Hemscott Limited

Directors' report and financial statements

Year ended 31 December 2010
Registered number 27883

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Directors' Report

The directors present their annual report on the affairs of the group and the audited financial statements for the year ended 31 December 2010 The registered number of the company is 00027883

Review of Business

Principal Activities

Hemscott is a leading international supplier of high quality business and financial information and online corporate investor relations solutions to clients in the UK Europe and North America References to "the Group" below relate to Hemscott Limited and to its subsidiaries and not to the wider Ipreo group of companies

Results

Revenue growth was 7% year on year (2009 13%) reflecting sustainable organic growth and the continued focus on core products Operating costs increased by 24% largely due to the cash settled share based charge of £2 072k (2009 £194k) and a continued investment in the sales resources reflected in the £806k increase in wages and salaries

The Group incurred a charge in relation to cash settled share based payment charge of £2 072 000 (2009 £194 000) during the year as noted above The scheme awards units to employees which entitle them to receive a cash distribution linked to the appreciation in value of the Ipreo Holdings group when the ultimate controlling party VS&A Equities III LLC no longer controls more than 50% of the Ipreo Holdings group (referred to as the Realization Event) The increase in the charge compared with the prior year is due to the proximity of the Realization Event in 2011 and an increase in the estimated value of the Ipreo Holdings group based on bids received from potential purchasers at the year end

Revenue

Bigdough Capital Markets

Bigdough our CRM and communications platform for the capital markets community which now forms the principal part of our revenue has enjoyed continued and consistent growth of 7% (2009 8%) due to the increased sales focus on core products and continuing roll out of updated versions of the product

Investor Relations Services

Our UK corporate investor relations website business has also performed well increasing by 7% (2009 26%) reflecting to a certain extent the trend for information requirements by the market during difficult trading times

Profit

Profit for the continuing activities of the Group before interest tax depreciation and amortisation (EBITDA) decreased year on year from £4 5m to £1 6m despite solid revenue growth due principally to the cost of the cash settled share based payments as noted above

The group has no liability to UK taxation (2009 £nil) As at 31 December 2010 the group has UK tax trading losses available to carry forward against profits of the same trade of approximately £3 6m (2009 £4 4m)

Cash at the end of the year was £5m (at 31 December 2009 £1 9m)

Net cash outflow from operating activities for the year totalled £8 3m (2009 inflow of £5 8m), due to the increase in intercompany debtors from Ideal LLC as joint principal of the new loan facility with BMO

The Group's cash is invested in short term deposits and current accounts with the major banks and building societies The treasury strategy is controlled through a Treasury Committee comprising the Chief Executive Officer and the Chief Financial Officer and operates in accordance with the documented policies and procedures approved by the Board

The Group's financial instruments and financial risk management are disclosed in Note 14 to the financial statements

Future developments

Despite difficult trading conditions the business continues to grow reflecting the strength of our core product and continued innovation and evolution of it Investment in sales resources and the product is reflected in this growth and we expect the growth to continue at this modest pace for the foreseeable future

Post Balance Sheet Events

On 21 May 2011, VS&A Equities III LLC the ultimate controlling party of Hemscott Limited announced it had received a binding offer from KKR for the acquisition of Ipreo Holdings LLC and its susbidiaries including Hemscott Limited On 21 May 2011 VS&A Equities III LLC accepted the binding offer which was subject to the satisfaction of the conditions as laid out in the merger agreement These conditions have now been met and the deal was concluded on 5th August 2011

As a result of the acquisition certain restructuring of the Hemscott Limited group has taken place after the year end Hemscott Limited sold certain business assets and its investment in Hemscott Holdings Limited and other dormant subsidiaries to its wholly owned subsidiary Hemscott Americas Inc In consideration for this Hemscott Americas Inc issued vendor loan notes repayable in 2018 Hemscott Limited subsequently distributed the vendor loan notes to its immediate parent Centerpoint Data LLC

Bank financing

The group refinanced during 2010 repaying the loan with Wells Fargo in its entirety and entering into a new financing agreement with Bank of Montreal ("BMO") The details of this loan are disclosed in note 16 to the financial statements

On August 5th 2011, Kohlberg Kravis Roberts & Co L P ("KKR") completed its acquisition of Ipreo Holdings LLC ("Ipreo") As part of the financing of the acquisition Ipreo entered into a new $135 million senior secured credit facility (consisting of a $115 million term loan and a $20 million revolver) and issued $70 million of senior subordinated notes The revolver was undrawn at close Ipreo s previous BMO $70m credit facility was repaid as part of the KKR transaction

Financial and non-financial KPI's

The Group has always measured itself primarily on financial KPI's derived from the profit and loss cashflow and balance sheet which are commented on in this business review Another important KPI for the group is the level of deferred income which at 31 December 2010 was £7 5m (2009 £6 5m)

Employees

The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the group This is achieved through formal and informal meetings The Group operates an equal opportunities policy and is opposed to any form of less favourable treatment afforded on the grounds of for example disability, gender, race sexual orientation or religion

Research and development

The company continues to invest significantly in product development The combination of Hemscott, I-Deal and Marketpipe as part of the Ipreo group in 2006 has brought together a complimentary set of products designed to serve the investment community Research and development continues to be focused on integrating and further enhancing the products of the three companies as well as enhancing a number of back office systems

Directors' Report continued

Risks and uncertainties

There are risks and uncertainties relevant to the Group's business The factors listed below are among those that the Group thinks could cause the Groups actual results to differ materially from expected and historical results

Risk that R&D will not deliver commercially successful new products
Continued development of commercially viable new products is critical to the Group's ability to grow and stay ahead of the competition Developing new products is a costly, lengthy and uncertain process New products may appear promising in development but after significant investment may have limited commercial success

Third party competition
The Group operates in highly competitive businesses Significant product innovations technical advances or the intensification of price competition by competitors could adversely affect the Group s operating results

Reliance on information technology
The Group is dependent on information technology systems including Internet-based systems for internal communication and delivering products and services to customers Any significant disruption of these systems whether due to computer viruses or other outside incursions could materially and adversely affect the Group s operations

Exposure to foreign exchange fluctuations
The Group conducts a substantial portion of its operations outside the UK primarily in the US and Europe Fluctuations in exchange rates between Sterling and the US dollar / Euro could materially affect the Group's financial results

Accounting standards
New or revised accounting standards rules and interpretations promulgated from time to time by international standard setting boards could result in changes to the recognition of income and expense that may adversely impact the Group s reported financial results

Human resources
The Group has approximately 116 employees (2009 109 employees) in the UK and US Failure to continue to recruit and retain the right people and maintain a culture of compliance could have a significant adverse effect on the Group

Bank financing
The Ipreo group including Hemscott s US subsidiaries, are financed in part via a loan from BMO bank All US group companies are jointly and severably liable for the total amount of the debt Any breach of the associated banking covenants would result in the group being in default allowing the bank to seize control of the group s assets in order to try to recover the debt

In addition to the banking covenants the debt carries a variable rate of interest Any adverse movements in the rate could impact the results of the business

Directors

Gary Brian Dockray
Paul Lucas
Scott Ganeles

Directors' Indemnity
The company's Articles of Association provide subject to the provisions of UK legislation an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the company

Appropriate directors and officers liability insurance cover is in place in respect of all of the company's directors

Charitable and Political Donations

Charitable donations of £nil were made during the year (2009 £nil) No political donations were made during the year (2009 £nil)

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Directors' Report continued

Auditors

Each of the persons who is a director at the date of approval of this report confirm that

- so far as the director is aware there is no relevant audit information of which the Company's auditors are unaware and
- the director has taken all the steps that 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

By order of the Board

Paul Lucas

Director

Date 17 OCTOBER 2011

Independent auditors' report to the member of Hemscott Limited

We have audited the financial statements of Hemscott Limited for the year ended 31 December 2010 which comprise the Consolidated Profit and Loss Account the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet the Company s Balance Sheet the Consolidated Cash Flow Statement and related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors Responsibilities Statement set out on page 4 the directors are responsible for the preparation of 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) Those standards require us to comply with the Auditing Practices Board s (APB s) Ethical Standards for Auditors This report including our opinion has been prepared for and only for the company's member in accordance with chapter 3 of part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it in an auditors report and for no other purpose To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work for this report or for the opinions we have formed

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB s website at www frc org uk/apb/private cfm

Opinion on the financial statements

In our opinion the financial statements

give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group s loss for the year then ended

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and

have been properly prepared in accordance with the requirements of the Companies Act 2006

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion
adequate accounting records have not been kept by the parent company or returns adequate for our audit have not been received from branches not visited by us or
the parent company financial statements are not in agreement with the accounting records and returns or
certain disclosures of directors remuneration specified by law are not made or
we have not received all the information and explanations we require for our audit

Claire Larquetoux (Senior statutory auditor)
for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)
Tower Bridge House
St Katharine s way
London
E1W 1DD

17/10/11

Hemscott Limited

Consolidated profit and loss account

For the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Turnover	2	19 522	18 282
Operating expenses	3	(21 284)	(17 156)
Operating (loss)/ profit	6	(1,762)	1 126
Interest receivable and similar income	4	451	461
Interest payable and similar charges	5	(775)	(1,185)
(Loss)/ profit on ordinary activities before taxation		(2,086)	402
Tax charge on (loss) on ordinary activities	8	(1 107)	(1 757)
Retained loss for the financial year	19	(3 193)	(1 355)

All operations in the current financial year are continuing

Consolidated statement of total recognised gains and losses

For the year ended 31 December 2010

	2010 £'000	2009 £'000
Loss for the financial year	(3 193)	(1 355)
Currency translation difference on foreign currency net investments	(113)	(1,741)
Total losses recognised relating to the period and since last annual report and financial statements	(3 306)	(3 096)

Consolidated balance sheet

31 December 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Goodwill	9	10 709	13 073
Tangible assets	10	911	1 637
Investments	11	155	151
		11 775	14 861
Current Assets			
Debtors amounts falling due within one year	13	24 678	12 430
Debtors amounts falling due after one year	13	7 713	11 477
Cash at bank and in hand	14	4,959	1,939
		37,350	25 846
Creditors Amounts falling due within one year	15	(15 953)	(11 968)
Net current assets		21,397	13,878
Total assets less current liabilities		33,172	28,739
Creditors Amounts falling due after more than one year	16	(11 038)	(3,299)
		22 134	25 440
Capital and reserves			
Called up share capital	17	3 660	3 660
Capital redemption reserve	19	1,513	1 513
Other reserves	19	1 703	1 703
Profit and loss account	19	15,258	18,564
Shareholder's funds equity	19	22 134	25 440

The financial statements were approved by the board of directors on 17 OCTOBER 2011 and signed on its behalf by

Paul Lucas
Director

Hemscott Limited

Company balance sheet

31 December 2010

	Notes	2010 £ 000	2009 £000
Fixed Assets			
Investments	12	16,477	16,477
		16,477	16 477
Current assets			
Debtors - amounts falling due within one year	13	1 303	1 300
Debtors - amounts falling due after one year	13	159	159
Cash at bank and in hand	14	11	2
		1 473	1 461
Creditors Amounts falling due within one year	15	(2,613)	(2 233)
Net current liabilities		(1,140)	(772)
Total assets less current liabilities		15,337	15,705
Creditors Amounts falling due after more than one year	16	(273)	(273)
		15 064	15 432
Capital and Reserves			
Called up share capital	17	3 660	3 660
Capital redemption reserve	19	1 513	1 513
Other reserves	19	8 639	8 639
Profit and loss account	19	1,252	1,620
Shareholder's funds - equity	19	15 064	15 432

The financial statements were approved by the board of directors on 17 OCTOBER 2011 and signed on its behalf by

Paul Lucas
Director

Hemscott Limited

Consolidated cash flow statement

For the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Net cash (outflow)/ inflow from operating activities	21	**(9 010)**	5 838
Returns on investments and servicing of finance	22	**(344)**	93
Taxation	22	**(1,501)**	(2 606)
Capital expenditure and financial investments	22	**(330)**	(508)
Cash (outflow)/ inflow before management of liquid resources and financing		**(11 185)**	2 817
Financing	22	**14 155**	(2 315)
Increase in cash in the year	23	**2 970**	502

Notes to the Financial Statements
For the year ended 31 December 2010

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable law and Accounting Standards in the UK A summary of the principal accounting policies which have been applied consistently through the year and preceding year is set out below

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards The directors consider that the group is able to meet its liabilities as they fall due and the preparation of the accounts on a going concern basis is appropriate

Basis of consolidation
The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed Acquisitions are accounted for under the acquisition method

With effect from 15 August 2000, the company then named Bridgend Group plc became the legal parent company of Hemscott Holdings Limited and its subsidiary undertakings in a share for share transaction Due to the relative values of the companies reverse acquisition accounting was adopted as the basis of consolidation Bridgend Group plc was brought into the consolidation from 15 August 2000 the date of the reverse acquisition at fair values at that date and the reserves of the Group are based on the pre-combination reserves of the Hemscott Holdings Limited group

Turnover
Turnover the portion of invoicing that relates to the financial reporting period represents amounts receivable from customers for goods and services provided in the normal course of business, net of VAT and other sales-related taxes Sales under contracts covering future periods which are invoiced quarterly or annually in advance are deferred and credited to the profit and loss account over the period to which they relate

Goodwill
Goodwill arising on the acquisition of subsidiary undertakings and businesses representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life of ten years Provision is made for any impairment Goodwill arising on the reverse acquisition of Bridgend Group plc was written off to the profit and loss account in the year ended 31 December 2000

Tangible fixed assets
Tangible fixed assets are stated at cost net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows

- Short leasehold properties - over the term of the lease
- Computer equipment and software (including capitalised cost assets) - three years
- Fixtures and fittings - three years

Investments
Fixed asset investments are shown at cost less provision for any impairment

Taxation
UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the group s taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when on the basis of all available evidence it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Foreign currency

Transactions in foreign currency are recorded at the rate of exchange at the date of the transaction or if hedged at the forward contract rate Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange at that date These translation differences are dealt with in the profit and loss account

For consolidation purposes the profit and loss accounts of the foreign subsidiaries are translated into sterling at the average rate of exchange for the year and the balance sheets are translated into sterling at the closing rate of exchange and where applicable the difference arising from the translation of the opening net investment in subsidiaries at the closing rate is taken directly to reserves

Share based payments

Certain employees of the Company have access to cash settled share based payment transactions entered into by the Company's ultimate parent Under FRS20 "Share Based Payments", the cost of cash settled transactions should be measured at fair value using an appropriate pricing model The fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled During the vesting period a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date Changes in the carrying amount of the liability are recognised in the profit or loss for the period

In the opinion of the directors, the fair value cannot be reliably estimated using an appropriate pricing model due to the following factors
-the group is unlisted and the units are not freely traded so a market price cannot be reliably attained
-as the units are not traded the directors consider that volatility cannot be reliably measured
With these factors in mind, the company uses intrinsic value to value the units

Notes to the Fιnancιal Statements contιnued
For the year ended 31 December 2010

Leases

Assets obtaιned under finance leases and hιre purchase contracts are capιtalised at theιr faιr value on acquιsιtιon and deprecιated over theιr estιmated useful lιves The finance charges are allocated over the penod of the lease ιn proportιon to the capιtal element outstandιng

Rentals under operatιng leases are charged on a straιght lιne basιs over the lease term even ιf the payments are not made on such a basιs Benefits receιved or receιvable as an ιncentιve to sιgn an operatιng lease are sιmιlarly spread on a straιght line basιs over the lease term, except where the penod to the review date on whιch the rent ιs first expected to be adjusted to the prevaιlιng market rate ιs shorter than the full lease term ιn whιch case the shorter penod ιs used

Development costs

Desιgn and content development costs are capιtalised to the extent that they lead to the creatιon of an endunng asset whιch delιvers benefits at least as great as the amount capιtalιsed If there ιs ιnsufficιent evιdence upon whιch to base reasonable estιmates of the economιc benefits that wιll be generated ιn the penod untιl the desιgn and content are next updated the costs of developιng the desιgn and content are charged to the profit and loss account as ιncurred

Amortιsatιon ιs provιded on capιtalιsed costs at rates calculated to wnte off the capιtalιsed cost of the assets evenly over the useful lιfe of 3 years

Presentation of company profit and loss
As permιtted under Sectιon 408 of the Companιes Act 2006, the company has not presented ιts own profit and loss account whιch ιs presented to the board and approved at the date of sιgnιng these accounts

2 Segmental reporting

	2010 £'000	2009 £ 000
Busιness ιnformatιon	19,522	18 282
	19,522	18 282

	2010	2009
Geographical segments	£'000	£'000
Turnover by origin		
Europe	2,943	2 293
North Amenca	16,579	15 989
	19,522	18 282
(Loss)/Profit before taxation		
Unιted Kιngdom	(1,182)	(1 793)
North Amenca	(904)	2 195
Rest of World	-	-
	(2,086)	402
Net assets		
Unιted Kιngdom	23,276	25 833
North Amenca	(1,142)	(393)
	22,134	25 440

The turnover by destιnatιon ιs not matenally dιfferent to that by ongιn

3 Operating expenses

	2010 £ 000	2009 £ 000
Staff costs (note 7)	9,315	6 410
Other external charges	8,586	7 302
Deprecιatιon and amortιsatιon	3,383	3 444
	21,284	17 156

4 Interest receivable and similar income

	2010 £ 000	2009 £'000
Bank ιnterest receιvable		10
Interest on ιntercompany loan	431	451
Foreιgn exchange gaιn	20	-
	451	461

5 Interest payable and similar charges

	2010 £'000	2009 £'000
Loan ιnterest payable	775	368
Foreιgn exchange loss	-	817
	775	1 185

Notes to the Financial Statements continued

For the year ended 31 December 2010

6 Operating (loss)/ profit

Operating (loss)/ profit is stated after charging		2010 £'000	2009 £'000
Depreciation on owned assets and capitalised development costs	note 10	1 105	1 166
Amortisation of goodwill	note 9	2,278	2,278
Operating lease rentals-land and buildings		181	181
Fees paid to Mazars LLP for the audit of the group and company financial statements		17	15
Fees paid to Mazars LLP for the audit of subsidiaries pursuant to legislation		57	15

7 Staff costs and directors remuneration

The average monthly number of employees (including executive directors) was	2010 number	2009 number
Sales and marketing	40	33
Content and editorial	39	41
Product Development	3	1
Information technology	16	16
Administration	18	18
	116	109

Staff costs (including executive directors)	2010 £'000	2009 £'000
Wages and salaries	6 480	5 674
Social security costs	544	467
Other pension costs	219	75
Other share based compensation	2,072	194
	9 315	6 410

The directors of the company are also directors of other entities in the wider Ipreo group and their emoluments are disclosed in the financial statements of those entities as appropriate It is not practical to allocate the amount paid to the directors for their services as directors of this company

8 Taxation

(a) Analysis of charge in the period

Current Tax	2010 £'000	2009 £'000
UK corporation tax on profits for the period		
Overseas corporation tax charge	1,734	1,988
Current tax charge for period (see (b) below)	1,734	1,988
Deferred Tax		
Origination and reversal of temporary differences	(627)	(231)
Total deferred tax	(627)	(231)
Tax charge on (loss)/ profit on ordinary activities	1 107	1 757

(b) Factors affecting tax charge for the year

The tax assessment for the period is higher than the standard rate in the UK (28 per cent) The differences are explained below -	2010 £000	2009 £000
(Loss)/ profit on ordinary activities before taxation	(2 086)	402
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(584)	114
Effects of		
Expenses not deductible for tax purposes	469	96
Non taxable income		(67)
Amortisation of goodwill on consolidation	638	638
Consolidation adjustment re internally generated goodwill	(51)	(52)
Depreciation/ amortisation in excess of capital allowances	12	132
Other temporary differences	433	95
UK group relief claimed for no payment	48	-
Creation of UK tax losses not recognised	(11)	
Rate differences	436	592
Utilisation of US tax losses not recognised		440
Prior year under/ over provision	344	
Current tax charge for the year	1 734	1 988

Notes to the Financial Statements continued
For the year ended 31 December 2010

(c) Deferred tax

	2010	2009
The deferred tax included in the balance sheet is as follows	£000	£000
Included in debtors-amounts falling due within one year	501	111
Included in debtors-amounts falling due after more than one year		-
Included in creditors-amounts falling due within one year	(319)	(541)
Total recognised deferred tax asset/ (liability)	182	(430)
Accelerated capital allowances	(325)	(534)
Losses carried forward		
Other temporary differences	507	104
Total recognised deferred tax asset/ (liability)	182	(430)
Deferred tax liability at the start of the year	(430)	(723)
Exchange difference	(15)	62
Deferred tax credit for the year	627	231
Total recognised deferred tax asset/ (liability)	182	(430)
The amount of unprovided deferred tax is disclosed below		
Accelerated depreciation	80	28
Other temporary differences	27	27
Losses carried forward	979	1 223
Capital losses carried forward	988	1,025
Total unrecognised deferred tax asset	2,074	2 303

UK As a result of UK losses in the current and prior year the group has no liability to UK taxation (2009 nil) As at 31 December 2010 the group has UK tax trading losses available to carry forward against profits of the same trade of approximately £3 6m (2009 £4 4m) A deferred tax asset of £2 1m (2009 £2 3m) has not been recognised in these accounts due to uncertainty concerning future profitability

A resolution was passed by Parliament on 29 March 2011 to reduce the corporation tax rate to 26% from 1 April 2011 However as this charge was not substantively enacted by the Balance Sheet date the 26% rate has not been reflected in these accounts Instead deferred tax has been provided at the rate of 27% which had been previously enacted to apply from 1 April 2011

Further reductions to the corporation tax rates have been proposed in the March 2011 UK Finance Budget, to reduce the corporation tax rate by 1% per annum to 23% by 1 April 2014 However as none of these further reduced rates were substantively enacted by the Balance Sheet, they are not included in these accounts either

Overseas The deferred tax has been recognised at the prevailing overseas tax rate of approximately 40% and therefore a net deferred tax asset of £182k (2009 DTL of £430k) has been included in the balance sheet

9 Goodwill

	2010
	£'000
Cost	
At 1 January 2010	26 705
Exchange adjustment	791
At 31 December 2010	27,496
Amortisation	
At 1 January 2010	13 632
Charge for the year	2 278
Exchange adjustments	877
At 31 December 2010	16,787
Net book value at 31 December 2010	10 709
Net book value at 31 December 2009	13 073

10 Tangible fixed assets

Group	Short leasehold property £'000	Computer Equipment and Software £'000	Fixtures and Fittings £'000	Total £'000
Cost				
At 1 January 2010	321	4 868	99	5 288
Additions	10	320		330
Exchange adjustments	2	199	8	209
At 31 December 2010	333	5,387	107	5,827
Depreciation				
At 1 January 2010	250	3 295	106	3 651
Charge for the year	58	1 043	4	1 105
Exchange adjustments	2	151	7	160
At 31 December 2010	310	4,489	117	4,916
Net book value at 31 December 2010	23	898	(10)	911
Net book value At 31 December 2009	71	1,573	(7)	1,637

Company

The company does not have any fixed assets

Notes to the Financial Statements continued
For the year ended 31 December 2010

11 Investments

	Country of Incorporation	Principal activity	Holding %
Subsidiary undertakings			
Hemscott Holdings Ltd	England and Wales	Sales agent	100
Hemscott Americas Inc	United States of America	Holding company	100
Hemscott Investment Analysis Ltd **	England and Wales	Dormant	100
bigdough com inc ***	United States of America	Sale of Customer Relationship systems to capital markets and corporate investor relations	100
Other investments			
Centerpoint Data LLC ****	United States of America	Holding company	

* Wholly owned subsidiary of Hemscott Ltd
** Indirectly held by Hemscott Ltd wholly owned subsidiary of Hemscott Holdings Ltd
*** Indirectly held by Hemscott Ltd wholly owned subsidiary of Hemscott Americas Inc
**** Parent of Hemscott Ltd

Group fixed asset investments	Total £'000
Cost	
At 1 January 2010	151
Exchange adjustments	4
At 31 December 2010	**155**
Provision for impairment	
At 1 January 2010 and 31 December 2010	-
Net book value at 31 December 2010	**155**
Net book value At 31 December 2009	151

12 Company fixed asset investments

	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
Cost			
At 1 January and 31 December 2010	**14,608**	**19,300**	**33,908**
Provision for impairment			
At 1 January and 31 December 2010	**(632)**	**(16,799)**	**(17,431)**
Net book value at 31 December 2010	**13 976**	**2 501**	**16 477**
Net book value at 31 December 2009	13,976	2,501	16,477

13 Debtors

	Group		Company	
Amounts falling due within one year	**2010 £'000**	2009 £'000	**2010 £'000**	2009 £'000
Amounts owed by group companies	**19 439**	8 012	**1 178**	1 177
Trade debtors	**3 084**	2 791		
Deferred taxation	**501**	111		
Corporation tax	**784**	617		9
Other taxation and social security			**23**	14
Other debtors	**168**	136		
Prepayments and accrued income	**702**	563	**102**	100
	24 678	12 430	**1 303**	1 300

	Group		Company	
Amounts falling due after more than one year	**2010 £'000**	2009 £'000	**2010 £'000**	2009 £'000
Amounts owed by group companies	**7 112**	11 302		
Deferred financing cost	**425**			
Other debtors	**176**	175	**159**	159
	7 713	11 477	**159**	159

Notes to the Financial Statements continued

For the year ended 31 December 2010

14 Financial Instruments

	Group		Company	
	2010	2009	2010	2009
Cash	£'000	£'000	£'000	£'000
Sterling	714	312	11	2
US Dollar	4,245	1,627		
Total	4 959	1 939	11	2

Debtors amounts falling due within one year				
Sterling	9 031	7 746	1 303	1 300
US Dollar	15,920	4,684		
Total	24 951	12 430	1 303	1 300

Creditors amounts falling due within one year				
Sterling	535	541	2 613	2,233
US Dollar	15,418	11,427		
Total	15,953	11 968	2 613	2,233

The Group has no financial assets other than cash balances of £4 959 000 for the group and £11 000 for the company (2009 £1 939 000 for the group and £2 000 for the company) that are part of the financial arrangements of the Group The Sterling and US dollar deposits are placed on money market at call, 7-Day and monthly floating rates There are no fixed rate financial assets

The Group and company does not enter into derivative transactions and does not trade in financial instruments The fair value of the groups financial assets are equal to their book values

15 Creditors Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
Other creditors	£'000	£'000	£'000	£'000
Trade creditors	144	97	63	10
Amounts owed to related undertakings	3 964	2 955		-
Amounts owed to group undertakings			2 480	2 114
Deferred taxation	319	541		
Current corporation tax	187			
Other taxation and social security	74	74		-
Bank loans and overdrafts	2,800	908		
Other creditors	90	106		
Accruals and deferred income	8,375	7,287	70	109
	15 953	11 968	2 613	2 233

16 Creditors Amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Bank loan	11 019	3 281		
Other creditors	19	18		
Amounts owed to group undertakings	-		273	273
	11 038	3,299	273	273

Bank loan

In May 2010 the company's US subsidiaries Hemscott Americas Inc Hemscott, Inc Bigdough com inc Corporate Fundamentals Inc together with other Ipreo group companies I-Deal Merger Sub LLC and I-Deal LLC (collectively known as "The Borrowers") jointly refinanced the original bank debt and entered into a new $70 million credit facility (the Credit Agreement)with Bank of Montreal as the Administrative Agent and Suntrust Bank as the Syndication Agent. The Credit Agreement is comprised of a $50m term loan (the "Term Loan and a $20 million revolving credit facility (the "Revolver") The proceeds from the new credit facility were used to repay the existing indebtedness of the Borrowers The Revolver includes a $3 million sublimit for the issuance of Standby Letters of Credit and a $2 million sublimit for a Swingline facility There was no outstanding borrowing under the Revolver as of December 31 2010 The Credit Agreement also provides the Borrowers the right to request incremental term loans of up to $50 000 000 (minimum increment of $10 000 000 and $5 000 000 additional increments) in order to fund permitted acquisitions and provide working capital

The Term Loan and any outstanding borrowings under the Revolver bear interest at the option of the Borrowers at either the base rate plus the applicable margin or at the adjusted Eurodollar (LIBOR) rate plus the applicable margin all as defined in the Credit Agreement. The unused portion of the Revolver and issued letter of credit are subject to a 5% commitment fee and 375% fronting fee respectively In the event of a default of the terms of the Credit Agreement, all outstanding borrowings and fees are subject to a 2% incremental rate of interest. At December 31 2010 the Term Loan bore interest at 4 26% Interest expense including fees related to the available Revolver and letters of credit for the year ended December 31 2010 amounted to approximately $728 000 for the Hemscott Limited group The Term Loan is due and payable in quarterly instalments through maturity on May 21 2014 with a balloon payment in the amount of $25 6215 000 due on that date ($12 375 000 due for repayment by the Hemscott Limited Group).

The scheduled annual maturities at December 31 2010 of the Term Loan are as follows (in $000's)

Year Ending December 31	Term Loan
2011	9 625
2012	6 875
2013	7 500
2014	23,500

Ipreo Holdings LLC is required to make within 130 days after the end of each calendar year certain mandatory prepayments to the value of $4m, resultant from excess cash flow generated as defined pursuant to the Credit Agreement. Voluntary prepayments of at least $250k may be made at the option of the Company

The loan is subject to certain performance based and other restrictive covenants including limitations on indebtedness investments and acquisitions mergers and dispositions the purchase and dispositions of assets and distributions and payments to members as defined in the Credit Agreement.

The facilities are secured by way of charges and pledges over the assets and shares of the direct borrowers I-Deal, bigdough and Ipreo Vision, and is guaranteed by Ipreo Holdings LLC and the Company's foreign subsidiaries of which Hemscott Limited is the parent company

	Group		Company	
	2010	2009	2010	2009
Borrowings are repayable as follows	£'000	£'000	£'000	£'000
Between one and two years	2 800	1 026	273	273
Between two and five years	8 219	2 255		
After five years				
	11 019	3 281	273	273

On August 5th 2011 Kohlberg Kravis Roberts & Co L P ("KKR") completed its acquisition of Ipreo Holdings LLC ("Ipreo") As part of the financing of the acquisition, Ipreo entered into a new $135 million senior secured credit facility (consisting of a $115 million term loan and a $20 million revolver) and issued $70 million of senior subordinated notes The revolver was undrawn at close Ipreo's previous $70m credit facility was repaid as part of the KKR transaction

17 Called-up share capital	2010	2009
	£'000	£'000
Authorised		
139 637 410 ordinary shares of 5p each (2009 139 637 410)	6 982	6 982
Allotted called-up and fully-paid		
73 193 766 ordinary shares of 5p each (2009 73 193 766)	3 660	3 660

Notes to the Financial Statements continued
For the year ended 31 December 2010

18 Share based payments
Description of plan

Employees of the Group have been granted units in HID Management LLP a limited liability partnership holding interests in the ultimate parent company of the group Ipreo Holdings LLC These units entitle the employees to receive a cash distribution based on the appreciation in value of the group when the ultimate controlling party VS&A Equities III LLC no longer controls more than 50% of the group (referred to as the 'Realization Event') The units vest 50% based on years of service (over a 5 year period) 'the service units and 50% after the realization event depending on the internal rate of return achieved, 'the performance units Employees whose employment is terminated prior to a realization event forfeit their unvested units

Details of units in issue

The following table illustrates the number and weighted average exercise price of the outstanding units

	No. of units	Weighted average exercise price
Outstanding at 1 January 2010	3 691 285	9 75p
Granted in the year	46,000	67 6p
Units forfeited/ cancelled	(29,266)	
Outstanding at 31 December 2010	**3,708 019**	

No units were exercisable at 31 December 2010 The weighted average remaining contractual life of the units is 0 5 years The exercise price is deemed equal to the fair value on issue

Determination of intrinsic value

The Group has accounted for the share based payment expense using intrinsic value At 31 December 2009 none of the performance based vesting criteria was considered to have been achieved due to the uncertainty of the timing of any Realization Event, and the expense in the prior year was determined only based on the vested portion of the service units At 31 December 2010 a Realization Event was considered probable due to the anticipated sale of the group in 2011 As such, for the year ending 31 December 2010 the Company has recorded an expense related to the vested portion of both the service and performance units

The Group has calculated the intrinsic value of the units that have vested at the year end based on the difference between the estimated consideration to be received for the Ipreo Holdings group at the date of the Realization Event, and the value of the Ipreo Holdings group when VS&A Equities III LLC first acquired a controlling share The intrinsic value of the performance units also takes into account the internal rate of return expected to be achieved when the Realization Event takes place in 2011

	Unit value	Expense £'000
At 1 January 2010	9 75p	194
At 31 December 2010	67 6p	2 072

In 2010 a charge of £1 166K (2009 £194k) was recognised in relation to the vesting of service units during the year and a charge of £906k (2009 £nil) was recognised in relation to performance units considered to be vested at year end The total expense for the period was therefore £2,072k (2009 £194k)

19 Movement in shareholder's funds

Group	Share capital £'000	Capital redemption reserve £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 January 2010	3 660	1 513	1 703	18 564	25 440
Currency translation differences on foreign currency net investments				(113)	(113)
Retained loss for year				(3 193)	(3 193)
At 31 December 2010	**3,660**	**1,513**	**1,703**	**15,258**	**22,134**

Other reserves are made up of a merger reserve of £169 000 and a special reserve of £1 534 000 relating to the share capital reduction which took place on 15 August 2000

Company	Share capital £'000	Capital redemption reserve £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 January 2010	3 660	1 513	8 639	1 620	15 432
Retained loss for year				(368)	(368)
At 31 December 2010	**3,660**	**1 513**	**8,639**	**1,252**	**15,064**

Other reserves are made up of a merger reserve of £7 105 000 and a special reserve of £1 534 000 relating to the share capital reduction which took place on 15 August 2000

As permitted under Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account.

20 Reconciliation of movements in group shareholder's funds

	2010 £'000	2009 £'000
Loss for the financial year	(3 193)	(1 355)
Other recognised gains and losses relating to the year (net)	(113)	(1,741)
Net addition to shareholder's funds	(3,306)	(3 096)
Opening shareholder's funds	25,440	28,536
Closing shareholder's funds	**22,134**	25 440

21 Reconciliation of operating loss to operating cash flows

	2010 £'000	2009 £'000
Operating (loss)/ profit	(1 782)	1 126
Depreciation and asset disposals	1 105	1 168
Amortisation	2,278	2,278
Increase in debtors	(12,541)	2,020
Increase in creditors	1,910	(752)
Net cash (outflow)/ inflow from operating activities	**(9,010)**	5 838

22 Analysis of cash flows

	2010 £'000	2009 £'000
Returns on investments and servicing of finance		
External interest received		10
Interest element of related party loan	431	451
Interest element of external loan	(775)	(368)
Interest paid	(344)	93
Taxation		
UK corporation tax paid		(738)
Foreign tax paid	(1,501)	(1,868)
Net cash outflow	(1,501)	(2,606)
Capital expenditure and financial investment		
Purchase of tangible fixed assets and development costs capitalised	(330)	(506)
Net cash outflow	(330)	(506)

Notes to the Financial Statements continued

For the year ended 31 December 2010

	2010	2009
	£'000	£'000
Financing		
Repayment of existing external loan	(4,189)	(2,315)
New loan	13 819	
Reduction in related party loan raised	4,525	
Net cash inflow/ (outflow)	14,155	(2,315)

23 Analysis and reconciliation of movement in net debt

	1 January 2010 £'000	Cash flow £'000	Exchange movements £'000	31 December 2010 £'000
Cash in hand at bank	1 939	2,970	50	4,959
Overdrafts		-		
	1 939	2,970	50	4,959
External loan	(908)	(1 892)		(2,800)
Related party loan	11 302	(4 525)	335	7 112
Debt due after one year	(3,281)	(7,738)		(11,019)
Net debt	8 052	(11 165)	385	(1,748)

	2010	2009
	£'000	£'000
Increase in cash in the year	2,970	502
Increase in net funds resulting from cash flows	2,970	502
External bank loan (Wells Fargo) repaid	4 189	2,315
External bank loan BMO raised	(13,819)	
Related party loan reduced	(4,525)	
Translation difference	385	(1,021)
(Increase)/ decrease in net debt in the year	(10,800)	1 796
Net deficit brought forward	9,052	7,256
Net deficit carried forward	(1 748)	9 052

24 Financial commitments

	2010	2009
	Land and buildings	Land and buildings
Group	£'000	£'000
Expiry date		
within one year		
between two and five years	432	435
after five years		
	432	435

25 Guarantees

Hemscott Limited has guaranteed against the non payment of rent amounting to £19 428 per annum for a property leased by a subsidiary This guarantee was made by Bridgend Group plc prior to the reverse acquisition which occurred in August 2000

Hemscott's US subsidiaries have pledged 100% of their issued share capital to BMO Bank all pledges being security for the bank financing provided by BMO Bank to Hemscott's US subsidiaries and other parties pursuant to a credit agreement dated May 2010

26 Related party transactions

Name of connected party	Description of transaction during the year	Movement during 2009 £'000	Movement during 2010 £'000	From/(to) at 31 December 2010 £'000	From/(to) at 31 December 2009 £'000
Ipreo Holdings LLC	Expense of the share based compensation plan.	(194)	(2,072)	(2,422)	(484)
	Transactions in the ordinary course of business	(160)	134		
Centerpoint Data LLC	FX movement on intercompany balance	149	(44)	(1 542)	(1 498)
I-Deal LLC	Interest and capital repayment of Wells Fargo loan	(1 533)	(4 391)	8 521	(972)
	Creation of new loan with BMO via ideal LLC		14 546		
	Deferred financing cost of loan with BMO		(807)		
	Repayment of Escrow	(1 100)			
	Transactions in the ordinary course of business	(1 381)	(55)		
Ipreo Limited	Transactions in the ordinary course of business	1 272	1 868	3 872	2,004
Marketpipe Limited	Transactions in the ordinary course of business	1 023	(1 853)	444	2,297
Ipreo Capitalbridge Limited	Transactions in the ordinary course of business	1 511	1 341	3 849	2,508
Ipreo Vision LLC	Transactions in the ordinary course of business	1 203	1 541	2,752	1 203
	FX movement on intercompany balance		8		

27 Controlling party

VS&A Equities III LLC the ultimate controlling party of Ipreo Holdings LLC and its subsidiaries including Hemscott Limited received a binding offer from KKR (Krohlberg Kravis Roberts & Co) for the acquisition of Ipreo Holdings LLC and its subsidiaries The conditions of the binding offer have now been completed and ownership of Ipreo Holdings LLC and its subsidiaries has passed in entirety on 5th August 2011 to KKR KKR is publicly traded on the New York Stock Exchange

Ipreo Holdings LLC is registered in the United States of America with its registered offices located at 2711 Centreville Road Suite 400 Wilmington, New Castle County Delaware 19808 United States of America

No other group accounts are drawn up

28 Post Balance Sheet Events

On 21 May 2011 VS&A Equities III LLC the ultimate controlling party of Hemscott Limited announced it had received a binding offer from KKR for the acquisition of Ipreo Holdings LLC and its subsidiaries including Hemscott Limited On 21 May 2011 VS&A Equities III LLC accepted the binding offer which was subject to the satisfaction of the conditions as laid out in the merger agreement. These conditions have now been met and the deal was concluded on 5th August 2011

As a result of the acquisition, certain restructuring of the Hemscott Limited group has taken place after the year end Hemscott Limited sold certain business assets and its investment in Hemscott Holdings Limited and other dormant subsidiaries to its wholly owned subsidiary Hemscott Americas Inc In consideration for this Hemscott Americas Inc issued vendor loan notes repayable in 2018 Hemscott Limited subsequently distributed the vendor loan notes to its immediate parent, Centerpoint Data LLC

On August 5th 2011 Kohlberg Kravis Roberts & Co L P ("KKR") completed its acquisition of Ipreo Holdings LLC ("Ipreo") As part of the financing of the acquisition, Ipreo entered into a new $135 million senior secured credit facility (consisting of a $115 million term loan and a $20 million revolver) and issued $70 million of senior subordinated notes The revolver was undrawn at close Ipreo s previous $70m credit facility was repaid as part of the KKR transaction