

Registration No. 01879480

Registered Office:

**Ninth Floor, Ten Bishops Square,
London E1 6EG, United Kingdom**

INVESTMENT PROPERTY DATABANK LIMITED

Annual Report and Financial Statements

For the year ended

31 December 2022

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INVESTMENT PROPERTY DATABANK LIMITED

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INVESTMENT PROPERTY DATABANK LIMITED

STRATEGIC REPORT

The Directors present the Strategic Report for Investment Property Databank Limited (the “Company”) for the year ended 31 December 2022 and in doing so have complied with section 414c of the Companies Act 2006.

The financial statements of the Company for the year ended 31 December 2022 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

REVIEW OF THE BUSINESS

The principal activity of the Company is that of a collector and compiler of statistics, data and analysis relating to real estate investment and management. The Company provides real estate sector performance analytics, including research, reporting, benchmarking and indices, for funds, investors, managers and lenders in the real estate industry. The Company is based in London.

The Company's immediate parent undertaking is IPD Group Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Company's ultimate parent undertaking and controlling party is MSCI Inc., a company incorporated in the United States of America. The Company's results are consolidated within the results of the MSCI Inc. Group (the “Group”).

The Company acts as the entrepreneur of the Group's legacy IPD Real Assets business. All legacy IPD Real Assets companies outside the United Kingdom earn a fixed operating margin with either expense or income being transferred to the Company.

The Statement of Comprehensive Income is set out on page 11. The Company has recorded a profit before taxation of £9,332k (2021: £8,268k).

Revenue has increased in 2022 by £2,304k, or 12.7%, to £20,508k (2021: £18,204k) as a result of higher recurring revenues. Operating expenses have increased by £2,295k, or 9.3%, to £27,054k (2021: £24,759k). Other operating income has increased by £671k, or 4.5%, to £15,722k (2021: £15,051k) due to an increase in intercompany income received from affiliated companies.

The Company has recorded a tax charge for the year of £37k (2021: £35k credit) and a profit for the financial year after tax of £9,295k (2021: £8,303k).

The Statement of Financial Position is set out on page 12 and shows the net assets of the Company at 31 December 2022 are £1,785k (2021: £7,510k liability). Cash and cash equivalents have increased from £3,071k at 31 December 2021 to £3,491k at 31 December 2022, primarily as a result of cash receipts from clients in respect of invoiced services.

On 7 June 2021, the Company acquired a minority ownership interest in Income Analytics Limited, a UK registered company offering tenant income risk data analytics that helps commercial real estate investors and lenders manage risks associated with their future rental income. On 20 January 2022, the Board of Income Analytics Limited resolved to reallocate certain shares held by an investor to the other shareholders for a nominal consideration of £0.01 per share. The ownership interest of the Company in Income Analytics Limited increased as a result of this reallocation. The increase in ownership interest is recognised at cost value and does not change the classification of the investment as a basic financial instrument.

Both the level of business during the year and the financial position at the end of the year were satisfactory. No significant change in the Company's principal business activity has taken place in 2022 and no significant changes in the Company's principal business activity are expected in the future.

KEY PERFORMANCE INDICATORS

The performance of the Company is included in the results of the MSCI Inc. Group which are discussed in the Group's Annual Report on Form 10-K to the United States Securities and Exchange Commission. The Group manages its key performance indicators on a global basis. For these reasons, the Company's Directors believe that providing performance indicators for the Company itself would not enhance an understanding of the development, performance or position of the business of the Company.

INVESTMENT PROPERTY DATABANK LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management objectives and policies

Risk is an inherent part of the Company's business activity and is managed within the context of the broader Group's business activities. The Group seeks to identify, assess, monitor and manage each of the various types of risk involved in its activities, in accordance with defined policies and procedures. A detailed assessment of the risk factors considered by the Group is provided in the Group's Annual Report on Form 10-K to the United States Securities and Exchange Commission.

Market and foreign exchange risk

The Group's Real Estate business is a market leader in the provision of investment analytic tools to the real estate industry. By focusing on sales growth with the development of new products and high retention rates of existing clients with a stable production platform and breadth of product coverage, the Company seeks to minimise potential adverse effects on its performance arising from negative market factors.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency. The Company operates internationally and is exposed to some foreign exchange risk arising from currency exposures, primarily with respect to transactions in the US Dollar and the Euro. Foreign exchange risk is managed by a central Group treasury function, responsible for identifying, evaluating and hedging financial risks in close co-operation with the Group's operating units.

Price risk

Competition exists across all markets for MSCI Real Estate products and services. Some competitors may offer price incentives or different pricing structures that are more attractive to clients. The Group may experience pressures to reduce fees on account of financial and budgetary pressures affecting the clients, including those resulting from weak or volatile economic or market conditions, may lead certain clients to reduce their overall spending on our products or services, including by seeking similar products or services at a lower cost than what the Group is able to provide, by consolidating their spending with fewer providers, by consolidating with other clients or by self-sourcing certain of their informational and analytical needs. Accordingly, competitive and market pressures may result in fewer clients or reduced sales.

To remain competitive, the Group continually introduces new products and services, enhances existing products and services, including through integration of products and services within the MSCI Group and with third-party platforms, and effectively generates customer demand for new and upgraded products and services.

Credit risk

Credit risk refers to the risk of loss arising from borrower or counterparty default when a borrower, counterparty or obligor is unable to meet its financial obligations.

The Group manages credit risk exposure in consideration of each individual legal entity, but on a global basis, by ensuring transparency of material credit risks, ensuring compliance with established limits, approving material extensions of credit, and escalating risk concentrations to appropriate senior management.

Liquidity and cash flow risk

The Group's senior management establishes the overall liquidity and capital policies of the Group. The Group's liquidity and funding risk management policies are designed to mitigate the potential risk that the Group and the Company may be unable to access adequate financing to service its financial obligations when they fall due without material, adverse franchise or business impact. The key objectives of the liquidity and funding risk management framework are to support the successful execution of the Group's and the Company's business strategies while ensuring ongoing and sufficient liquidity through the business cycle and during periods of financial distress.

INVESTMENT PROPERTY DATABANK LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Brexit

The United Kingdom (“UK”) exited the European Union (“EU”) on 31 January 2020 (commonly referred to as “Brexit”) and the UK’s membership in the EU single market ended on 31 December 2020. On 24 December 2020, the UK and the EU announced that they had agreed a new bilateral trade and cooperation framework governing the future relationship between the UK and the EU (the “EU-UK Trade and Cooperation Agreement”) which was formally approved by the 27 member states of the EU on 29 December 2020. In March 2021, the UK and EU agreed on a framework for voluntary regulatory cooperation and dialogue on financial services issues between them in a Memorandum of Understanding (the “MOU”), which is expected to be signed after formal steps are completed although this has not yet occurred. There remain uncertainties related to Brexit and the new relationship between the UK and EU that will continue to be developed and defined, as well as uncertainties related to the wider trading, legal, regulatory, tax and labor environments, and the resulting impact on our business and that of our clients. Because we have significant operations in the EU, any of these uncertainties could increase our costs of doing business, or in some cases, affect our ability to do business, which could have a material adverse effect on our business, financial condition or results of operations.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

The Board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its member as a whole (having regard to the stakeholders and matters set out in s172(1)(a) of the Act) in the decisions taken during the year ended 31 December 2022.

As an undertaking of the MSCI Inc. Group, the Company is guided by the same principles and practices which are outlined in the corporate responsibility policy of MSCI Inc., and which is embodied in five pillars: Our Purpose, Our People, Our Integrity, Our Communities and Our Environment. Our commitment to these principles and how we achieve them is detailed in the Annual Report of MSCI Inc. and at the following dedicated website:

<https://www.msci.com/corporate-responsibility>

FUTURE DEVELOPMENTS

The Directors believe the Company is well-positioned for growth over time and has a growth strategy that will build on its strong client relationships, products and brands. There are opportunities to increase revenue as the real estate asset class represents a growing area of focus within global investment mandates. Developments in the Company’s client interface platform, providing additional analytical tools and customisation capabilities to clients, are expected to help drive sales growth and support client retention, while the Company also seeks to drive growth by expanding its sales efforts and by maintaining a certain level of investment in industry specific marketing events.

The Directors expect the level of the Company’s activity to increase moderately in the forthcoming year.


INVESTMENT PROPERTY DATABANK LIMITED

STRATEGIC REPORT (CONTINUED)

POST BALANCE SHEET EVENTS

On 30 January 2023, the Company acquired additional 284 shares in Income Analytics Limited for £150k increasing the Company's ownership interest. The increase in ownership interest is recognised at cost value and does not change the classification of the investment as a basic financial instrument.

This Strategic Report is approved by the Board on 13 September 2023 and signed on its behalf by


Jonathan Procter (Sep 13, 2023 19:42 GMT+2)

J M Procter

Director

Ninth Floor,
Ten Bishops Square,
London E1 6EG
United Kingdom

INVESTMENT PROPERTY DATABANK LIMITED

DIRECTORS' REPORT

The Directors present their report and audited financial statements on the affairs of the Company for the year ended 31 December 2022.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report beginning on page 1 and form part of this report by cross-reference.

DIVIDENDS

No dividends (2021: nil) were declared or paid during the year. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: £nil).

GOING CONCERN

At 31 December 2022 the Company has £3,491k (2021: £3,071k) in cash and cash equivalents and net current assets of £1,135k (2021: £8,160k net current liabilities). MSCI Limited has provided a letter of support to the Company effective for a 12-month period from the date of signature of the Annual Report and Financial Statements. The Company has recorded an increased profit for the year and is expected to remain profitable in the future as the Company and the other Group companies licensing MSCI Real Assets products continue to grow revenue at a rate in excess of expenses. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

DIRECTORS

The following Directors of the Company were in office during the year and up to the date of signing the financial statements, unless otherwise noted:

C D B Pettit
J M Procter
G Corney

DIRECTORS' INDEMNITIES

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the financial year and remain in force at the date of approval of the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Risks as identified in relation to the Company's operations are managed as described in the Strategic Report beginning on page 1 and form part of this report by cross-reference.

INVESTMENT PROPERTY DATABANK LIMITED

DIRECTORS' REPORT (CONTINUED)

EMPLOYEES

Both the Company and the Group place considerable value on the investment in their employees and have continued their practice of keeping employees informed on matters affecting them. Employees are encouraged to present their suggestions and views on the Group's performance to management and employees participate directly in the success of the business through both the Company's and the Group's various compensation incentive plans.

Every effort is also made to ensure that disabled applicants, or those existing employees that are disabled or may have become disabled, are treated as fairly as possible on terms comparable with those of other employees. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

STATEMENT OF DISCLOSURES IN RESPECT OF AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms 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/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP was appointed as the Company's auditors for the year ended 31 December 2022 and has indicated its willingness to continue in office as auditors of the Company and under Sections 485 to 488 of the CA 2006 will be deemed to be reappointed.

This report and the financial statements on pages 11 to 25 were approved by the Board of Directors on 13 September 2023 and signed on its behalf by


Jonathan Procter (Sep 13, 2023 19:42 GMT+2)

J M Procter

Director

Ninth Floor,
Ten Bishops Square,
London E1 6EG
United Kingdom

INVESTMENT PROPERTY DATABANK LIMITED

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).


Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 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 company will continue in business.

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

The directors are also 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.

This report and the financial statements on pages 11 to 25 were approved by the Board of Directors on 13 September 2023 and signed on its behalf by


Jonathan Procter (Sep 13, 2023 19:42 GMT+2)

J M Procter

Director

Ninth Floor,
Ten Bishops Square,
London E1 6EG
United Kingdom

INVESTMENT PROPERTY DATABANK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVESTMENT PROPERTY DATABANK LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Investment Property Databank Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2022; the statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

INVESTMENT PROPERTY DATABANK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVESTMENT PROPERTY DATABANK LIMITED (CONTINUED)

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment regulations and general data protection regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as taxation laws and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of fraudulent journals and transactions or bias in estimates.. Audit procedures performed by the engagement team included:

- Inquiries with Management regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with laws and regulations;
- Testing balances and journal entries associated with relevant employment, payroll and taxation laws and regulations as well as the assessment of the Company's underlying policies and practices;
- Identifying and testing journal entries, in particular any journal entries posted with certain unusual account combinations; and

INVESTMENT PROPERTY DATABANK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVESTMENT PROPERTY DATABANK LIMITED (CONTINUED)

- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates such as intercompany transactions.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Brian Henderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 September 2023

INVESTMENT PROPERTY DATABANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	5	20,508	18,204
Operating expenses	6	(27,054)	(24,759)
Other operating income	7	15,722	15,051
Operating profit		9,176	8,496
Finance income	9	156	-
Finance expenses	9	-	(228)
Profit before taxation		9,332	8,268
Tax on profit	10	(37)	35
PROFIT FOR THE FINANCIAL YEAR		9,295	8,303
TOTAL COMPREHENSIVE INCOME		9,295	8,303

All operations were continuing in the current and prior year.

The notes on pages 14 to 25 form an integral part of the financial statements.


INVESTMENT PROPERTY DATABANK LIMITED
Registration No. 01879480

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Property, plant and equipment	11	-	-
Other investments other than loans	12	650	650
		<u>650</u>	<u>650</u>
CURRENT ASSETS			
Debtors	13	17,376	17,510
Cash and cash equivalents		3,491	3,071
		<u>20,867</u>	<u>20,581</u>
Creditors: amounts falling due within one year	15	(19,732)	(28,741)
		<u>(19,732)</u>	<u>(28,741)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>1,135</u>	<u>(8,160)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,785</u>	<u>(7,510)</u>
NET ASSETS/(LIABILITIES)		<u>1,785</u>	<u>(7,510)</u>
EQUITY			
Called up share capital	16	-	-
Share premium account	16	-	-
Profit and loss account		1,785	(7,510)
TOTAL SHAREHOLDERS' FUNDS/(DEFICIT)		<u>1,785</u>	<u>(7,510)</u>

The notes on pages 14 to 25 form an integral part of the financial statements.

The financial statements on pages 11 to 25 were approved by the Board of Directors on 13 September 2023 and signed on its behalf by


 Jonathan Procter (Sep 13, 2023 19:42 GMT+2)

J M Procter

Director

Ninth Floor,
 Ten Bishops Square,
 London E1 6EG
 United Kingdom

INVESTMENT PROPERTY DATABANK LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total Shareholders' (deficit)/funds £'000
Balance at 1 January 2021	-	-	(15,813)	(15,813)
Profit for the financial year	-	-	8,303	8,303
Total comprehensive income	-	-	8,303	8,303
Balance at 31 December 2021	-	-	(7,510)	(7,510)
Profit for the financial year	-	-	9,295	9,295
Total comprehensive income	-	-	9,295	9,295
Balance at 31 December 2022	-	-	1,785	1,785

The notes on pages 14 to 25 form an integral part of the financial statements.

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. GENERAL INFORMATION

Investment Property Databank Limited is a private company limited by shares incorporated in the United Kingdom. The Company is registered in England and Wales with a registered office at Ninth Floor, Ten Bishops Square, London, E1 6EG, United Kingdom. The principal activity of the Company is that of a collector and compiler of statistics, data and analysis relating to real estate investment and management.

2. STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the reduced disclosure framework set out in that standard is applied. The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006.

3. ACCOUNTING POLICIES

a) Accounting convention

The Company's immediate parent is IPD Group Limited which is a wholly-owned subsidiary of MSCI Inc. The Company is included in the consolidated financial statements of MSCI Inc., which are publicly available, and consequently the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

The Company has selected and applied its accounting policies consistently for similar transactions, events and conditions, unless otherwise stated.

b) Going concern

At 31 December 2022 the Company has £3,491k (2021: £3,071k) in cash and cash equivalents and net current assets of £1,135k (2021: £8,160k net current liabilities). MSCI Limited has provided a letter of support to the Company effective for a 12-month period from the date of signature of the Annual Report and Financial Statements. The Company has recorded a profit for the year and is expected to maintain profitability in the future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

c) Exemption for qualifying entities under FRS 102

The company has taken advantage of the following exemptions as the Company is a qualifying entity and the relevant disclosures are included in consolidated financial statements:

- preparing a statement of cash flows;
- disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18b, 26.19, 26.21 and 26.23
- disclosing the compensation of the Company's key management personnel, as required by FRS 102 paragraphs 33.7;
- disclosing transactions with fellow Group undertakings under paragraph 33.1A of FRS 102

The shareholders of the Company have been notified in writing and do not object to the use of the above disclosure exemptions.

d) Functional currency

The financial statements are prepared in Pounds sterling, the currency of the primary economic environment in which the Company operates.

All currency amounts in the Strategic Report, the Directors' Report, the Financial Statements and the Notes to the Financial Statements are rounded to the nearest thousand Pounds sterling, except where stated otherwise.

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. ACCOUNTING POLICIES (CONTINUED)

e) Foreign currencies

All monetary assets and liabilities denominated in currencies other than Pounds Sterling are translated into Pounds Sterling at the rates ruling at the balance sheet date. Transactions in currencies other than Pounds Sterling are recorded at the rates ruling at the dates of the transactions. Revaluation differences are presented in the Statement of Comprehensive Income.

f) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and any provision for impairment in value. Depreciation is provided on tangible assets at rates calculated to write-off the cost of the assets on a straight-line basis over their expected useful lives. Fixtures, fittings and equipment are depreciated over 3 to 7 years.

g) Other investments other than loans

Other investments are measured at cost less impairment. The investment is reviewed for impairment in accordance with FRS 102 s11.8(d) and FRS102 s11.14 (d) (v).

h) Debtors

The Company adopted section 11.2 (c) of FRS 102 in respect of Debtors. In line with this policy, the Company measures the expected credit losses of its Debtors utilising a lifetime expected loss allowance for all receivables and records an allowance on current receivables at the time of billing based on the estimated amount of the billing that will not be collected.

Debtors are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. Debtors are written off where there is no reasonable expectation of recovery.

i) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, investments in non-derivative financial instruments that is equity of the issuer (e.g. ordinary shares) are initially recognised at transaction price.

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

j) Offsetting of financial assets and financial liabilities

Where there is a legally enforceable right to set off the recognised amounts and an intention to settle on a net basis or to realise the asset and the liability simultaneously, financial assets and financial liabilities are offset and the net amount is presented on the balance sheet. All other amounts are presented on a gross basis.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently measured at fair value.

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. ACCOUNTING POLICIES (CONTINUED)

l) Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Provisions are established based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which the Company operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax liabilities/assets shall be measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply in the periods in which the timing difference is expected to reverse. An entity shall not discount current or deferred tax liabilities or deferred tax assets.

m) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and a defined contribution pension plan.

- **Short term benefits**

Short term employee benefits are charged to the Statement of Comprehensive Income as employee services are received. Vacation expense is recognised in the Statement of Comprehensive Income on an accrual basis.

- **Retirement benefits**

The Company operates a defined contribution retirement scheme. Contributions due are recognised in the Statement of Comprehensive Income on an accrual basis.

n) Finance income and expense

Interest receivable and interest payable arises from cash and intercompany balances and financing activities. Interest is recognised in the Statement of Comprehensive Income on an accrual basis using the effective interest method.

o) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and value added taxes. Sales revenue is recognised based on service delivery.

Deferred revenues represent amounts billed to customers for products and services in advance of delivery. Deferred revenue is generally amortised based on service delivery as revenue recognition criteria are met.

Accrued revenue arises when revenue is recognisable based on services delivered but the invoice to the client has not yet been issued.

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. ACCOUNTING POLICIES (CONTINUED)

q) Other operating income

Other operating income represents the amount of income accrued by the Company in respect of service agreements with other Group companies licensing MSCI Real Assets products and is recognised as earned. The Company acts as the entrepreneur of the Group's legacy IPD Real Assets business. All Group companies outside the United Kingdom that license MSCI IPD Real Assets products earn a fixed operating margin with either expense or income being transferred to the Company.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

a) Deferred tax

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The Company makes an assessment of the recoverability of deferred tax assets in accordance with FRS 102 (section 29). Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Based on management's assessment, it is probable that there will be future taxable profits in the company to utilise the deferred tax assets recognised at 31 December 2022. Details of deferred tax assets recognised by the Company are given in Note 14 of these financial statements.

b) Share based payments

MSCI Inc. operates equity-based compensation plans on behalf of the Company and, in relation to which, the Company pays MSCI Inc. in consideration of the procurement of the transfer of shares to employees. The cost of equity-based transactions with employees is measured based on the fair value of the equity instruments at grant date. The fair value of restricted stock unit awards is based on the market price of MSCI Inc. shares at grant date.

Non-market vesting conditions are not taken into account when measuring fair value but are reflected by adjusting over time the number of equity instruments included in the measurement of the transaction such that the amount ultimately recognised reflects the number that actually vest. The expense for FRS 102 Share-based payment ("FRS 102 Section 26") purposes is taken directly to the Statement of Comprehensive Income as services are received from the Company's employees during the vesting period with a corresponding liability established to the extent that payments are due to MSCI Inc. in respect of these awards.

A portion of the Company's retirement eligible employees who leave the Company before vest date are eligible to receive an amount of shares equal to the proportion of time employed relative to the total vesting period. The Company's policy is to expense awards to eligible employees on a straight-line basis.

Certain other retirement eligible employees have no additional vesting requirements once they reach eligibility. Grants to these employees are expensed on a straight-line basis to eligibility date or immediately if eligible at time of grant.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONTINUED)

a) Intercompany transactions

Intercompany service fee income and intercompany expenses are calculated on an arm's length basis which involves certain estimates being made according to the relevant intercompany agreement.

5. REVENUE

Revenue is earned by the Company for the provision of real estate sector performance analytics, including research, reporting, benchmarking and indices, for funds, investors, managers and lenders in the real estate industry.

A geographical analysis of revenue by origination is as follows:

	2022 £'000	2021 £'000
United Kingdom	17,193	14,944
Rest of the World	3,315	3,260
	<u>20,508</u>	<u>18,204</u>

6. OPERATING EXPENSES

Operating expenses, including the costs of the staff and Directors, are analysed below:

	2022 £'000	2021 £'000
Intercompany expenses	19,237	17,178
Wages and salaries	5,790	5,606
Other operating expenses	1,103	1,054
Social security costs	612	630
Other pension costs	312	291
	<u>27,054</u>	<u>24,759</u>

Intercompany expenses include cost recharges of £8,805k (2021: £8,524k) received from MSCI Inc., as well as service fees of £10,432k (2021: £8,654k) in respect of technology, data operations and selling and marketing services performed by other Group companies outside of the United States of America on behalf of the Company.

	2022 £'000	2021 £'000
Included in Other operating expenses are:		
Operating lease rentals	142	186
Auditors' remuneration – audit fees	37	35

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

7. OTHER OPERATING INCOME

	2022 £'000	2021 £'000
Other operating income	15,722	15,051

Other operating income represents income earned by the Company in respect of service agreements with other Group companies. The Company acts as the entrepreneur of the Group's legacy IPD Real Assets business whereby all Group companies outside the United Kingdom that license MSCI IPD Real Assets products earn a fixed operating margin with either expense or income being transferred to the Company.

8. EMPLOYEES AND DIRECTORS

Employees

The monthly average number of employees, including the Directors, employed by the Company is shown in the table below:

By activity	2022 No.	2021 No.
Sales and Marketing	18	18
Technology	8	12
Research	2	2
	<u>28</u>	<u>32</u>

Directors

Three Directors have performed services during the year (2021: four). The Directors do not receive fees in the form of compensation for services provided in their capacity as a director of the Company, or otherwise in connection with the management of the affairs of the Company in their capacity as a director. No retirement benefits were accrued for qualifying services.

All Directors who are employees of the Group are eligible for shares of the Company's ultimate parent undertaking, MSCI Inc., awarded under the Group's equity based long-term incentive schemes. Three Directors were awarded new grants during the year under the Group's equity-based long-term incentive schemes, subject to the Group's standard vesting terms and conditions. None of these benefits were awarded to Directors for qualifying services.

No Directors received compensation for loss of office as a director of the Company, the value of which being attributable to the Director's qualifying services amounts to £nil (2021: £nil).

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

9. FINANCE INCOME/(EXPENSES)

	2022 £'000	2021 £'000
Other foreign exchange gains	156	-
Other foreign exchange losses	-	(228)
	<u>156</u>	<u>(228)</u>

Other foreign exchange gains and losses are generated through the revaluation of monetary assets and liabilities into the functional currency of the Company.

10. TAX ON PROFIT

Analysis of charge/(credit) in the year

	2022 £'000	2021 £'000
UK corporation tax at 19% (2021: 19%)		
- Current year	-	-
- Adjustments in respect of prior periods	-	-
- Foreign tax suffered	6	-
Total current tax charge	<u>6</u>	<u>-</u>
Deferred taxation		
- Current year	24	6
- Adjustments in respect of prior periods	-	-
- Effect of changes in tax rate	7	(41)
Total deferred tax charge/(credit)	<u>31</u>	<u>(35)</u>
Total charge/(credit) on profit	<u>37</u>	<u>(35)</u>

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

10. TAX ON PROFIT (CONTINUED)

Factors affecting the tax charge/(credit) for the year

The total tax in the Statement of Comprehensive Income for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	2022 £'000	2021 £'000
Profit before taxation	9,332	8,268
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	1,773	1,571
Effects of corporate income tax:		
Expenses not deductible for tax purposes	6	6
Foreign withholding tax	6	-
Double taxation relief	(6)	-
Effects of group relief/other reliefs	(1,726)	(1,550)
Effect of changes in tax rate	7	(41)
Share options	(23)	(21)
Total tax charge/(credit) for the year	37	(35)

The Company forms, together with fellow Group undertakings, a group for corporate income tax reporting purposes and applies the requirements of the Corporation Tax Act 2010 Part 5 on Group Relief. At 31 December 2022 the members of the MSCI UK group of companies are:

- MSCI Limited
- MSCI UK Holdings Limited
- IPD Group Limited
- Investment Property Databank Limited
- Barra International LLC, UK Branch
- MSCI ESG Research (UK) Limited
- Real Capital Analytics Limited
- Datscha UK Limited
- Propertydata.com Limited

Further information on deferred tax balances is disclosed within notes 13 and 14 of the financial statements.

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

11. PROPERTY, PLANT AND EQUIPMENT

	Fixtures, fittings and equipment £'000
Cost	
At 1 January 2022	99
Additions	-
Disposals	-
At 31 December 2022	<u>99</u>
Accumulated depreciation	
At 1 January 2022	(99)
Charge for the year	-
Disposals	-
At 31 December 2022	<u>(99)</u>
Net book value	
At 31 December 2021	<u>-</u>
At 31 December 2022	<u>-</u>

Fixed assets are capitalised in MSCI Limited, a fellow Group undertaking, which provides all necessary equipment and facilities to the Company and other Group undertakings in the United Kingdom. An associated recharge of cost is made by MSCI Limited to the Company.

12. OTHER INVESTMENTS OTHER THAN LOANS

On 7 June 2021, the Company acquired for £650,000 in cash a minority ownership interest in Income Analytics Limited.

The investment does not allow the Company to exercise significant influence over Income Analytics Limited, nor is it a joint venture. The investment is therefore accounted for as a basic financial instrument based on FRS 102 s11.8 (d). The asset is recognised at the transaction price and is measured at cost less impairment in line with FRS 102 s11.14 (d) (v).

On 20 January 2022, the Board of Income Analytics Limited resolved to reallocate certain shares held by an investor to the other shareholders for a nominal consideration of £0.01 per share. The ownership interest of the Company in Income Analytics Limited increased as a result of this reallocation. The increase in ownership interest is recognised at cost value and does not change the classification of the investment as a basic financial instrument.

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

13. DEBTORS

	2022 £'000	2021 £'000
Trade debtors	12,001	10,152
Amounts owed by Group undertakings	2,954	4,798
Deferred tax (note 14)	138	169
Prepayments and accrued income	2,283	2,391
	<u>17,376</u>	<u>17,510</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand. Trade debtors are stated after provisions for impairment of £120k (2021: £111k).

14. DEFERRED TAX

Deferred taxation has been fully recognised and is analysed as follows:

	2022 £'000	2021 £'000
Accelerated capital allowances	89	109
Other timing differences	49	60
	<u>138</u>	<u>169</u>

The movement in the deferred tax asset during the year is analysed as follows:

	£'000
At 1 January 2022	169
Amounts recognised in the Statement of Comprehensive Income:	
- Current year timing differences	(24)
- Prior year timing differences	-
- Rate change	(7)
At 31 December 2022	<u>138</u>

There are no unused tax losses or unused tax credits. Deferred tax has been recognised using a rate of 25% (2021: 25%).

Under FRS 102 deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The net movement in deferred tax assets expected to occur in 2023 is a decrease of £6k. This relates to the net movement effects of deferred staff compensation and capital allowance claims.

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Amounts owed to Group undertakings	8,303	19,030
Taxation and social security	1,205	1,064
Other creditors	538	460
Accruals and deferred income	9,686	8,187
	<u>19,732</u>	<u>28,741</u>

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

16. CALLED UP SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

	2022 £	2021 £
Issued and fully paid:		
125 (2021: 125) ordinary shares of £1.00 each	125	125
	<u>125</u>	<u>125</u>

	2022 £	2021 £
Share premium account	350	350
	<u>350</u>	<u>350</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

17. SHARE-BASED PAYMENT TRANSACTIONS

Certain employees of the Company have been granted restricted stock units ("RSUs") of shares in MSCI Inc. as a component of their annual bonus or on being employed by the Company. RSU awards generally vest over a three-year period, with one-third vesting on each anniversary of the grant for those awards granted prior to 1 January 2022, while the full amount vests on the third anniversary of the grant for those awards granted after 1 January 2022. RSUs granted to certain employees on the start date of their employment with the Company may be subject to a different vesting period. All of these awards are subject to forfeiture according to specific criteria set out in the award agreements.

The total charge for the year, which includes expenses for grants that were awarded in the years 2019-2022, was £99k (2021: £146k).

18. RETIREMENT BENEFITS

The Company's employees are enrolled within a defined contribution pension plan operated by MSCI Limited, a fellow Group undertaking. This defined contribution pension plan requires contributions to be made to funds held in trust, separate from the assets of the Company. The defined contribution pension charge for the year was £312k (2021: £291k).

INVESTMENT PROPERTY DATABANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

19. RELATED PARTY TRANSACTIONS

The Company is exempt from the requirement to disclose transactions with fellow Group undertakings under paragraph 33.1A of FRS 102.

20. PARENT UNDERTAKINGS

The immediate parent undertaking of the Company is IPD Group Limited, a company incorporated in the United Kingdom and with a registered office at Ninth Floor, Ten Bishops Square, London, E1 6EG.

The ultimate parent undertaking and controlling party of the Company is MSCI Inc., a Company incorporated in Delaware, the United States of America. MSCI Inc. is the parent undertaking of both the largest and the smallest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of MSCI Inc. can be obtained from 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, United States of America.

21. POST BALANCE SHEET EVENTS

On 30 January 2023, the Company acquired additional 284 shares in Income Analytics Limited for £150k increasing the Company's ownership interest. The increase in ownership interest is recognised at cost value and does not change the classification of the investment as a basic financial instrument.