA

22. Subsequent events

During February 2018 the board agreed a dividend amounting to £121,000,000, payable to Bank of New York Mellon Corporation.

No other important events affecting the Company have occurred since the end of the financial year.