

**MERGERMARKET TOPCO LIMITED**  
Company registration number: 08816656

**CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 31 December 2017

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**Mergermarket Topco Limited**

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## Mergermarket Topco Limited

### STRATEGIC REPORT

The Directors present their Strategic Report on Mergermarket Topco Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 December 2017.

#### Review of the business

The Group experienced strong revenue growth in the year benefiting from organic growth, the acquisition of the TIM Group ("TIM") and a weaker Pound Sterling versus the US dollar. Improved new business sales, notably across the transaction and equity products, and higher renewal rates across core products, helped to maintain solid underlying revenue growth. The growth is a product of investments made in new and improved content, functionality and product enhancements over the last couple of years.

During the year, GIC became a shareholder in the Company, highlighting the strength of the Group's business model, market position and cash flow generating capacity. At the same time, the Group refinanced its debt facilities, raising £462m of new debt and repaying £315m of pre-existing debt. The new debt facilities better align with the Group's underlying foreign exchange exposures and extend loan repayment dates by 7 to 8 years. Under the refinancing, the Group repaid all outstanding deep discount bonds and in their place, issued £175m of preference equity and repurchased shares to the value of £63.5m.

To reflect the multiple products sold by the Group, the new Group name, Acuris was launched in July. The brand aims to build on the Group's position as a trusted provider of financial information, covering data, research, analysis, news and intelligence, and finds its roots in the words Acumen, Curation and Insight.

Following a strategic review carried out last year, the Wealth and Pharma products were sold in April 2017 and the Infinata CDS business in December 2017. These businesses were small non-core activities and their sale enables the Group to focus on core products in the North America region.

In May, the Group completed the purchase of TIM, a provider of facilitating technology to the investment community. The TIM platform is used to distribute stock broker research to the buy side and provides data to quantitative funds, providing some good growth opportunities for the Group and coverage to markets where it previously had little exposure.

Some important technology projects were completed during the year. A new notification engine was released across the Mergermarket and Debtwire products. As well as scalability, the new engine provides enhancements to the alert content and a range of usage metrics and engagement insights. The new Primary Issuance product was launched, providing subscribers with access to global leveraged finance deal data for upcoming and completed transactions and currently covers over 12,000 deals. In addition, new product platforms were launched for the Wealthmonitor and Capital Profile. PaRR went live with a new home page and new search function making it easier for subscribers to access content. Technology is being continually enhanced to make content more accessible and broadening the depth of content available to subscribers

Some important cost optimisation initiatives were launched during the year, including the expansion of the India team and moving previously outsourced research activities inhouse. The full benefit of these initiatives will be realised in 2018 and beyond.

The Directors believe that the Group will continue in its current activities for the foreseeable future.

#### Key performance indicators

Revenue for the year to 31 December 2017 increased by 9.2% from £160.9m to £175.8m. EBITDA adjusted for deal fees, and gains or losses on asset sales and foreign exchange, increased by 5.4% from £47.9m to £50.5m.

During the year, the average number of people working for the Group, increased by 10.2% to 1,486 (2016:1,348), largely a result of the full year impact of the acquisition of the TIM Group and bringing previously outsourced functions in-house.

## Mergermarket Topco Limited

### Future developments

Acuris products are sold across the financial services industry to institutional investors, hedge funds, private equity firms, banks, advisory firms, lawyers, consultants and corporates. The Group operates an enterprise license sales model, minimising exposure to changes in headcount within the financial services industry and its wide spread of customers mean it has a well diversified revenue base. Market conditions are currently stable.

The Group will continue to invest in technology and product development to introduce a number of new content initiatives for subscribers as well as improving the delivery and functionality of its existing information services.

### Principal risks and uncertainties and financial risk management

The key business risks and uncertainties affecting the Group are considered to relate to consolidation of the customer base, employee retention and the regulatory environment.

The Group aims to mitigate risks associated with consolidation of the customer base by investing in its products to enhance appeal to existing and new customers, adding new products to sell to existing customers and customers in new market segments, and expanding its product portfolio across geographic regions.

Risks associated with employee retention are addressed by offering competitive remuneration, a flexible working environment, opportunities to work in different geographic regions and across different products, and by providing training and professional development opportunities.

The Group has less control over the regulatory environment but aims to minimise risk by offering a broad portfolio of products that are not dependent on one individual market or region.

The principal risks and uncertainties and financial risk management are discussed in Note 3 to the Consolidated Financial Statements.

### Change in accounting policy

From 1 January 2017, the Company accounts for investments in subsidiaries in accordance with IAS 39 under the fair value model of accounting. Prior to this date, investment in subsidiaries were recorded at cost less impairment in accordance with IAS 27.

The change in policy is considered to provide more relevant and reliable information to users of the financial statements in accordance with the requirements of IAS 8 by more accurately reflecting the value of the Group's investments. The change provides the Company and Group with greater flexibility when managing capital, including debt and equity funding and shareholder returns.

### Results and dividends

The Group reported a net loss of £39.7m (2016: £24.1m) for the year. No dividend was proposed for the year under review (2016: nil). The Company reported a net profit of £63.6m (2016: net loss of £0.2m) in the year.

On behalf of the board, 23 July 2018



Jonathan Gomer  
Director  
Company registered number: 08816656

## **Mergermarket Topco Limited**

### **DIRECTORS' REPORT**

The Directors present their Annual Report and the audited consolidated financial statements of Mergermarket Topco Limited (the "Company" and the "Group") for the year to 31 December 2017.

#### **Principal activities**

The Company acted as a holding company in the year under review. The Company has an investment in Mergermarket Bidco Limited which together with its subsidiaries provides financial information services, analysis and data to the advisory, corporate and financial communities.

#### **Directors**

The Directors who held office during the year and up to the date of signing the financial statements are given below:

Hamilton Matthews

Jonathan Gomer

Nikos Stathopoulos

James Rivers

Stylianos Ilia (Appointed on 16 August 2017)

Christopher Reid (Appointed on 16 August 2017)

#### **The registered office address of the Company:**

10 Queen Street Place

London

EC4R 1BE

#### **Qualifying third party indemnity provisions**

During the year to 31 December 2017 and as at date of approval of the financial statements, the Group maintained insurance covering officers of the Company against liabilities arising in relation to the Company. This is a qualifying third party indemnity provision for the purposes of Companies Act 2006.

#### **Employees**

**Disabled persons** - The Group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group. If members of staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

**Employee involvement** - The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining its competitive advantage.

Employee involvement in the performance of the Group is encouraged through payment of discretionary bonuses linked to the results of the Group.

#### **European Union Branches**

In the year to 31 December 2017, the Group operated branch offices in Belgium and Germany.

## Mergermarket Topco Limited

### Political and charitable donations

No charitable or political donations were made by the Company in the year to 31 December 2017 (2016: nil).

### Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. As at 31 December 2017, the Group reported a net liability of £210.0m (2016: £120.2m) on the Balance Sheet due to the Group's funding arrangements. The cash balance at this date was £32.4m (2016: £30.5m) and together with the Group's positive operating cash generating capacity provides a reasonable expectation that the Group will continue as a going concern

### Future developments, risk management and dividends

Future developments, risk management and dividends are discussed separately in the accompanying strategic report.

### Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group and parent company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

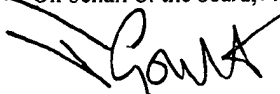
The Directors are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each Director in office at the date the directors' report is approved, that:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board, 23 July 2018



Jonathan Gomer

Director, Company registered number : 08816656

## **Mergermarket Topco Limited**

### **Independent auditors' report to the members of Mergermarket Topco Limited Report on the audit of financial statements**

#### **Opinion**

In our opinion, Mergermarket Topco Limited's Group financial statements and Parent Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's loss, the Parent Company's profit and the Group's and the Parent Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Parent Company Statement of Financial Position as at 31 December 2017; the Consolidated and Parent Company Income Statements and Statements of Comprehensive Income, the Consolidated and Parent Company Statements of Cash Flows, and the Consolidated and Parent Company Statements of Changes in Equity ; and the notes to the Financial Statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Parent Company's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **Mergermarket Topco Limited**

### **Independent auditors' report to the members of Mergermarket Topco Limited (continued)**

#### **Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

##### **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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Mergermarket Topco Limited

### Independent auditors' report to the members of Mergermarket Topco Limited (continued)

#### Use of this report

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### Other required reporting

##### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Samuel Tomlinson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

23

July 2018

Mergermarket Topco Limited

Consolidated and Parent Company Income Statements for the year ended 31 December 2017

		Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
All figures in £'000	Note	2017	2016	2017	2016
Revenue	4	175,766	160,922	-	-
Cost of sales	5	(93,806)	(85,054)	-	-
<b>Gross profit</b>		<b>81,960</b>	75,868	-	-
Administrative expenses	5	(67,022)	(60,904)	(310)	(25)
<b>Operating profit/(loss)</b>		<b>14,938</b>	14,964	(310)	(25)
Finance income	8	6	29	64,088	-
Finance costs	8	(55,774)	(41,711)	(132)	(203)
<b>Net finance (costs)/income</b>		<b>(55,768)</b>	(41,682)	<b>63,956</b>	(203)
<b>(Loss)/profit before income tax</b>		<b>(40,830)</b>	(26,718)	<b>63,646</b>	(228)
Income tax credit	10	1,179	2,643	-	-
<b>(Loss)/profit for the year</b>		<b>(39,651)</b>	(24,075)	<b>63,646</b>	(228)

The notes on pages 15 to 53 are an integral part of these consolidated financial statements. The results above are all from continuing operations.

**Mergermarket Topco Limited**

**Consolidated and Parent Company Statements of Comprehensive Income for the year ended 31 December 2017**

	<b>Group Year ended 31 December</b>	<b>Group Year ended 31 December</b>	<b>Company Year ended 31 December</b>	<b>Company Year ended 31 December Restated</b>
All figures in £'000	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>(Loss)/profit for the year</b>	(39,651)	(24,075)	63,646	(228)
<b>Other comprehensive income/(expense):</b>				
<b>Items that will not be reclassified to profit and loss</b>				
Currency translation on net investment in foreign operations	15,084	(40,912)	-	-
Revaluation of investments	-	-	(78,911)	36,632
<b>Total comprehensive (expense)/income for the year</b>	<b>(24,567)</b>	<b>(64,987)</b>	<b>(15,265)</b>	<b>36,404</b>

There is no tax credit or charge (2016: nil) recognised in other comprehensive expense.

The notes on pages 15 to 53 are an integral part of these consolidated financial statements.

Mergermarket Topco Limited

Consolidated and Parent Company Balance Sheets as at 31 December 2017

		Group As at 31 December	Group As at 31 December	Company As at 31 December	Company As at 31 December Restated
All figures in £'000	Note	2017	2016	2017	2016
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	5,906	4,170	-	-
Goodwill	12	340,256	325,010	-	-
Intangible assets	12	139,963	152,244	-	-
Investments	9	-	-	305,357	384,106
Deferred income tax assets	19	4,029	4,711	-	-
		<b>490,154</b>	<b>486,135</b>	<b>305,357</b>	<b>384,106</b>
<b>Current assets</b>					
Trade and other receivables	14	52,737	50,916	253	46
Cash and cash equivalents	15	32,392	30,472	348	666
		<b>85,129</b>	<b>81,388</b>	<b>601</b>	<b>712</b>
Assets held for sale	25	-	8,771	-	-
<b>Total assets</b>		<b>575,283</b>	<b>576,294</b>	<b>305,958</b>	<b>384,818</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	18	(622,505)	(546,468)	-	(423)
Deferred income tax liabilities	19	(13,572)	(17,715)	-	-
Provisions	20	(8,093)	(1,800)	-	-
		<b>(644,170)</b>	<b>(565,983)</b>	<b>-</b>	<b>(423)</b>
<b>Current liabilities</b>					
Trade and other payables	17	(13,657)	(9,880)	(1,025)	(791)
Accruals		(23,683)	(23,804)	(27)	(27)
Deferred income		(101,276)	(89,370)	-	-
Deferred income tax liabilities	19	(2,456)	(2,951)	-	-
Current income tax liabilities		(55)	(606)	-	-
Borrowings	18	-	(842)	-	-
		<b>(141,127)</b>	<b>(127,453)</b>	<b>(1,052)</b>	<b>(818)</b>
Liabilities directly associated with the assets held for sale	25	-	(3,096)	-	-
<b>Total liabilities</b>		<b>(785,297)</b>	<b>(696,532)</b>	<b>(1,052)</b>	<b>(1,241)</b>
<b>Net (liabilities)/assets</b>		<b>(210,014)</b>	<b>(120,238)</b>	<b>304,906</b>	<b>383,577</b>
<b>Equity attributable to owners of the parent</b>					
Ordinary shares	16	253	4,132	253	4,132
Preference shares	16	-	1,537	-	1,537
Other reserves		3,201	4,915	(63,276)	378,445
Accumulated (losses)/gains		(213,468)	(130,822)	367,929	(537)
<b>Total equity</b>		<b>(210,014)</b>	<b>(120,238)</b>	<b>304,906</b>	<b>383,577</b>

The notes on pages 15 to 53 are an integral part of these consolidated financial statements. The financial statements on pages 9 to 53 were approved by the board of Directors on 7 July 2018 and were signed on its behalf.



Jonathan Gomer, Director  
Mergermarket Topco Limited, Registered no. 08816656

Mergermarket Topco Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2017

All figures in £'000

	Note	Share capital	Other reserves	(Accumulated losses)/Retained earnings	Total equity
<b>Balance at 1 January 2016</b>		5,669	1,029	(65,835)	(59,137)
Loss for the year		-	-	(24,075)	(24,075)
Other comprehensive expense for the year		-	-	(40,912)	(40,912)
<b>Total comprehensive expense for the year</b>		-	-	(64,987)	(64,987)
Foreign exchange on invested capital		-	3,886	-	3,886
Proceeds from shares issued	16	-	-	-	-
<b>Total transactions with owners, recognised directly in equity</b>		-	3,886	-	3,886
<b>Balance as at 31 December 2016</b>		5,669	4,915	(130,822)	(120,238)
Loss for the year		-	-	(39,651)	(39,651)
Other comprehensive income for the year		-	-	15,084	15,084
<b>Total comprehensive expense for the year</b>		-	-	(24,567)	(24,567)
Foreign exchange on invested capital		-	(1,803)	-	(1,803)
Proceeds from shares issued	16	127	-	-	127
Capital reduction		(5,454)	-	5,454	-
Share buy back		(89)	89	(63,533)	(63,533)
<b>Total transactions with owners, recognised directly in equity</b>		(5,416)	(1,714)	(58,079)	(65,209)
<b>Balance as at 31 December 2017</b>		253	3,201	(213,468)	(210,014)

The notes to pages 15 to 53 are an integral part of these consolidated financial statements.

Mergermarket Topco Limited

Parent Company Statement of Changes in Equity for the year ended 31 December 2017

All figures in £'000

Company	Note	Share capital	Other reserves	(Accumulated losses)/Retained earnings	Total equity
<b>Balance at 1 January 2016</b>		<b>5,669</b>	<b>341,813</b>	<b>(309)</b>	<b>347,173</b>
Loss for the year		-	-	(228)	(228)
Other comprehensive income for the year		-	36,632	-	36,632
<b>Total comprehensive income/(expense) for the year</b>		<b>-</b>	<b>36,632</b>	<b>(228)</b>	<b>36,404</b>
Proceeds from shares issued	16	-	-	-	-
<b>Total transactions with owners, recognised directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 December 2016</b>		<b>5,669</b>	<b>378,445</b>	<b>(537)</b>	<b>383,577</b>
Profit for the year		-	-	63,646	63,646
Other comprehensive expense for the year		-	(78,911)	-	(78,911)
<b>Total comprehensive income/(expense) for the year</b>		<b>-</b>	<b>(78,911)</b>	<b>63,646</b>	<b>(15,265)</b>
Proceeds from shares issued	16	127	-	-	127
Capital reduction		(5,454)	(362,899)	368,353	-
Share buy back		(89)	89	(63,533)	(63,533)
<b>Total transactions with owners, recognised directly in equity</b>		<b>(5,416)</b>	<b>(362,810)</b>	<b>304,820</b>	<b>(63,406)</b>
<b>Balance as at 31 December 2017</b>		<b>253</b>	<b>(63,276)</b>	<b>367,929</b>	<b>304,906</b>

The notes to pages 15 to 53 are an integral part of these consolidated financial statements.

**Mergermarket Topco Limited**

**Consolidated and Parent Company Statements of Cash Flows for the year ended 31 December 2017**

		Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
All figures in £'000	Note	2017	2016	2017	2016
<b>Cash flows from/ (used in) operating activities</b>					
Cash generated from operations	21	63,493	51,625	(283)	27
Interest paid		(19,668)	(17,361)	-	-
Income tax paid		(4,472)	(3,432)	-	-
<b>Net cash generated from/ (used in) operating activities</b>		<b>39,353</b>	<b>30,832</b>	<b>(283)</b>	<b>27</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiary, net of cash acquired	23	(20,126)	(6,349)	-	-
Investment in subsidiary	9	-	-	(162)	-
Purchases of property, plant and equipment	11	(4,055)	(1,795)	-	-
Disposal of subsidiaries, net of cash disposed	24	6,964	-	-	-
Internally generated intangible assets	12	(10,301)	(8,632)	-	-
Interest received		6	29	-	-
Dividends received		-	-	64,088	-
<b>Net cash (used in)/ generated from investing activities</b>		<b>(27,512)</b>	<b>(16,747)</b>	<b>63,926</b>	<b>-</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of ordinary shares	16	127	-	127	-
Buy back of ordinary shares	16	(62,002)	-	(62,002)	-
Buy back of preference shares	16	(2,086)	-	(2,086)	-
Proceeds from borrowings		644,060	-	-	-
Repayment of borrowings		(568,895)	(16,948)	-	-
Financing fees		(19,826)	(305)	-	-
<b>Net cash generated from/ (used in) financing activities</b>		<b>(8,622)</b>	<b>(17,253)</b>	<b>(63,961)</b>	<b>-</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>3,219</b>	<b>(3,168)</b>	<b>(318)</b>	<b>27</b>
Cash and cash equivalents at beginning of year		30,472	31,505	666	639
Exchange (losses)/ gains on cash and cash equivalents		(1,299)	2,135	-	-
<b>Cash and cash equivalents at end of year</b>		<b>32,392</b>	<b>30,472</b>	<b>348</b>	<b>666</b>

The notes to pages 15 to 53 are an integral part of these consolidated financial statements.

## **Mergermarket Topco Limited**

### **Notes to the Consolidated and Parent Company Financial Statements for the year ended 31 December 2017**

#### **1. General information**

Mergermarket Topco Limited (the "Company") and its subsidiaries (together, the "Group") is a provider of financial information, analysis and data to the advisory, corporate and financial communities.

The Company is a private company limited by shares, incorporated and domiciled in the UK. The address of its registered office is 10 Queen Street Place, London, UK, EC4R 1BE.

## **Mergermarket Topco Limited**

### **2. Summary of significant accounting policies**

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

#### **2.1 Basis of preparation**

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.2.

##### **2.1.1 Going concern**

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. As at 31 December 2017, the Group reported a net liability of £210.0m (2016: £120.2m) on the Balance Sheet due to the Group's funding arrangements. The cash balance at this date was £32.4m (2016: £30.5m) and together with the Group's positive operating cash generating capacity provides a reasonable expectation that the Group will continue as a going concern.

##### **2.1.2 Standards, interpretations and amendments to published standards that are not yet effective**

The Group has not early adopted the following new pronouncements that are not yet effective and are evaluating the effect on the financial statements:

- IFRS 9, 'Financial Instruments', effective for annual reporting periods beginning on or after 1 January 2018. The new standard details the requirements for the classification, measurement and recognition of financial assets and liabilities. The standard is unlikely to have a material impact on the Company's accounts.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement. The standard is unlikely to have a material impact on the Company's accounts.
- IFRS 16, 'Leases', requires a lessee to recognise all lease assets and liabilities, including those currently classified as operating leases, on the balance sheet, initially measured at the present value of unavoidable lease payments. Amortisation of the lease asset and interest on lease liabilities are to be recognised in the income statement over the lease term. The total amount of cash paid is to be separated into a principal portion, presented within financing activities, and interest, presented within operating or financing activities, in the cash flow statement. The standard is effective from 1 January 2019. The standard will impact the recognition of assets and

## **Mergermarket Topco Limited**

liabilities on the balance sheet and rental and depreciation expense in the statement of income. The Group has not as yet quantified the financial impact of this standard

### **2.2 Critical accounting assumptions and judgements**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are discussed in the relevant accounting policies under the following headings and in the notes to the financial statements where appropriate:

Revenue recognition

Intangible assets: Goodwill

Intangibles assets: Acquired intangible assets and internally generated software

Taxation

Provisions

### **2.3 Consolidation**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and any equity interests issued by the Group. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39: Financial Instruments – Recognition and Measurement, either in profit or loss or as a change to other comprehensive income. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

### **2.4 Investment in subsidiaries**

From 1 January 2017, the Company accounts for investments in subsidiaries in accordance with IAS 39 under the fair value model of accounting. Prior to this date, investment in subsidiaries were recorded at cost less impairment in accordance with IAS 27. The change in policy is considered to provide more relevant and reliable information to users of the financial statements in accordance with the requirements of IAS 8 by more accurately reflecting the value of the Group's investments. The change provides the Company and

## Mergermarket Topco Limited

Group with greater flexibility when managing capital, including debt and equity funding and shareholder returns.

Prior year comparative amounts have been restated to reflect this change in policy as if it had applied from 1 January 2016.

The change in policy had the following impact on the Statement of Comprehensive Income:

	Company Year ended 31 December New Policy	Company Year ended 31 December New Policy	Company Year ended 31 December Prior Policy	Company Year ended 31 December Prior Policy
All figures in £'000	2017	2016	2017	2016
Revaluation of investments	(78,911)	36,632	-	-

The change in policy had the following impact on the Balance Sheet:

	Company As at 31 December New Policy	Company As at 31 December New Policy	Company As at 31 December Prior Policy	Company As at 31 December Prior Policy
All figures in £'000	2017	2016	2017	2016
Investments	305,357	384,106	5,823	5,661

## 2.5 Segment reporting

The Group primarily provides financial information via subscription based services to its customers. For segment reporting purposes, the Group has been treated as operating in one segment.

## 2.6 Foreign currency translation

### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in British Pounds (GBP), which is the Group's presentation currency.

## **Mergermarket Topco Limited**

### ***(b) Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### ***(c) Group companies***

The results and financial position of all Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) assets and liabilities are translated at the closing rate at the date of the balance sheet;
- ii) income and expenses are translated at average year to date exchange rates;
- iii) all resulting exchange differences are recognised as a separate component of invested capital.

On combination, exchange differences arising from the translation of the net investment in foreign entities are taken to invested capital.

## **2.7 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Computers and office equipment:	3 to 8 years
Fixtures and fittings:	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying value of an asset is written down to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

## **2.8 Intangible assets**

### ***(a) Goodwill***

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss is recognised to the extent that the carrying value of goodwill exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or Group of CGUs, that is expected to benefit from the synergies of the combination. Management has treated the Group as a single CGU for the purposes of impairment testing.

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### ***(b) Acquired intangible assets***

Acquired intangible assets include customer lists and relationships, trademarks and brands, content and technology. These assets are capitalised on acquisition at fair value and included in intangible assets. Intangible assets are amortised over their estimated useful lives of between 10 and 20 years, using an amortisation method that reflects the pattern of their consumption.

### ***(c) Internally generated software***

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Computer software development costs recognised as assets are amortised over their estimated useful lives not exceeding three years. Amortisation expense is recognised in "administrative expenses" in the Income Statement.

## **2.9 Financial assets**

### **2.9.1 Classification**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### ***(a) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (notes 2.10 and 2.11).

#### ***(b) Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

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### ***(c) Available-for-sale financial assets***

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Investments held in subsidiaries are included in this category following the change in policy discussed in note 2.4.

### **2.9.2 Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

A fair value hierarchy is used in the measurements of fair values as follows:

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

### **2.10 Trade receivables**

Trade receivables are amounts due from customers for services sold in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

### **2.11 Cash and cash equivalents**

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

### **2.12 Share capital**

Ordinary shares and redeemable preference shares with a fixed cumulative return are classified as equity.

### **2.13 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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### **2.14 Borrowings**

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

### **2.15 Taxation**

Current tax is recognised on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax are recognised in the income statement, except when the tax relates to items charged or credited directly to equity or other comprehensive income, in which case the tax is also recognised in equity or other comprehensive income.

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, significant judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

### **2.16 Employee benefits**

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income statement in the year in which they are payable.

### **2.17 Share based payments**

Shares issued to employees have been issued at fair value and paid up in full by employees. No expense has been recognised in the Consolidated and Parent company Statement of Comprehensive Income.

### **2.18 Provisions**

Provisions are recognised if the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are discounted to present value where the effect is material.

The Group recognises a provision for deferred consideration, including contingent consideration, at fair value.

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### **2.19 Revenue recognition**

Revenue represents subscriptions to the information services and income from research reports and events. The cash relating to subscriptions is received in advance and the amount recognised in the income statement as revenue represents the proportion receivable on a time basis appropriate to the year covered by the financial information. The proportions receivable relating to periods after the balance sheet date are reported as deferred income. Revenue from research reports and events is recognised in the same accounting period in which the report is published or event is held. Government grant revenue in relation to research and development activity is accrued in the year and estimated based on grant revenues received in prior years.

### **2.20 Dividends**

Dividends attributable to the owners of the Group that are declared during the year are recognised directly in invested capital.

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### 3 Financial risk management

#### 3.1 Group financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### *(a) Market risk*

###### *(i) Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's borrowings are primarily denominated in USD. Exposure to movements in the USD/GBP exchange rate is mitigated by the proportion of costs and borrowings incurred in USD, and the amount of revenues denominated in USD.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

The Group seeks to limit its exposure to currency movements by regularly clearing foreign currency denominated intercompany and bank account balances. No unremitted profits are hedged with foreign exchange contracts, as the Company judges it inappropriate to hedge non-cash flow translational exposure with cash flow instruments.

For the year to 31 December 2017, if the average GBP/USD exchange rate had increased/decreased by 10%, with all other variables held constant, the profit before income profit for the year would have been £0.3m (2016: £1.0m) lower/higher due to the translation of foreign currency denominated earnings.

###### *(ii) Cash flow and fair value interest rate risk*

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2017 the Group's borrowings at variable rate were denominated in USD.

At 31 December 2017, if interest rates on borrowings had been 10 basis points higher/lower with all other variables held constant, the calculated pre-tax profit for the year would have been £0.4m (2016: £0.3m) lower/higher.

##### **(b) Credit risk**

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposures to outstanding receivables from customers. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who are internationally dispersed.

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### (c) Liquidity risk

Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
All figures in £'000					
<b>At 31 December 2016</b>					
Borrowings	-	(2,558)	(2,558)	(243,606)	(568,562)
Trade and other payables	(9,880)	-	-	-	-
<b>At 31 December 2017</b>					
Borrowings	-	-	-	-	(637,083)
Trade and other payables	(13,657)	-	-	-	-

### 3.2 Capital management

Sources of capital for the Group include shareholder equity, bank borrowings and cash generated from operations. The amount of shareholder equity and bank borrowings as at 31 December 2017 are disclosed in notes 16 and 18 respectively.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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### 4 Revenue

	Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
All figures in £'000	2017	2016	2017	2016
Subscriptions and events	175,449	160,359	-	-
Grants	317	563	-	-
<b>Total revenues</b>	<b>175,766</b>	<b>160,922</b>	<b>-</b>	<b>-</b>

### 5 Expenses

#### 5.1 Expenses by nature

		Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
All figures in £'000	Note	2017	2016	2017	2016
Employee benefit expense	6	92,566	83,631	-	-
Depreciation	11	2,283	1,970	-	-
Amortisation of internally generated intangibles	12	5,773	3,975	-	-
Amortisation of acquired intangible assets	12	23,680	25,058	-	-
Operating lease payments		5,884	4,979	-	-
Impairment charges	25	-	1,865	-	-
Deal fees		8,041	659	310	-
Gain on disposal	24	(2,324)	-	-	-
Foreign exchange gains	7	(2,064)	(637)	-	-
Other expenses		26,989	24,458	-	25
<b>Total cost of sales and administrative expenses</b>		<b>160,828</b>	<b>145,958</b>	<b>310</b>	<b>25</b>

## Mergermarket Topco Limited

### 5.2 Auditors' remuneration

During the year the Group obtained the following services from the Company's auditors and its associates:

	Group Year ended 31 December 2017	Group Year ended 31 December 2016
All figures in £'000	2017	2016
Fees payable to Company's auditors and its associates for the audit of parent company and consolidated financial statements	80	20
Fees payable to Company's auditors and its associates for other services:		
- The audit of Company's subsidiaries	212	219
- Tax advisory services	30	63
- Deal related advisory services	280	-
	602	302

## 6 Employees

### 6.1 Employee benefit expense

	Group Year ended 31 December 2017	Group Year ended 31 December 2016	Company Year ended 31 December 2017	Company Year ended 31 December 2016
All figures in £'000	2017	2016	2017	2016
Wages and salaries (including termination benefits and restructuring costs)	82,702	75,263	-	-
Social security costs	6,672	5,664	-	-
Other pension costs	3,192	2,704	-	-
Total employee benefit expense	92,566	83,631	-	-

Director emoluments are disclosed in note 26.

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### 6.2 Monthly average number of people employed

	<b>Group Year ended 31 December</b>	<b>Group Year ended 31 December</b>
	<b>2017</b>	<b>2016</b>
<b>Average number of people employed (including contractors)</b>	<b>1,486</b>	<b>1,348</b>
Monthly average number of people (including Executive Directors) employed:		
Content creation	1,092	968
Commercial	277	269
Administration	117	111
<b>Total average headcount</b>	<b>1,486</b>	<b>1,348</b>

The numbers above exclude people employed by third party suppliers.

There were no people employed by the Company during the year (2016: none).

### 7 Net foreign exchange gains

The exchange differences credited to the income statement are included as follows:

	<b>Group Year ended 31 December</b>	<b>Group Year ended 31 December</b>
	<b>2017</b>	<b>2016</b>
<b>All figures in £'000</b>		
Administrative expenses	2,064	637
<b>Total</b>	<b>2,064</b>	<b>637</b>

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8 Finance income and costs

	Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
All figures in £'000	2017	2016	2017	2016
Interest expense:				
– Bank borrowings	(20,822)	(16,251)	-	-
– Deep discounted bonds	(15,671)	(23,401)	-	-
– Group issued preference shares	(7,257)	-	-	-
– Company issued preference shares	(132)	(203)	(132)	(203)
– Amortised finance costs	(11,892)	(1,856)	-	-
<b>Finance costs</b>	<b>(55,774)</b>	<b>(41,711)</b>	<b>(132)</b>	<b>(203)</b>
Finance income:				
– Interest income on bank deposits	6	4	-	-
– Other interest income	-	25	-	-
– Dividend income from investments	-	-	64,088	-
<b>Finance income</b>	<b>6</b>	<b>29</b>	<b>64,088</b>	<b>-</b>
<b>Net finance (costs)/income</b>	<b>(55,768)</b>	<b>(41,682)</b>	<b>63,956</b>	<b>(203)</b>

## Mergermarket Topco Limited

### 9 Investments

#### 9.1 Subsidiaries

Name	Registered address	Nature of business	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)
Mergermarket Nominee Limited	10 Queen Street Place, London EC4R 1BE, UK	Nominee company	100	-
Mergermarket Midco 1 Limited	10 Queen Street Place, London EC4R 1BE, UK	Holding company	100	-
Mergermarket Midco 2 Limited	10 Queen Street Place, London EC4R 1BE, UK	Holding company	-	100
Mergermarket Bidco Limited	10 Queen Street Place, London EC4R 1BE, UK	Holding company	-	100
Mergermarket USA Inc.	2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808	Holding company	-	100
Mergermarket (US) Limited	330 Hudson Street, 4th Floor, New York, NY, 10013, USA	Provider of information services	-	100
Mergermarket Boston Inc.	National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Provider of information services	-	100
Xtract Research LLC	3773 Cherry Creek Drive North, Denver, CO 80209, USA	Provider of information services	-	100
Mergermarket Consulting (Australia) Pty Limited	Level 2, 40 King Street, Sydney, NSW 2000, Australia	Provider of information services	-	100
Mergermarket (India) Private Limited	13th Floor, India Bulls Finance Centre, Tower 3, Senapati Bapat Marg, Elphinstone West, Mumbai, 40013, India	Provider of information services	-	100
Mergermarket Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
Mergermarket (Overseas) Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
Hoxton Holdings Limited	10 Queen Street Place, London EC4R 1BE, UK	Holding company	-	100
Inframation Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
InfraAmericas Inc.	National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Provider of information services	-	100

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Mergermarket Brasil Consultoria Ltda	Avenida Paulista 453, Conjunto 71 Edificio Olivetti, Sao Paolo, SP 01311-000, Brazil	Provider of information services	-	100
Mergermarket FZ LLC	1405, Floor 14, Aurora Tower, Dubai, UAE	Provider of information services	-	100
Mergermarket Consulting Limited	Suite 1602-06, 181 Queen's Road Central, Hong Kong	Provider of information services	-	100
Mergermarket Consulting (Singapore) Pte Ltd	30 Cecil Street, #19-08 Prudential Tower, Singapore 049712	Provider of information services	-	100
Perfect Information Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
Perfect Information (Asia Pacific) Limited	601 Prince's Building, Chater Road, Central Hong Kong	Dormant	-	100
C6 Data Intelligence Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
Identity Theft Prevention Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
C6 Enhanced Intelligence Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
C6 Intelligence Information Systems Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
Creditflux Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
YouDevise Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	100
YouDevise Inc	160 Greentree Drive, Suite 101, Dover, Delaware, 19904, USA	Provider of information services	-	100
YouDevise (Hong Kong) Limited	Suite 1602-06, 181 Queen's Road Central, Hong Kong	Provider of information services	-	100
Credit Rubric Limited	10 Queen Street Place, London EC4R 1BE, UK	Provider of information services	-	75

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

## Mergermarket Topco Limited

### 9.2 Investment in subsidiaries

	Parent Year ended 31 December	Parent Year ended 31 December Restated
All figures in £'000	2017	2016
Shares in Group undertakings		
Beginning of year	384,106	347,474
Additions	162	-
Revaluation of subsidiary Company investments	(78,911)	36,632
End of year	305,357	384,106

The Company increased its investment in Mergermarket Midco 1 Limited through the purchase of £0.2m of ordinary shares on 16 August 2017.

Mergermarket Topco Limited

10 Income tax credit

	Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
All figures in £'000	2017	2016	2017	2016
Current tax:				
Current tax on losses/profits for the year	(4,854)	(2,825)	-	-
Adjustments in respect of prior periods	769	670	-	-
<b>Total current tax</b>	<b>(4,085)</b>	<b>(2,155)</b>	-	-
Deferred tax (note 19):				
Origination and reversal of temporary differences	5,362	4,597	-	-
Adjustments in respect of prior periods	(98)	201	-	-
<b>Total deferred tax</b>	<b>5,264</b>	<b>4,798</b>	-	-
<b>Income tax credit</b>	<b>1,179</b>	<b>2,643</b>	-	-

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the corporate UK tax rate:

	Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
All figures in £'000	2017	2016	2017	2016
<b>(Loss)/Profit before income tax</b>	<b>(40,830)</b>	<b>(26,718)</b>	<b>63,646</b>	<b>(228)</b>
Tax calculated at UK tax rate of 19.25% (2016: 20.00%)	7,860	5,344	(12,252)	46
Tax effects of:				
- Effect of overseas tax rates	(130)	194	-	-
- Expenses not deductible for tax purposes	(7,972)	(5,296)	(85)	(45)
- Tax losses for which deferred income tax asset was recognised	683	445	-	-
- Adjustment to tax balances arising from change in tax rates	1,674	571	-	-
- Taxable income on sale of assets	(1,585)	-	-	-
- Relief from tax attributable to related parties	-	-	-	(1)
- Deferred income tax on impaired assets	-	472	-	-
- Adjustments in respect of prior years	671	870	-	-
- Dividend income not subject to tax	-	-	12,337	-
- Other	(22)	43	-	-
<b>Income tax credit</b>	<b>1,179</b>	<b>2,643</b>	-	-

There is no tax expense recognised in other comprehensive income.

Mergermarket Topco Limited

11 Property, plant and equipment

All figures in £'000	Computers and Office equipment	Fixtures and Fittings	Total
<b>Cost</b>			
At 1 January 2016	9,378	3,434	12,812
Acquisition of subsidiaries (note 23)	6	-	6
Additions	1,354	441	1,795
Transfer to assets held for sale (note 25)	(2,083)	(113)	(2,196)
Exchange differences	805	228	1,033
<b>As at 31 December 2016</b>	<b>9,460</b>	<b>3,990</b>	<b>13,450</b>
Acquisition of subsidiaries (note 23)	208	51	259
Additions	1,854	2,201	4,055
Disposals	(550)	(325)	(875)
Exchange differences	(297)	(117)	(414)
<b>As at 31 December 2017</b>	<b>10,675</b>	<b>5,800</b>	<b>16,475</b>
<b>Accumulated depreciation</b>			
At 1 January 2016	(7,195)	(1,012)	(8,207)
Depreciation charge (note 5)	(1,270)	(700)	(1,970)
Transfer to assets held for sale (note 25)	1,552	64	1,616
Exchange differences	(625)	(94)	(719)
<b>As at 31 December 2016</b>	<b>(7,538)</b>	<b>(1,742)</b>	<b>(9,280)</b>
Depreciation charge (note 5)	(1,308)	(975)	(2,283)
Disposals	533	165	698
Exchange differences	237	59	296
<b>As at 31 December 2017</b>	<b>(8,076)</b>	<b>(2,493)</b>	<b>(10,569)</b>
<b>Net book value</b>			
<b>As at 31 December 2016</b>	<b>1,922</b>	<b>2,248</b>	<b>4,170</b>
<b>As at 31 December 2017</b>	<b>2,599</b>	<b>3,307</b>	<b>5,906</b>

Depreciation expense has been charged to "administrative expenses". The Group does not hold any property, plant or equipment under finance lease agreements.

Disposals include assets written down in respect of property leases that have ended and where the Group no longer occupies the premises.

Mergermarket Topco Limited

12 Intangible assets

	Goodwill	Acquired customer relationships, trademarks and other intangibles	Internally generated software	Total
All figures in £'000				
<b>Cost</b>				
<b>At 1 January 2016</b>	<b>309,640</b>	<b>205,359</b>	<b>7,935</b>	<b>522,934</b>
Acquisition of subsidiaries (note 23)	5,864	4,657	-	10,521
Additions	-	-	8,632	8,632
Transfer to assets held for sale (note 25)	(784)	(10,972)	(3,090)	(14,846)
Exchange differences	10,290	13,146	307	23,743
<b>As at 31 December 2016</b>	<b>325,010</b>	<b>212,190</b>	<b>13,784</b>	<b>550,984</b>
Acquisition of subsidiaries (note 23)	20,539	11,004	-	31,543
Additions	-	-	10,301	10,301
Transfer to assets held for sale (note 25)	-	(754)	(367)	(1,121)
Exchange differences	(5,293)	(5,824)	(21)	(11,138)
<b>As at 31 December 2017</b>	<b>340,256</b>	<b>216,616</b>	<b>23,697</b>	<b>580,569</b>
<b>Accumulated amortisation and impairment</b>				
<b>At 1 January 2016</b>	<b>-</b>	<b>(42,931)</b>	<b>(2,490)</b>	<b>(45,421)</b>
Amortisation charge	-	(25,058)	(3,975)	(29,033)
Transfer to assets held for sale (note 25)	-	4,331	734	5,065
Exchange differences	-	(4,270)	(71)	(4,341)
<b>As at 31 December 2016</b>	<b>-</b>	<b>(67,928)</b>	<b>(5,802)</b>	<b>(73,730)</b>
Amortisation charge	-	(23,680)	(5,773)	(29,453)
Transfer to assets held for sale (note 25)	-	263	-	263
Exchange differences	-	2,567	3	2,570
<b>As at 31 December 2017</b>	<b>-</b>	<b>(88,778)</b>	<b>(11,572)</b>	<b>(100,350)</b>
<b>Net book value</b>				
<b>As at 31 December 2016</b>	<b>325,010</b>	<b>144,262</b>	<b>7,982</b>	<b>477,254</b>
<b>As at 31 December 2017</b>	<b>340,256</b>	<b>127,838</b>	<b>12,125</b>	<b>480,219</b>

## **Mergermarket Topco Limited**

### **Impairment tests for goodwill**

The goodwill within the Group is allocated to one CGU which represents the total Acuris Group. The recoverable amount for the CGU tested exceeds its carrying value at each balance sheet date.

The recoverable amount of the CGU is based on value in use calculations. Goodwill is tested for impairment annually. Other than goodwill there are no intangible assets with indefinite lives.

### **Key assumptions**

The key assumptions used by management in testing goodwill for impairment were:

*Discount rate.* A pre-tax discount rate of 11.5% (2016: 11.5%) was assumed. The discount rate is based on the Company's cost of capital as reflected by the relative weightings of the cost of debt and equity.

*Perpetuity growth rate.* A perpetuity growth rate of 2.0% (2016: 2.0%) was used for cash flows subsequent to the forecast period of 5 years. The forecasts for the first 5 years are consistent with recent historical experience. The perpetuity growth rate is a conservative rate and is considered to be lower than the long-term historical growth rates experienced by the CGU.

Mergermarket Topco Limited

13 Financial instruments

All figures in £'000

Group as at 31 December 2017

	Loans and receivables	Assets at fair value through profit and loss	Derivatives used for hedging	Available for sale	Total
<b>Assets as per balance sheet</b>					
Trade and other receivables excluding prepayments	48,890	-	-	-	48,890
Cash and cash equivalents	32,392	-	-	-	32,392
<b>Total</b>	<b>81,282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,282</b>

All figures in £'000

Group as at 31 December 2016

	Loans and receivables	Assets at fair value through profit and loss	Derivatives used for hedging	Available for sale	Total
<b>Assets as per balance sheet</b>					
Trade and other receivables excluding prepayments	48,077	-	-	114	48,191
Cash and cash equivalents	30,472	-	-	-	30,472
<b>Total</b>	<b>78,549</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>78,663</b>

For trade and other receivables that are neither past due or impaired, there is no history of defaults.

Cash and cash equivalent balances are held with banks and financial institutions with a minimum equivalent rating of 'A' as defined by Standard and Poor's.

In the Company financial statements £305.4m (2016: £384.1m) of investments are recognised as available for sale financial assets.

**Mergermarket Topco Limited**

**13 Financial instruments (cont.)**

All figures in £'000

**Group as at 31 December 2017**

	<b>Financial liabilities at amortised cost</b>	<b>Derivatives used for hedging</b>	<b>Available for sale</b>	<b>Total</b>
<b>Liabilities as per balance sheet</b>				
Borrowings	622,505	-	-	622,505
Trade and other payables excluding non-financial liabilities	13,657	-	-	13,657
<b>Total</b>	<b>636,162</b>	<b>-</b>	<b>-</b>	<b>636,162</b>

All figures in £'000

**Group as at 31 December 2016**

	<b>Financial liabilities at amortised cost</b>	<b>Derivatives used for hedging</b>	<b>Available for sale</b>	<b>Total</b>
<b>Liabilities as per balance sheet</b>				
Borrowings	554,264	-	-	554,264
Trade and other payables excluding non-financial liabilities	33,684	-	-	33,684
<b>Total</b>	<b>587,948</b>	<b>-</b>	<b>-</b>	<b>587,948</b>

**Mergermarket Topco Limited**

**14 Trade and other receivables**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
All figures in £'000 as at 31 December	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Trade receivables	<b>47,407</b>	48,344	-	-
Less: provision for impairment of trade receivables	<b>(1,575)</b>	(1,662)	-	-
Trade receivables – net	<b>45,832</b>	46,682	-	-
Prepayments	<b>3,847</b>	2,839	5	5
Receivable from related party (note 26)	-	-	241	26
Other receivables	<b>3,058</b>	1,395	7	15
Current portion	<b>52,737</b>	50,916	253	46

Trade receivables are stated at fair value, net of provisions for bad and doubtful debts.

The ageing analysis of trade receivables is as follows:

All figures in £'000 as at 31 December	<b>2017</b>	<b>2016</b>
Within due date	<b>23,884</b>	15,678
Up to 3 months	<b>19,228</b>	25,974
3 to 6 months	<b>1,657</b>	2,885
6 months plus	<b>2,638</b>	3,807
	<b>47,407</b>	48,344
Less: provision for impairment of trade receivables	<b>(1,575)</b>	(1,662)
Trade receivables – net	<b>45,832</b>	46,682

The provision for impaired trade receivables relates to those receivables that are over 6 months due and are incurred in the normal course of business.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

All figures in £'000 as at 31 December	<b>2017</b>	<b>2016</b>
UK pound	<b>26,306</b>	21,000
US dollar	<b>24,141</b>	27,884
Euros	<b>660</b>	439
Other currencies	<b>1,630</b>	1,593
	<b>52,737</b>	50,916

## Mergermarket Topco Limited

Movements on the Group provision for impairment of trade receivables are as follows:

All figures in £'000 as at 31 December	2017	2016
Opening balance	(1,662)	(1,184)
Acquisition of subsidiaries	(34)	-
Additional provision for impairment of receivables	(6)	(286)
Receivables written off during the year as uncollectible	93	53
Other	(62)	(63)
Exchange differences	96	(182)
At 31 December	(1,575)	(1,662)

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the income statement. Other movements represent amounts previously recognised in accruals and other payables.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

## 15 Cash and cash equivalents

All figures in £'000 as at 31 December	Group		Company	
	2017	2016	2017	2016
Cash at bank and in hand	32,392	30,472	348	666
Cash and cash equivalents	32,392	30,472	348	666

## 16 Share capital and premium

Allotted, issued and fully paid	Number of shares (thousands)	Nominal value £'000	Share premium £'000	Total £'000
A Ordinary shares	3,640	36	3,604	3,640
B Ordinary shares	161	161	-	161
C Ordinary shares	292	3	289	292
D Ordinary shares	39	1	38	39
Preference shares	1,537	15	1,522	1,537
<b>At 31 December 2016</b>	<b>5,669</b>	<b>216</b>	<b>5,453</b>	<b>5,669</b>
A Ordinary shares	3,144	31	-	31
B Ordinary shares	92	92	-	92
C Ordinary shares	167	2	-	2
D Ordinary shares	39	1	-	1
Deferred Ordinary shares	-	-	127	127
Preference shares	-	-	-	-
<b>At 31 December 2017</b>	<b>3,442</b>	<b>126</b>	<b>127</b>	<b>253</b>

## Mergermarket Topco Limited

The movement of share capital and premium during the year was as follows:

All figures in £'000	Nominal value	Share premium	Total
<b>At 1 January 2016</b>	<b>216</b>	<b>5,453</b>	<b>5,669</b>
<b>At 31 December 2016</b>	<b>216</b>	<b>5,453</b>	<b>5,669</b>
Bonus share issue	-	362,900	362,900
Capital reduction	-	(368,353)	(368,353)
A Ordinary share buyback	(7)	-	(7)
Redemption of preference shares	(15)	-	(15)
Cancellation of deferred shares	(68)	-	(68)
Deferred share issue	-	127	127
<b>At 31 December 2017</b>	<b>126</b>	<b>127</b>	<b>253</b>

During the year, the Company issued 1 A Ordinary share of £0.01 as part of a bonus share issue. The Company applied £362.9m from the revaluation reserve in lieu of payment of the bonus share. Following the bonus issue, the Company carried out a capital reduction by way of the solvency statement procedure under section 641(1)(a) of the Companies Act. As a result, the Company transferred £368.4m from the share premium reserve to retained earnings. On 16 August 2017, the Company purchased 688,032 A Ordinary shares of £0.01 as part of a share buyback, redeemed 1,531,341 preference shares of £0.01 each and issued 1 deferred share of £0.01. After a sub-division of B Ordinary shares and re-designation into deferred shares, 6,755,067 of deferred shares of £0.01 each were cancelled on 26 September 2017.

The holders of Ordinary shares are entitled to share equally in the distributable profits of the Company subject to distributions being approved by the Directors of the Company.

### 17 Trade and other payables

All figures in £'000 as at 31 December	Group	Group	Company	Company
	2017	2016	2017	2016
Trade payables	5,569	2,602	-	-
Social security and other taxes	2,668	2,665	-	-
Payable to related parties (note 26)	-	-	1,025	791
Interest payable on bank borrowings	2,412	1,325	-	-
Other payables	3,008	3,288	-	-
	<b>13,657</b>	<b>9,880</b>	<b>1,025</b>	<b>791</b>

**18 Borrowings**

All figures in £'000 as at 31 December	Group	Group	Company	Company
Group	2017	2016	2017	2016
<b>Non-current</b>				
Bank borrowings	454,826	324,391	-	-
Less capitalised finance costs on bank borrowings	(14,578)	(5,238)	-	-
Discounted bonds	-	226,892	-	-
Preference shares	182,257	-	-	-
Interest payable on preference shares (note 8 and 16)	-	423	-	423
	<b>622,505</b>	<b>546,468</b>	-	423
<b>Current</b>				
Bank borrowings	-	2,558	-	-
Less capitalised finance costs on bank borrowings	-	(1,716)	-	-
	-	842	-	-
<b>Total borrowings</b>	<b>622,505</b>	<b>547,310</b>	-	423

Borrowings are stated at historical cost less repayment of principal amounts.

a) *Bank borrowings*

During the year the Group refinanced its borrowings raising USD 306.0m and GBP 228.0m of new bank borrowings and using the proceeds to repay existing bank borrowings. The new bank borrowings mature in August 2024 and August 2025 and apart from exceptional events occurring, no mandatory repayments are required before these dates.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the year are as follows:

All figures in £'000 as at 31 December	2017	2016
6 months or less	454,826	326,949
6-12 months	-	-
1-5 years	-	-
Over 5 years	-	-
	<b>454,826</b>	<b>326,949</b>

Interest rates on the Group's new borrowings are subject to changes in LIBOR. The minimum amount payable ranges from 4.25% to 7.25%. Borrowings are unsecured but the Group is subject to negative covenants.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

All figures in £'000 as at 31 December	2017	2016
US dollar	226,826	326,949
British pound	228,000	-
	<b>454,826</b>	<b>326,949</b>

## Mergermarket Topco Limited

The Group has the following undrawn borrowing facilities:

All figures in £'000 as at 31 December	2017	2016
<b>Floating rate:</b>		
Expiring within one year	-	-
Expiring beyond one year	49,700	32,263
<b>Total</b>	<b>49,700</b>	<b>32,263</b>

Capitalised finance costs represent fees paid to secure the Group's borrowings. These fees are capitalised and amortised over the life of the underlying borrowings. Movement on capitalised finance costs during the year were as follows:

All figures in £'000	
<b>At 1 January 2016</b>	<b>7,266</b>
Amortised finance costs	(1,575)
Exchange differences	1,263
<b>At 31 December 2016</b>	<b>6,954</b>
Amortised finance costs	(7,967)
Capitalised finance costs	15,591
<b>At 31 December 2017</b>	<b>14,578</b>

In the year to 31 December 2018, £2.5m of finance costs are expected to be amortised.

### b) Discounted bonds

The Group issued unsecured Deep Discount Bonds with a subscription value of £160.6m and £4.5m on 3 February 2014 and 11 February 2014 respectively. On 16 August 2018, the bonds were redeemed for £242.6m as part of the Group's refinancing arrangements.

### c) Preference shares

On 16 August 2018, the Group issued preference shares with a subscription value of £175.0m. Holders of the preference shares have a right to receive preferential cash dividends before ordinary shareholders. The preferential cash dividend is based on LIBOR plus 10% for the first 6 years and LIBOR plus 11% thereafter. Interest on any unpaid dividends is accrued at an additional rate of 1% per annum. The shares have no mandatory fixed redemption date but must be redeemed on the occurrence of certain trigger events. The shares may be redeemed at any time at the option of the Group.

The preference shares recognised in the balance sheet is calculated as follows:

All figures in £'000		
Group	2017	2016
<b>At 1 January</b>	-	-
Preference shares issued	175,000	-
Interest expense (note 8)	7,257	-
<b>At 31 December</b>	<b>182,257</b>	-

## Mergermarket Topco Limited

### 19 Deferred income tax

#### Group

The analysis of deferred tax assets and deferred tax liabilities is as follows:

All figures in £'000 as at 31 December	2017	2016
Deferred tax assets	4,029	4,711
Deferred tax liabilities	(16,028)	(20,666)
<b>Net deferred tax</b>	<b>(11,999)</b>	<b>(15,955)</b>

Substantially all of the deferred tax assets and liabilities are expected to be recovered after more than one year.

The gross movement on the deferred income tax account is as follows:

All figures in £'000	
At 1 January 2016	(20,021)
Acquisition of subsidiaries (note 23)	(872)
Income statement benefit (note 10)	4,798
Exchange differences	140
<b>At 31 December 2016</b>	<b>(15,955)</b>
Acquisition of subsidiaries (note 23)	(1,108)
Income statement benefit (note 10)	5,264
Exchange differences	(200)
<b>At 31 December 2017</b>	<b>(11,999)</b>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

All figures in £'000	Goodwill and intangibles
<b>Deferred tax liabilities</b>	
At 1 January 2016	(24,095)
Acquisition of subsidiaries (note 23)	(872)
Credited to the income statement	4,801
Exchange differences	(500)
<b>At 31 December 2016</b>	<b>(20,666)</b>
Acquisition of subsidiaries (note 23)	(1,108)
Credited to the income statement	5,820
Exchange differences	(74)
<b>At 31 December 2017</b>	<b>(16,028)</b>

## Mergermarket Topco Limited

All figures in £'000

<b>Deferred tax assets</b>	<b>Accruals</b>	<b>Tax losses</b>	<b>Total</b>
At 1 January 2016	3,184	890	4,074
(Expensed)/ Credited to the income statement	(206)	202	(4)
Exchange differences	451	190	641
<b>At 31 December 2016</b>	<b>3,429</b>	<b>1,282</b>	<b>4,711</b>
Expensed to the income statement	(298)	(258)	(556)
Exchange differences	(7)	(119)	(126)
<b>At 31 December 2017</b>	<b>3,124</b>	<b>905</b>	<b>4,029</b>

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

In the year to 31 December 2016, the Group did not recognise deferred income tax assets of £0.5m in respect of losses amounting to £3.3m. After considering the probability of utilising these losses, the Group recognised a tax asset for these losses in the year to 31 December 2017. The losses are not subject to expiry.

## Mergermarket Topco Limited

### 20 Provisions

All figures in £'000	
At 1 January 2016	-
Acquisitions (note 23)	1,800
Expensed to the income statement	-
<b>At 31 December 2016</b>	<b>1,800</b>
Acquisitions (note 23)	4,453
Expensed to the income statement	1,840
<b>At 31 December 2017</b>	<b>8,093</b>

During the prior year, a £1.8m provision was recognised for the expected deferred consideration payable in relation to the acquisition of Creditflux Limited. The expense was recognised in "administrative expenses" in the Income Statement. The provision is expected to be paid during the first half of 2018.

A £4.5m provision was recognised for the expected deferred consideration payable in relation to the acquisition of YouDevisé Limited and subsidiaries. The provision was recognised within goodwill acquired and is expected to be paid during 2018, 2019 and 2020.

### 21 Cash generated from operations

	Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
	2017	2016	2017	2016
All figures in £'000				
Operating profit/(loss)	14,938	14,964	(310)	(25)
Adjustments for:				
- Depreciation (note 11)	2,283	1,970	-	-
- Amortisation (note 12)	29,453	29,033	-	-
- Provision for impaired asset (note 25)	-	1,865	-	-
- Profit on disposal (note 24)	(2,324)	-	-	-
- Net foreign exchange adjustments from transactions	6,079	(28)	-	-
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):				
- Trade and other receivables	1,879	(1,940)	(207)	(11)
- Trade and other payables	11,185	5,761	234	63
<b>Cash generated from operations</b>	<b>63,493</b>	<b>51,625</b>	<b>(283)</b>	<b>27</b>

## Mergermarket Topco Limited

### 22 Commitments

#### (a) Capital Commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

<b>Group</b>		
All figures in £'000 as at 31 December	2017	2016
Property, plant and equipment	-	258

#### (b) Operating lease commitments – Group company as lessee

The Group leases office space under non-cancellable operating lease agreements. The lease terms are between 2 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

<b>Group</b>		
All figures in £'000 as at 31 December	2017	2016
No later than 1 year	5,183	4,980
Later than 1 year and no later than 5 years	18,296	14,792
Later than 5 years	14,349	15,706
	37,828	35,478

## Mergermarket Topco Limited

### 23 Business combinations

On 19 May 2017, the Group acquired 100% of the issued shares of YouDevise Limited.

Values for the assets and liabilities arising from acquisitions in the year to 31 December 2017 are as follows:

All figures in £'000	Total fair value
Property, plant and equipment	259
Intangible assets	11,004
Trade and other receivables	3,306
Cash and cash equivalents	2,893
Current tax receivable	68
Deferred income tax liabilities	(1,108)
Trade and other liabilities	(9,489)
Net assets acquired at fair value	6,933
Goodwill	20,539
<b>Total</b>	<b>27,472</b>
Satisfied by:	
Cash	23,019
Contingent consideration	4,453
<b>Total consideration</b>	<b>27,472</b>

The fair value of contingent consideration of £4.5m is a level 3 fair value measurement. This fair value was estimated based on expected revenues and profit for YouDevise Limited and subsidiaries in the years to 31 December 2017, 2018 and 2019. The maximum deferred consideration amount is £35.0m.

## Mergermarket Topco Limited

On 4 January 2016, the Group acquired 100% of the issued shares of Creditflux Limited.

Values for the assets and liabilities arising from acquisitions in the year to 31 December 2016 are as follows:

All figures in £'000	Total fair value
Property, plant and equipment	6
Intangible assets	4,657
Trade and other receivables	531
Cash and cash equivalents	1,511
Current tax payable	(231)
Deferred income tax liabilities	(872)
Trade and other liabilities	(1,806)
Net assets acquired at fair value	3,796
Goodwill	5,864
Total	9,660
Satisfied by:	
Cash	7,860
Contingent consideration	1,800
Total consideration	9,660

The fair value of contingent consideration of £1.8m is a level 3 fair value measurement. This fair value was estimated based on expected revenues and profit for the Creditflux product in the year to 31 December 2017. The maximum deferred consideration amount is £4.0m.

The goodwill arising on these acquisitions results from cost and revenue synergies and from benefits that cannot be separately recognised, such as the assembled workforce. Acquisition costs have been recognised in 'deal fees' in the income statement.

All figures in £'000	Group Year ended 31 December 2017	Group Year ended 31 December 2016
Cash – Current year acquisitions	(23,019)	(7,860)
Acquired cash	2,893	1,511
Net cash outflow	(20,126)	(6,349)

During the year ended 31 December 2016, the Company subscribed for £5.7m of Ordinary share capital in Mergermarket Bidco Limited, a wholly owned subsidiary.

## Mergermarket Topco Limited

### 24 Disposal of interests

On 7 April 2017, the Group completed the sale of the Biopharm Insight and High Net Worth products and on 29 December 2017, the sale of the CDS business.

Sale proceeds and value of assets and liabilities sold are as follows:

All figures in £'000	Total fair value
Cash received, net of costs	6,964
Amounts held in escrow	957
<b>Sale proceeds, net of costs</b>	<b>7,921</b>
Assets held for sale (note 25)	(8,771)
Liabilities held for sale (note 25)	3,096
Property, plant and equipment	(1)
Intangible assets	(858)
Other assets	42
Other liabilities	195
Deferred revenues	442
Exchange differences	258
<b>Profit on disposal</b>	<b>2,324</b>

## Mergermarket Topco Limited

### 25 Disposal Group held for sale

In July 2016, management decided to sell the Biopharm Insight and High Net Worth products and businesses. The businesses were presented as a disposal Group held for sale and an impairment loss of £1.9m was recognised in “administrative expenses” to write down the disposal Group to the lower of its carrying amount and fair value less costs to sell. The impairment losses reduced the carrying amount of goodwill and intangible assets within the disposal Group. The loss differed to the £2.0m presented in the table below due to foreign exchange differences.

At 31 December 2016, the disposal Group was stated at fair value less costs to sell and comprised the following assets and liabilities:

All figures in £'000	Disposal group	Impairment charge	Total fair value
Property, plant and equipment	580	-	580
Intangible assets	8,997	(1,248)	7,749
Goodwill	784	(784)	-
Other current assets	442	-	442
<b>Assets held for sale</b>	<b>10,803</b>	<b>(2,032)</b>	<b>8,771</b>
Deferred income	(3,096)	-	(3,096)
<b>Liabilities held for sale</b>	<b>(3,096)</b>	<b>-</b>	<b>(3,096)</b>

## Mergermarket Topco Limited

### 26 Related party transactions

#### Key management personnel

Key management personnel are deemed to be the board of Directors of the Company. The board has responsibility for planning, directing and controlling the activities of the Group. Key management personnel compensation is disclosed below:

	Group Year ended 31 December	Group Year ended 31 December
All figures in £'000	2017	2016
Salaries and other short term benefits	1,055	834
Post employment benefits	13	24
	1,068	858

The highest paid Director's emoluments were as follows:

	Group Year ended 31 December	Group Year ended 31 December
All figures in £'000	2017	2016
Salaries and other short term benefits	625	518
Post employment benefits	7	13
	632	531

The Group purchased services for £23,032 (2016: £32,470) from ELM Media Limited, a filming and production company, to market the Group's products. Hamilton Matthews, a Director of the Company, is related to a Director and shareholder of ELM Media Limited.

Hamilton Matthews, is a Director of Protecture Limited which provided data protection services for £8,000 to the Company during the year (2016: £5,000).

#### Subsidiary undertakings

During the year Credit Rubric Limited, a 75% owned subsidiary, purchased research services from Mergermarket Consulting (Singapore) Pte Ltd on a cost plus basis to the value of £39k. As at year end £39k was owed to Mergermarket Consulting (Singapore) Pte Ltd.

## Mergermarket Topco Limited

### Other related party transactions

On 16 August 2017, Euro Ventures PTE LTD, a subsidiary company of GIC, acquired a 31.0% interest in the Ordinary share capital of the Company.

During the year, the Company incurred Directors fees of £90,187 (2016: £113,423) from BC Partners LLP and £9,375 (2016: nil) from Euro Ventures PTE LTD.

### Parent company related party transactions

The following amounts are receivable from subsidiary companies:

All figures in £'000 as at 31 December	2017	2016
Mergermarket Bidco Limited	241	26
	241	26

The following amounts are payable to subsidiary companies:

All figures in £'000 as at 31 December	2017	2016
Mergermarket Limited	(234)	(19)
Mergermarket US Limited	(20)	-
Mergermarket Midco I Limited	(771)	(772)
	(1,025)	(791)

## 27 Subsequent Events

On 1 June 2018, the Group acquired Great North Road Media Inc, a provider of energy financing and trading news.

## 28 Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is MM Acquisition Sarl, a company incorporated in Luxembourg. MM Acquisition Sarl is controlled by funds advised by BC Partners Limited.

Mergermarket Topco Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2017.