

MERGERMARKET TOPCO LIMITED
Company registration number: 08816656

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2016



Mergermarket Topco Limited

CONSOLIDATED FINANCIAL STATEMENTS: CONTENTS

	Page
Strategic Report	2
Directors' Report	4
Independent Auditors' Report to the Members of Mergermarket Topco Limited	6
Consolidated and Parent Company Income Statements for the year ended 31 December 2016.....	8
Consolidated and Parent Company Statements of Comprehensive Income for the year ended 31 December 2016 ...	9
Consolidated and Parent Company Balance Sheets as at 31 December 2016	10
Consolidated Statement of Changes in Equity for the year ended 31 December 2016.....	11
Parent Company Statement of Changes in Equity for the year ended 31 December 2016	12
Consolidated and Parent Company Statements of Cash Flows for the year ended 31 December 2016.....	13
Notes to the Consolidated and Parent Company Financial Statements for the year ended 31 December 2016.....	14

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 2016.

Review of the business

During the year, the group experienced strong growth benefiting from organic growth and a full year's ownership of the Unquote and Asia Venture Capital Journal businesses, and the C6 group of companies. The acquisition of Creditflux Limited in January 2016 and a weaker Pound Sterling against the US Dollar also contributed to growth. On an underlying basis, the group continued to enjoy growth in organic sales driven by high renewal rates and good new business sales.

Revenues grew strongly across each of the main product families. In particular, the corporate transactions products, including Mergermarket, had another excellent year, with renewal rates improving and the level of new business sales outpacing last year's value. The acquisition of the C6 group of companies and the subsequent investment in the product has led to impressive growth for the group's regulatory products. The group expects this market to continue to grow rapidly as regulators place increasing emphasis on corporate compliance.

During the year, the group increased its investment in technology and product development, improving the core product platforms and integrating acquisitions. These investments aim to improve the user experience and provide subscribers with new information sets to help them perform their daily tasks. The improvements help the group maintain its high renewal rates and increase renewal values.

Product development initiatives included the release of the first phase of the Mergermarket refresh with new mobile friendly versions of the homepage and intelligence viewers. The refresh has simplified the use of the website, making subscribers more aware of the depth of data and intelligence. This should lead to greater use, increase the value for subscribers and in so doing, support renewal rates. The new fixed income platform was launched with additional content, such as Debtwire Dockets, and relevant content from other services, such as Xtract Research to provide subscribers with a more integrated coverage. The group also launched the ActivistMonitor product, enabling users to follow activist campaigns and review historic strategies and activist fund details.

On 4 January 2016, the group acquired Creditflux Limited, a provider of market intelligence, analysis, data and events covering collateralised loan obligations and credit trading. The acquisition provides Debtwire with a complimentary offering, expanding its coverage into the collateralised loan obligation market.

The Unquote and the Asia Venture Capital Journal businesses and the C6 group of companies, both acquired in 2015, and Creditflux Limited have been successfully integrated into the group and have made good progress under the group's ownership.

During the year, the group completed a strategic review of the BioPharm Insight and High Net Worth businesses, concluding that they are a small part of the group's product offering and not core to the group's long term strategy. A decision was made to sell these businesses resulting in a £1.9m impairment charge.

The company increased its investment in Mergermarket Midco 1 Limited through the purchase of £0.7m of ordinary shares on 24 April 2015 and 24 September 2015.

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 2016 increased by 18%.

During the year, the average number of people working for the group, including contractors and people employed by third party outsourced service providers, increased by 17% to 1,348, largely a result of the full year impact of the Unquote, Asia Venture Capital Journal, C6 and Creditflux Limited acquisitions.

Mergermarket Topco Limited

Future developments

Mergermarket's 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.

Results and dividends

The group reported a net loss of £24.1m for the year. No dividend was proposed for the year under review. The company reported a £0.2m net loss in the year.

On behalf of the board, ^r4 May 2017



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 2016.

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
Jonathan Hosgood (resigned as a director on 21 October 2016)

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 2016 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 2016, 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 2016 (2015: 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.

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, ^{4th} May 2017


Jonathan Gomer
Director

Mergermarket Topco Limited

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

Our 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 2016 and of the group's and the parent company's loss and 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.

What we have audited

The financial statements, included within the Consolidated Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Parent Company Balance Sheets as at 31 December 2016;
- the Consolidated and Parent Company Income Statements and Statements of Comprehensive Income for the year then ended;
- the Consolidated and Parent Company Statements of Cash Flows for the year then ended;
- the Consolidated and Parent Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the parent company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

Mergermarket Topco Limited

- 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.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

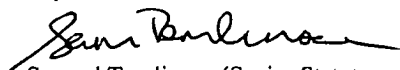
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Samuel Tomlinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, 4 May 2017

Mergermarket Topco Limited

Consolidated and Parent Company Income Statements for the year ended 31 December 2016

All figures in £'000	Note	Group Year ended 31 December 2016	Group Year ended 31 December 2015	Company Year ended 31 December 2016	Company Year ended 31 December 2015
Continuing operations					
Revenue	4	160,922	136,543	-	-
Cost of sales	5	(85,054)	(68,454)	-	-
Gross profit		75,868	68,089	-	-
Administrative expenses	5	(60,904)	(51,586)	(25)	(29)
Operating profit/(loss)		14,964	16,503	(25)	(29)
Finance income	8	29	551	-	-
Finance costs	8	(41,711)	(37,070)	(203)	(175)
Net finance costs		(41,682)	(36,519)	(203)	(175)
Loss before income tax		(26,718)	(20,016)	(228)	(204)
Income tax credit	10	2,643	4,862	-	-
Loss for the year		(24,075)	(15,154)	(228)	(204)

The notes on pages 14 to 50 are an integral part of these consolidated financial statements.

Mergermarket Topco Limited

Consolidated and Parent Company Statements of Comprehensive Income for the year ended 31 December 2016

	Group Year ended 31 December	Group Year ended 31 December	Company Year ended 31 December	Company Year ended 31 December
All figures in £'000	2016	2015	2016	2015
Loss for the year	(24,075)	(15,154)	(228)	(204)
Other comprehensive expense:				
Items that will not be reclassified to profit and loss				
Currency translation on net investment in foreign operations	(40,912)	(11,473)	-	-
Total comprehensive expense for the year	(64,987)	(26,627)	(228)	(204)

There is no tax credit or charge (2015: nil) recognised in other comprehensive expense.

The notes on pages 14 to 50 are an integral part of these consolidated financial statements.

Mergermarket Topco Limited

Consolidated and Parent Company Balance Sheets as at 31 December 2016

All figures in £'000	Note	Group As at 31 December 2016	Group As at 31 December 2015	Company As at 31 December 2016	Company As at 31 December 2015
Assets					
Non-current assets					
Property, plant and equipment	11	4,170	4,605	-	-
Goodwill	12	325,010	309,640	-	-
Intangible assets	12	152,244	167,873	-	-
Investments	9	-	-	5,661	5,661
Deferred income tax assets	19	4,711	4,074	-	-
		486,135	486,192	5,661	5,661
Current assets					
Trade and other receivables	14	50,916	43,454	46	35
Cash and cash equivalents	15	30,472	31,505	666	639
		81,388	74,959	712	674
Assets held for sale	24	8,771	-	-	-
Total assets		576,294	561,151	6,373	6,335
Liabilities					
Non-current liabilities					
Borrowings	18	(546,468)	(485,584)	(423)	(220)
Deferred income tax liabilities	19	(20,666)	(24,095)	-	-
Provisions	20	(1,800)	-	-	-
		(568,934)	(509,679)	(423)	(220)
Current liabilities					
Trade and other payables	17	(9,880)	(10,424)	(791)	(720)
Accruals		(23,804)	(19,876)	(27)	(35)
Deferred income		(89,370)	(78,114)	-	-
Current income tax liabilities		(606)	(1,493)	-	-
Borrowings	18	(842)	(702)	-	-
		(124,502)	(110,609)	(818)	(755)
Liabilities directly associated with the assets held for sale	24	(3,096)	-	-	-
Total liabilities		(696,532)	(620,288)	(1,241)	(975)
Net (liabilities)/assets		(120,238)	(59,137)	5,132	5,360
Equity attributable to owners of the parent					
Ordinary shares	16	4,132	4,132	4,132	4,132
Preference shares	16	1,537	1,537	1,537	1,537
Other reserves		4,915	1,029	-	-
Accumulated losses		(130,822)	(65,835)	(537)	(309)
Total equity		(120,238)	(59,137)	5,132	5,360

The notes on pages 14 to 50 are an integral part of these consolidated financial statements. The financial statements on pages 8 to 50 were approved by the board of directors on 4 May 2017 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 2016

All figures in £'000

	Note	Share capital	Other reserves	Accumulated losses	Total equity
Balance at 1 January 2015		5,360	516	(39,208)	(33,332)
Loss for the year		-	-	(15,154)	(15,154)
Other comprehensive expense for the year		-	-	(11,473)	(11,473)
Total comprehensive expense for the year		-	-	(26,627)	(26,627)
Foreign exchange on invested capital		-	513	-	513
Proceeds from shares issued	16	309	-	-	309
Total transactions with owners, recognised directly in equity		309	513	-	822
Balance as at 31 December 2015		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)
Total comprehensive expense for the year		-	-	(64,987)	(64,987)
Foreign exchange on invested capital		-	3,886	-	3,886
Proceeds from shares issued	16	-	-	-	-
Total transactions with owners, recognised directly in equity		-	3,886	-	3,886
Balance as at 31 December 2016		5,669	4,915	(130,822)	(120,238)

The notes to pages 14 to 50 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 2016

All figures in £'000

Company	Note	Share capital	Other reserves	Accumulated losses	Total equity
Balance at 1 January 2015		5,360	-	(105)	5,255
Loss for the year		-	-	(204)	(204)
Other comprehensive income for the year		-	-	-	-
Total comprehensive expense for the year		-	-	(204)	(204)
Proceeds from shares issued	16	309	-	-	309
Total transactions with owners, recognised directly in equity		309	-	-	309
Balance as at 31 December 2015		5,669	-	(309)	5,360
Loss for the year		-	-	(228)	(228)
Other comprehensive income for the year		-	-	-	-
Total comprehensive expense for the year		-	-	(228)	(228)
Proceeds from shares issued	16	-	-	-	-
Total transactions with owners, recognised directly in equity		-	-	-	-
Balance as at 31 December 2016		5,669	-	(537)	5,132

The notes to pages 14 to 50 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 2016

		Group	Group	Company	Company
		Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December
All figures in £'000	Note	2016	2015	2016	2015
Cash flows from operating activities					
Cash generated from operations	21	51,625	45,607	27	330
Interest paid		(17,361)	(14,260)	-	-
Income tax paid		(3,432)	(4,252)	-	-
Net cash generated from operating activities		30,832	27,095	27	330
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	23	(6,349)	(21,753)	-	-
Investment in subsidiary	9	-	-	-	-
Purchases of property, plant and equipment	11	(1,795)	(3,537)	-	-
Internally generated intangible assets	12	(8,632)	(4,634)	-	-
Purchases of intangible assets		-	-	-	-
Interest received		29	1	-	-
Net cash used in investing activities		(16,747)	(29,923)	-	-
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	16	-	309	-	309
Proceeds from borrowings		-	13,543	-	-
Repayment of borrowings		(16,948)	(8,599)	-	-
Financing fees		(305)	(217)	-	-
Gain on repurchase of borrowings		-	550	-	-
Net cash (used in)/generated from financing activities		(17,253)	5,586	-	309
Net (decrease)/increase in cash and cash equivalents		(3,168)	2,758	27	639
Cash and cash equivalents at beginning of year		31,505	28,103	639	-
Exchange gains on cash and cash equivalents		2,135	644	-	-
Cash and cash equivalents at end of year		30,472	31,505	666	639

The notes to pages 14 to 50 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 2016

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 2016, the group reported a net liability of £120.2m (2015: £59.1m) on the Balance Sheet due to the group's funding arrangements. The cash balance at this date was £30.5m (2015: £31.5m) 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.
- 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 IAS 11 'Construction contracts' 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.
- 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.

Mergermarket Topco Limited

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

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 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.

2.5 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.

2.6 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.

2.7 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.

Mergermarket Topco Limited

(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.

2.8 Financial assets

2.8.1 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 2.9 and 2.10).

(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.

Mergermarket Topco Limited

(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.

2.8.2 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).

2.9 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.

2.10 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.

2.11 Share capital

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

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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.

2.13 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.

Mergermarket Topco Limited

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

Mergermarket Topco Limited

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 2016, 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 £1.0m (2015: £0.9m) 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 2016 the group's borrowings at variable rate were denominated in USD.

At 31 December 2016, 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 £0.3m (2015: £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.

Mergermarket Topco Limited

(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					
At 31 December 2015					
Borrowings	-	(2,140)	(2,140)	(6,420)	(769,476)
Trade and other payables	(10,424)	-	-	-	-
At 31 December 2016					
Borrowings	-	(2,558)	(2,558)	(243,606)	(568,562)
Trade and other payables	(9,880)	-	-	-	-

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 2016 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.

Mergermarket Topco Limited

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	2016	2015	2016	2015
Subscriptions and events	160,359	136,543	-	-
Grants	563	-	-	-
Total revenues	160,922	136,543	-	-

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	2016	2015	2016	2015
Employee benefit expense	6	83,631	68,162	-	-
Depreciation	11	1,970	1,574	-	-
Amortisation of internally generated intangibles	12	3,975	1,933	-	-
Amortisation of acquired intangible assets	12	25,058	22,885	-	-
Operating lease payments		4,979	5,353	-	-
Impairment charges	24	1,865	-	-	-
Deal fees		659	1,698	-	-
Foreign exchange (gains)/losses	7	(637)	(455)	-	-
Other expenses		24,458	18,890	25	29
Total cost of sales and administrative expenses		145,958	120,040	25	29

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 2016	Group Year ended 31 December 2015
All figures in £'000	2016	2015
Fees payable to company's auditors and its associates for the audit of parent company and consolidated financial statements	20	20
Fees payable to company's auditors and its associates for other services:		
– The audit of company's subsidiaries	219	200
– Tax advisory services	63	25
– Deal related advisory services	-	31
	302	276

6 Employees

6.1 Employee benefit expense

	Group Year ended 31 December 2016	Group Year ended 31 December 2015	Company Year ended 31 December 2016	Company Year ended 31 December 2015
All figures in £'000	2016	2015	2016	2015
Wages and salaries (including termination benefits and restructuring costs)	75,263	61,500	-	-
Social security costs	5,664	4,565	-	-
Other pension costs	2,704	2,097	-	-
Total employee benefit expense	83,631	68,162	-	-

Director emoluments are disclosed in note 24.

Mergermarket Topco Limited

6.2 Monthly average number of people employed

	Group Year ended 31 December	Group Year ended 31 December
	2016	2015
Average number of people employed (including contractors)	1,348	1,148
Monthly average number of people (including executive directors) employed:		
Content creation	968	825
Commercial	269	230
Administration	111	93
Total average headcount	1,348	1,148

The prior year numbers have been restated to exclude people employed by third party suppliers.

There were no people employed by the company during the year (2015: none).

7 Net foreign exchange gains/(losses)

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

	Group Year ended 31 December	Group Year ended 31 December
All figures in £'000	2016	2015
Administrative expenses	637	455
Total	637	455

Mergermarket Topco Limited

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	2016	2015	2016	2015
Interest expense:				
– Bank borrowings	(16,251)	(14,308)	-	-
– Bonds	(23,401)	(20,989)	-	-
– Preference shares	(203)	(175)	(203)	(175)
– Amortised finance costs	(1,856)	(1,598)	-	-
Finance costs	(41,711)	(37,070)	(203)	(175)
Finance income:				
– Interest income on bank deposits	4	1	-	-
– Other interest income	25	-	-	-
– Gain on repurchase of borrowings	-	550	-	-
Finance income	29	551	-	-
Net finance costs	(41,682)	(36,519)	(203)	(175)

Bank borrowing expense relates to interest arising on bank borrowings of £326,900,000 (2015: £289,800,000)

Interest expense on bonds is payable on redemption and relates to £165,100,000 of bonds outstanding.

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
Infinata 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

Mergermarket Topco Limited

Mergermarket Brasil Consultoria Ltda	Avenida Paulista 453, Conjunto 71 Edificio Olivetti, Sao Paulo, 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
Moorgate Nominees Limited	10 Queen Street Place, London EC4R 1BE, UK	Dormant	-	100
Synergy Software Solutions Limited	10 Queen Street Place, London EC4R 1BE, UK	Dormant	-	100
Synergy Real Times Systems Limited	10 Queen Street Place, London EC4R 1BE, UK	Dormant	-	100
Synsoft Group Limited	10 Queen Street Place, London EC4R 1BE, UK	Dormant	-	100
Synergy Software Limited	10 Queen Street Place, London EC4R 1BE, UK	Dormant	-	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
KYC6 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
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

Mergermarket Topco Limited

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.

9.2 Investment in subsidiaries

	Parent Year ended 31 December	Parent Year ended 31 December
All figures in £'000	2016	2015
Shares in group undertakings		
Beginning of year	5,661	4,941
Additions	-	720
End of year	5,661	5,661

The company increased its investment in Mergermarket Midco 1 Limited through the purchase of £0.7m of ordinary shares on 24 April 2015 and 24 September 2015. The 2015 amounts have been restated to reflect this additional investment.

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	2016	2015	2016	2015
Current tax:				
Current tax on profits/losses for the year	(2,825)	(3,564)	-	-
Adjustments in respect of prior periods	670	1,386	-	-
Total current tax	(2,155)	(2,178)	-	-
Deferred tax (note 18):				
Origination and reversal of temporary differences	4,597	6,623	-	-
Adjustments in respect of prior periods	201	417	-	-
Total deferred tax	4,798	7,040	-	-
Income tax credit	2,643	4,862	-	-

The tax on the group's loss before income tax differs from (2015: 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	2016	2015	2016	2015
Loss before income tax	(26,718)	(20,016)	(228)	(204)
Tax calculated at UK tax rate of 20.00% (2015: 20.25%)	5,344	4,053	46	41
Tax effects of:				
- Effect of overseas tax rates	194	147	-	-
- Expenses not deductible for tax purposes	(5,296)	(4,197)	(45)	(35)
- Tax losses for which deferred income tax asset was recognised	445	897	-	-
- Adjustment to tax balances arising from change in tax rates	571	2,630	-	-
- Relief from tax attributable to related parties	-	-	(1)	(6)
- Deferred income tax on impaired assets	472	-	-	-
- Adjustments in respect of prior years	870	1,803	-	-
- Other	43	(471)	-	-
Income tax credit	2,643	4,862	-	-

Mergermarket Topco Limited

There is no tax benefit or charge (2015: nil) recognised in other comprehensive income.

The group is currently assessing the impact of new interest deductibility rules in the United Kingdom due to commence in April 2017. The new rules are expected to increase the Group's income tax charge in the year to 31 December 2017 but have no impact on the prior year numbers.

Mergermarket Topco Limited

11 Property, plant and equipment

All figures in £'000	Computers and Office equipment	Fixtures and Fittings	Total
Cost			
At 1 January 2015	7,891	813	8,704
Acquisition of subsidiaries (note 23)	262	63	325
Additions	1,009	2,528	3,537
Exchange differences	216	30	246
As at 31 December 2015	9,378	3,434	12,812
Acquisition of subsidiaries (note 23)	90	-	90
Additions	1,354	441	1,795
Transfer to assets held for sale (note 24)	(2,083)	(113)	(2,196)
Exchange differences	805	228	1,033
As at 31 December 2016	9,544	3,990	13,534
Accumulated depreciation			
At 1 January 2015	(5,830)	(467)	(6,297)
Acquisition of subsidiaries (note 23)	(140)	(35)	(175)
Depreciation charge (note 5)	(1,076)	(498)	(1,574)
Exchange differences	(149)	(12)	(161)
As at 31 December 2015	(7,195)	(1,012)	(8,207)
Acquisition of subsidiaries (note 23)	(84)	-	(84)
Depreciation charge (note 5)	(1,270)	(700)	(1,970)
Transfer to assets held for sale (note 24)	1,552	64	1,616
Exchange differences	(625)	(94)	(719)
As at 31 December 2016	(7,622)	(1,742)	(9,364)
Net book value			
As at 31 December 2015	2,183	2,422	4,605
As at 31 December 2016	1,922	2,248	4,170

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

Mergermarket Topco Limited

12 Intangible assets

	Goodwill	Acquired customer relationships, trademarks and other intangibles	Internally generated software	Total
All figures in £'000				
Cost				
At 1 January 2015	291,642	192,676	3,301	487,619
Acquisition of subsidiaries (note 23)	15,370	9,253	-	24,623
Additions	-	-	4,634	4,634
Exchange differences	2,628	3,430	-	6,058
As at 31 December 2015	309,640	205,359	7,935	522,934
Acquisition of subsidiaries (note 23)	5,864	4,657	-	10,521
Additions	-	-	8,632	8,632
Transfer to assets held for sale (note 24)	(784)	(10,972)	(3,090)	(14,846)
Exchange differences	10,290	13,146	307	23,743
As at 31 December 2016	325,010	212,190	13,784	550,984
Accumulated amortisation and impairment				
At 1 January 2015	-	(19,274)	(553)	(19,827)
Amortisation charge	-	(22,885)	(1,933)	(24,818)
Exchange differences	-	(772)	(4)	(776)
As at 31 December 2015	-	(42,931)	(2,490)	(45,421)
Amortisation charge	-	(25,058)	(3,975)	(29,033)
Transfer to assets held for sale (note 24)	-	4,331	734	5,065
Exchange differences	-	(4,270)	(71)	(4,341)
As at 31 December 2016	-	(67,928)	(5,802)	(73,730)
Net book value				
As at 31 December 2015	309,640	162,428	5,445	477,513
As at 31 December 2016	325,010	144,262	7,982	477,254

Mergermarket Topco Limited

Impairment tests for goodwill

The goodwill within the group is allocated to one CGU which represents the total Mergermarket 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% was assumed. The discount rate is based on the risk-free rate for government bonds, adjusted for a risk premium to reflect the increased risk in investing in equities.

Perpetuity growth rate. A perpetuity growth rate of 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 2016

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

All figures in £'000

Group as at 31 December 2015

	Loans and receivables	Assets at fair value through profit and loss	Derivatives used for hedging	Available for sale	Total
Assets as per balance sheet					
Trade and other receivables excluding prepayments	41,335	-	-	-	41,335
Cash and cash equivalents	31,505	-	-	-	31,505
Total	72,840	-	-	-	72,840

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 rating of 'A'.

Mergermarket Topco Limited

13 Financial instruments (cont.)

All figures in £'000

Group as at 31 December 2016

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

All figures in £'000

Group as at 31 December 2015

	Financial liabilities at amortised cost	Derivatives used for hedging	Available for sale	Total
Liabilities as per balance sheet				
Borrowings	493,552	-	-	493,552
Trade and other payables excluding non-financial liabilities	30,300	-	-	30,300
Total	523,852	-	-	523,852

Mergermarket Topco Limited

14 Trade and other receivables

	Group	Group	Company	Company
All figures in £'000 as at 31 December	2016	2015	2016	2015
Trade receivables	48,344	38,085	-	-
Less: provision for impairment of trade receivables	(1,662)	(1,184)	-	-
Trade receivables – net	46,682	36,901	-	-
Prepayments	2,839	2,119	5	-
Receivable from related party (note 25)	-	-	26	27
Other receivables	1,395	4,434	15	8
Current portion	50,916	43,454	46	35

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	2016	2015
Within due date	15,678	21,004
Up to 3 months	25,974	12,461
3 to 6 months	2,885	2,645
6 months plus	3,807	1,975
	48,344	38,085
Less: provision for impairment of trade receivables	(1,662)	(1,184)
Trade receivables – net	46,682	36,901

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	2016	2015
UK pound	21,000	18,578
US dollar	27,884	21,524
Euros	439	347
Other currencies	1,593	3,005
	50,916	43,454

Mergermarket Topco Limited

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

All figures in £'000 as at 31 December	2016	2015
Opening balance	(1,184)	(1,194)
Additional provision for impairment of receivables	(286)	(192)
Receivables written off during the year as uncollectible	53	244
Other	(63)	-
Exchange differences	(182)	(42)
At 31 December	(1,662)	(1,184)

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	
	2016	2015	2016	2015
Cash at bank and in hand	30,472	31,505	666	639
Cash and cash equivalents	30,472	31,505	666	639

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
At 31 December 2015	5,669	216	5,453	5,669
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
At 31 December 2016	5,669	216	5,453	5,669

During the year ended 31 December 2015, the company issued 51,870 C Ordinary shares, 17,577 B Ordinary shares and 2,270 D Ordinary shares.

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.

Mergermarket Topco Limited

During the year ended 31 December 2015, the company issued 237,686 cumulative redeemable preference shares.

Preference shares are mandatorily redeemable by the company on the occurrence of certain events and are entitled to cumulative dividends at 11.5% per annum, payable on redemption.

17 Trade and other payables

All figures in £'000 as at 31 December	Group	Group	Company	Company
	2016	2015	2016	2015
Trade payables	2,602	2,738	-	-
Social security and other taxes	2,665	2,554	-	-
Payable to related parties (note 25)	-	-	791	720
Interest payable on bank borrowings	1,325	2,365	-	-
Other payables	3,288	2,767	-	-
	9,880	10,424	791	720

The company increased its investment in Mergermarket Midco 1 Limited by £0.7m in the year to 31 December 2015. The amount remains payable to Mergermarket Midco 1 Limited. The 2015 amounts payable to related parties has been restated to reflect the additional investment.

18 Borrowings

All figures in £'000 as at 31 December	Group	Group	Company	Company
	2016	2015	2016	2015
Non-current				
Bank borrowings	324,391	287,701	-	-
Less capitalised finance costs on bank borrowings	(5,238)	(5,828)	-	-
Discounted bonds	226,892	203,491	-	-
Interest payable on preference shares (note 8 and 16)	423	220	423	220
	546,468	485,584	423	220
Current				
Bank borrowings	2,558	2,140	-	-
Less capitalised finance costs on bank borrowings	(1,716)	(1,438)	-	-
	842	702	-	-
Total borrowings	547,310	486,286	423	220

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

a) Bank borrowings

Apart from mandatory principal repayments, bank borrowings mature in 2021 and 2022.

Mergermarket Topco Limited

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	2016	2015
6 months or less	326,949	289,841
6-12 months	-	-
1-5 years	-	-
Over 5 years	-	-
	326,949	289,841

Interest rates on the group's borrowings are subject to changes in LIBOR and/or the Federal Reserve Overnight Funds Rate. The minimum amount payable ranges from 4.50% to 7.50%. 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	2016	2015
US dollar	326,949	277,141
British pound	-	12,700
	326,949	289,841

The group has the following undrawn borrowing facilities:

All figures in £'000 as at 31 December	2016	2015
Floating rate:		
Expiring within one year	-	-
Expiring beyond one year	32,263	13,083
Total	32,263	13,083

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	
At 1 January 2015	8,237
Amortised finance costs	(1,385)
Exchange differences	414
At 31 December 2015	7,266
Amortised finance costs	(1,575)
Exchange differences	1,263
At 31 December 2016	6,954

In the year to 31 December 2017, £1,700,000 (2016: £1,400,000) of finance costs are expected to be amortised.

Mergermarket Topco Limited

b) Discounted bonds

The company issued unsecured Deep Discount Bonds with a subscription value of £160,609,000 and £4,500,000 on 3 February 2014 and 11 February 2014 respectively. The Deep Discount Bonds are redeemable on 3 February 2024 at the latest or earlier at the option of the company. The liability is recognised on an amortised cost basis using an implied interest rate of 11.50% per annum until redemption. The Deep Discount Bonds are not subject to contractual re-pricing or interest rate changes.

The discounted bond recognised in the balance sheet is calculated as follows:

All figures in £'000		
Group	2016	2015
At 1 January	203,491	182,502
Interest expense (note 8)	23,401	20,989
At 31 December	226,892	203,491

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	2016	2015
Deferred tax assets	4,711	4,074
Deferred tax liabilities	(20,666)	(24,095)
Net deferred tax	(15,955)	(20,021)

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 2015	(25,306)
Acquisition of subsidiaries (note 23)	(1,740)
Income statement benefit (note 10)	7,040
Exchange differences	(15)
At 31 December 2015	(20,021)
Acquisition of subsidiaries (note 23)	(872)
Income statement benefit (note 10)	4,797
Exchange differences	141
At 31 December 2016	(15,955)

Mergermarket Topco Limited

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	
Deferred tax liabilities	Goodwill and intangibles
At 1 January 2015	(28,405)
Acquisition of subsidiaries (note 23)	(1,740)
Credited to the income statement	6,177
Exchange differences	(127)
At 31 December 2015	(24,095)
Acquisition of subsidiaries (note 23)	(872)
Credited to the income statement	4,801
Exchange differences	(500)
At 31 December 2016	(20,666)

All figures in £'000			
Deferred tax assets	Accruals	Tax losses	Total
At 1 January 2015	3,099	-	3,099
Credited to the income statement	4	859	863
Exchange differences	81	31	112
At 31 December 2015	3,184	890	4,074
(Expensed)/ Credited to the income statement	(206)	202	(4)
Exchange differences	451	190	641
At 31 December 2016	3,429	1,282	4,711

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.

The group did not recognise deferred income tax assets of £500,000 (2015: £1,100,000) in respect of losses amounting to £3,300,000 (2015: £6,000,000) that can be carried forward against future taxable income. The losses are not subject to expiry.

Mergermarket Topco Limited

20 Provisions

All figures in £'000	
At 1 January 2015	-
Expensed to the income statement	-
At 31 December 2015	-
Acquisitions (note 23)	1,800
Expensed to the income statement	-
At 31 December 2016	1,800

During the year, a provision was recognised for the expected deferred consideration payable on the acquisition of Creditflux Limited. The provision was recognised within goodwill acquired and is expected to be paid during 2018.

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
	2016	2015	2016	2015
All figures in £'000				
Operating profit/(loss)	14,964	16,503	(25)	(29)
Adjustments for:				
- Depreciation (note 11)	1,970	1,574	-	-
- Amortisation (note 12)	29,033	24,818	-	-
- Provision for impaired asset (note 24)	1,865	-	-	-
- Net foreign exchange adjustments from transactions	(28)	(421)	-	-
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):				
- Trade and other receivables	(1,940)	(3,995)	(11)	(8)
- Trade and other payables	5,761	7,128	63	367
Cash generated from operations	51,625	45,607	27	330

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:

Group		
All figures in £'000 as at 31 December	2016	2015
Property, plant and equipment	258	100

(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:

Group		
All figures in £'000 as at 31 December	2016	2015
No later than 1 year	4,980	3,716
Later than 1 year and no later than 5 years	14,792	12,875
Later than 5 years	15,706	16,318
	35,478	32,909

Mergermarket Topco Limited

23 Business combinations

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.

On 17 September 2015, the group acquired the Unquote and Asia Venture Capital Journal businesses from Incisive Media Limited, and on 6 November 2015 acquired 100% of the issued shares of C6 Data Intelligence Limited from C6 Intelligence Information Systems Limited.

Mergermarket Topco Limited

Values for the assets and liabilities arising from acquisitions in the year to 31 December 2015 are as follows:

All figures in £'000	Total fair value
Property, plant and equipment	150
Intangible assets	9,253
Trade and other receivables	1,509
Cash and cash equivalents	85
Deferred income tax liabilities	(1,740)
Trade and other liabilities	(2,827)
Net assets acquired at fair value	6,430
Goodwill	15,370
Total	21,800
Satisfied by:	
Cash	(21,800)
Total consideration	(21,800)

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 2016	Group Year ended 31 December 2015
Cash – Current year acquisitions	(7,860)	(21,800)
Acquired cash	1,511	85
Exchange differences and other items	-	(38)
Net cash outflow	(6,349)	(21,753)

During the year, the company subscribed for £5,700,000 of Ordinary share capital in Mergermarket Bidco Limited, a wholly owned subsidiary.

Mergermarket Topco Limited

24 Disposal group held for sale

In July 2016, management decided to sell the Biopharm Insight and High Net Worth products and businesses. Accordingly, these businesses have been presented as a disposal group held for sale.

An impairment loss of £1,900,000 has been 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 have been applied to reduce the carrying amount of goodwill and intangible assets within the disposal group. The loss differs to the £2,000,000 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
Assets held for sale	10,803	(2,032)	8,771
Deferred income	(3,096)	-	(3,096)
Liabilities held for sale	(3,096)	-	(3,096)

25 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:

All figures in £'000	Group Year ended 31 December 2016	Group Year ended 31 December 2015
Salaries and other short term benefits	834	909
Post employment benefits	24	57
	858	966

Mergermarket Topco Limited

The highest paid director's emoluments were as follows:

	Group Year ended 31 December	Group Year ended 31 December
All figures in £'000	2016	2015
Salaries and other short term benefits	518	555
Post employment benefits	13	32
	531	587

The group purchased services for £32,470 (2015: £12,000) 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 £5,000 to the company during the year (2015: nil).

Other related party transactions

During the year, the company incurred Directors fees of £113,423 (2015: £143,750) from BC Partners Limited.

Parent company related party transactions

The following amounts are receivable from subsidiary companies:

All figures in £'000 as at 31 December	2016	2015
Mergermarket Bidco Limited	26	120
Mergermarket Midco 1 Limited	-	51
Mergermarket Limited	-	(144)
	26	27

The following amounts are payable to subsidiary companies:

All figures in £'000 as at 31 December	2016	2015
Mergermarket Limited	(19)	-
Mergermarket Midco 1 Limited	(772)	(720)
	(791)	(720)

The company subscribed for £0.7m of additional share capital in Mergermarket Midco 1 Limited in the year to 31 December 2015. The amount remains payable to Mergermarket Midco 1 Limited as at 31 December 2016. The 2015 amount payable to subsidiary companies has been restated to reflect the additional investment.

Mergermarket Topco Limited

26 Events after the reporting date

On 10 March 2017, the group entered an agreement to sell the Biopharm Insight and High Net Worth products and businesses to Globaldata UK Limited.

On 7 April 2017, the group entered an agreement to purchase YouDevise Limited. The company specialises in the electronic distribution of trade ideas and investment recommendations.

27 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 2016.