

Registration No. 02357371

Registered Office:

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

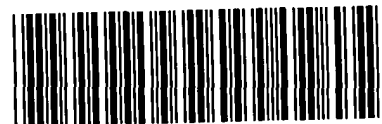
IPD GROUP LIMITED

Annual Report and Financial Statements

For the year ended

31 December 2019

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IPD GROUP LIMITED

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IPD GROUP LIMITED

STRATEGIC REPORT

The Directors present the Strategic Report for IPD Group Limited (the "Company") for the year ended 31 December 2019 and in doing so have complied with s414c of the Companies Act 2006.

The financial statements of the Company for the year ended 31 December 2019 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 holding company for subsidiaries that provide real estate sector performance analytics for funds, investors, managers and lenders. The Company's subsidiaries offer a wide range of analytic services in the real estate sector, including research, reporting, benchmarking and indices. The Company is based in London.

The Company's immediate parent undertaking is MSCI 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 has neither revenue nor employees and earns income primarily from dividends from its subsidiary undertakings or from interest receivable on intercompany loans.

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 2019.

The Statement of Comprehensive Income is set out on page 9. The Company has recorded an operating loss of £20k in 2019 (2018: £13k loss) and a profit before and after tax of £577k (2018: £552k). The Company has recognised intercompany interest income of £597k in 2019 (2018: £565k).

KEY PERFORMANCE INDICATORS

The Company acts as a holding company for other Group subsidiary companies incorporated in the United Kingdom and overseas. The Company earns interest and dividend income but has no operating revenues and no employees.

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.

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.

IPD GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

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.

The COVID-19 pandemic, or other widespread health crises

The COVID-19 pandemic has caused significant economic disruption, including volatility in the global equity markets. Due to ongoing uncertainty related to the duration, magnitude and impact of the COVID-19 pandemic, its effects on our business are uncertain and difficult to predict, but may include risks related to our dependence on third party data, client fee pressure, cancellations and reductions in services, technology instability and failure, lower growth and profitability rates, changes in investment practices and trends, and our ability to remain competitive. These effects, alone or taken together with other risks and uncertainties, could have a material adverse effect on our business, financial condition or results of operations. If the COVID-19 pandemic is sustained or prolonged, these effects could be exacerbated.

Brexit

The United Kingdom ("UK") exited the European Union ("EU") on January 31, 2020 (commonly referred to as "Brexit") and is currently in the transition period under the Brexit Withdrawal Agreement, which ends as of the end of 2020 (but could be extended). Negotiations on the terms of the UK's future relationship with the EU are ongoing, leading to increased legal uncertainty. Any formal agreement or other developments regarding Brexit could lead to additional legal uncertainty and potentially divergent national laws and regulations that negatively affect our business and could cause additional operating obligations and increased costs for our business. In particular, we will need to ensure that post-Brexit and after the transitional period for the EU benchmark regulation (which ends December 31, 2021), we are licensed to provide indexes in the EU as well as the UK under each of the EU and UK benchmark regulations.

FUTURE DEVELOPMENTS

The Group believes it is well-positioned for growth over time and has a multi-faceted growth strategy that builds on its strong client relationships, products and brands. The Group's operations are expected to continue to grow.

The Company is expected to maintain its holding company role and no significant changes in scope or levels of business activity are expected in the future beyond those noted below.

IPD GROUP LIMITED


STRATEGIC REPORT (CONTINUED)

POST BALANCE SHEET EVENTS

On 23 June 2016, the United Kingdom voted to leave the European Union (the "EU") and formally left the EU on 31 January 2020, as a result of which the United Kingdom has entered the 'transition period', which is scheduled to end on 31 December 2020. There is provision to extend the transition period by one or two years and at the date of this report there remains a lack of clarity about the likely terms of the post-Brexit arrangements between the UK and the EU and when such arrangements would take effect. The Company does not expect that the United Kingdom's exit from the EU will have a significant impact on its business or its operations in the future.

On 11 March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. For the financial year ended 31 December 2019, this information is treated as a non-adjusting subsequent event. The COVID-19 pandemic has caused significant economic disruption, including volatility in the global equity markets. Due to ongoing uncertainty related to the duration, magnitude and impact of the COVID-19 pandemic, its effects on our business are uncertain and difficult to predict. The Company operates as a holding company within the MSCI group and continues to operate with funding that is sufficient for its business activities in the foreseeable future. We cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may impact our financial position, results of operations, and cash flows in the fiscal year 2020, however, we believe that the Company continues to operate as a going concern.

This Strategic Report is approved by the Board on 17 September 2020 and signed on its behalf by


Christopher Harte (Sep 17, 2020 16:25 GMT+1)

C Harte

Director

Ninth Floor,
Ten Bishops Square,
London E1 6EG

IPD GROUP LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and Financial Statements on the affairs of the Company for the year ended 31 December 2019.

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 were declared or paid during the year. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: £ nil).

GOING CONCERN

At 31 December 2019 the Company has £2k (2018: £1k) in cash and cash equivalents and net current assets of £1,061k (2018: £1,081k). The majority of the Company's activity relates to its fixed asset investments. The Directors believe that the Company operates with satisfactory prospects of future cash flows and has little exposure to credit, liquidity or other financial risk. A cash flow forecast for the next 12 months from the date of these Annual Accounts and financial statements prepared by management has indicated that the Company will have sufficient cash assets to be able to meet its debts as and when they are due. As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of signature of this Report and Financial Statements. 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:

T E Foster (resigned 10 February 2020)

J M Procter

F Grand (resigned 13 March 2020)

G Corney (appointed 13 March 2020)

C Harte (appointed 20 March 2020)

DIRECTORS' INDEMNITIES

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

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.

EMPLOYEES

The Company has no employees (2018: nil).

IPD GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

INDEPENDENT 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.

PricewaterhouseCoopers LLP was appointed as the Company's auditors for the year ended 31 December 2019 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 9 to 19 were approved by the Board of Directors on 17 September 2020 and signed on its behalf by


Christopher Harte (Sep 17, 2020 16:25 GMT+1)

C Harte

Director

Ninth Floor,
Ten Bishops Square,
London E1 6EG

IPD GROUP 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 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 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 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.

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.

This report and the financial statement on pages 9 to 19 were approved by the Board of Directors on 17 September 2020 and signed on its behalf by


Christopher Harte (Sep 17, 2020 16:25 GMT+1)

C Harte

Director

Ninth Floor,
Ten Bishops Square,
London E1 6EG

IPD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPD GROUP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, IPD Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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, comprising 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 and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, the 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

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

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

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

Reporting on other information

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

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

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

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

IPD GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPD GROUP LIMITED (CONTINUED)

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 2019 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 set out on page 6, 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.

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.

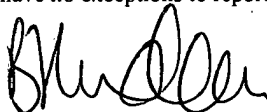
OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

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

- we have not received 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
18 September 2020

IPD GROUP LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Administrative expenses		<u>(20)</u>	<u>(13)</u>
Operating loss	5	(20)	(13)
Finance income	7	<u>597</u>	<u>565</u>
Profit before taxation		577	552
Tax on profit	8	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		577	552
TOTAL COMPREHENSIVE INCOME		<u>577</u>	<u>552</u>

All operations were continuing in the current and prior year.

The notes on pages 12 to 19 form an integral part of the financial statements.


IPD GROUP LIMITED
Registration No. 02357371

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	9	6,440	6,440
Loans to Group undertakings	10	11,072	10,475
		<u>17,512</u>	<u>16,915</u>
CURRENT ASSETS			
Debtors	11	1,079	1,116
Cash and cash equivalents		2	1
		<u>1,081</u>	<u>1,117</u>
Creditors; amounts falling due within one year	12	(20)	(36)
		<u>(20)</u>	<u>(36)</u>
NET CURRENT ASSETS		<u>1,061</u>	<u>1,081</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,573</u>	<u>17,996</u>
NET ASSETS		<u>18,573</u>	<u>17,996</u>
EQUITY			
Called up share capital	13	-	-
Share premium account		3,573	3,573
Capital contribution reserve		996	996
Profit and loss account		14,004	13,427
TOTAL SHAREHOLDERS' FUNDS		<u>18,573</u>	<u>17,996</u>

The notes on pages 12 to 19 form an integral part of the financial statements.

The financial statements on pages 9 to 19 were approved by the Board of Directors on 17 September 2020 and signed on its behalf by


Christopher Harte (Sep 17, 2020 16:25 GMT+1)

C Harte
Director
Ninth Floor,
Ten Bishops Square,
London E1 6EG

IPD GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2019

	Called up share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 January 2018	-	3,573	996	12,875	17,444
Profit for the financial year	-	-	-	552	552
Total comprehensive income attributable to owners of the parent	-	-	-	552	552
Balance at 31 December 2018	-	3,573	996	13,427	17,996
Profit for the financial year	-	-	-	577	577
Total comprehensive income attributable to owners of the parent	-	-	-	577	577
Balance at 31 December 2019	-	3,573	996	14,004	18,573

The notes on pages 12 to 19 form an integral part of the financial statements.

IPD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2019**

1. GENERAL INFORMATION

IPD Group 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. IPD Group Limited is a holding company for subsidiaries that provide real estate sector performance analytics for funds, investors, managers and lenders.

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.

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

3. ACCOUNTING POLICIES

a) Accounting convention

The Company's immediate parent is MSCI 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 401 of the Companies Act 2006.

b) Going concern

At 31 December 2019 the Company has £2k (2018: £1k) in cash and cash equivalents and net current assets of £1,061k (2018: £1,081k). The majority of the Company's activity relates to its fixed asset investments. The Directors believe that the Company operates with satisfactory prospects of future cash flows and has little exposure to credit, liquidity or other financial risk. A cash flow forecast for the next 12 months from the date of these Annual Accounts and financial statements prepared by management has indicated that the Company will have sufficient cash assets to be able to meet its debts as and when they are due. As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of signature of this Report and Financial Statements. 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 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.

IPD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2019**

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) Fixed asset investments

Fixed asset investments represent investments in subsidiary undertakings. These investments are stated at cost less provisions for impairment, if any. Fixed assets are subject to impairment testing where there is an indication that the asset may be impaired. The existence of impairment indicators is assessed at each reporting date.

g) Loans to Group undertakings

Loans to Group undertakings are initially recognised at their transaction price. Loan receivables are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

h) Debtors

Debtors are initially recognised at transaction price. 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.

i) Creditors

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

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.

l) Taxation

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.

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.

IPD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

3. ACCOUNTING POLICIES (CONTINUED)

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.

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.

m) Finance Income

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.

n) 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.

o) Share premium

Share premium represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

p) Capital contribution reserve

A capital contribution in the amount of £996,288 was made by the owner of the Company upon the acquisition of IPD Group Limited in 2012 and is presented as part of Equity at initial value.

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.

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.

a) Impairment of investments

In accordance with the applicable UK accounting standard, FRS 102, the Company performs a yearly impairment review of its investments to determine whether conditions exist that would indicate that the carrying amount of the fixed asset investment may not be recoverable as of the balance sheet date. This is a critical accounting judgement performed by the Company and as of the balance sheet date no impairment indicators were identified, and the carrying value of the Company's investments has been determined to be supportable.

5. OPERATING LOSS

	2019 £'000	2018 £'000
Included in Operating losses are:		
Auditors' remuneration - audit fees	20	10

The Company has no employees (2018: nil).

IPD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

6. DIRECTORS' EMOLUMENTS

Directors are remunerated by fellow Group undertakings, with the amounts paid being disclosed in the financial statements of the companies for which services are provided. The amount of emoluments paid by fellow Group undertakings related to the Directors' services to this Company are of negligible value and, accordingly, Directors' emoluments amounting to £nil are disclosed in these financial statements (2018: £nil).

7. FINANCE INCOME

	2019 £'000	2018 £'000
Interest receivable from Group undertakings	597	565
	<u>597</u>	<u>565</u>

Interest receivable from Group undertakings represents accrued interest on a loan note of £7,914k (2018: £7,914k) issued to MSCI UK Holdings Limited, as described in note 10.

8. TAX ON PROFIT

The total tax charge in the year is £nil (2018: £nil).

Factors affecting the tax charge for the year

The current tax charge in the Statement of Comprehensive Income for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below:

	2019 £'000	2018 £'000
Profit before taxation	<u>577</u>	<u>552</u>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	110	105
Effects of corporate income tax:		
Group relief received	(110)	(105)
Total tax charge for the year	<u>-</u>	<u>-</u>

There were no timing differences arising in the year ended 31 December 2019 (2018: £nil) in the Company and accordingly there were no deferred tax assets or liabilities at 31 December 2019 (2018: £nil).

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 2019 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

IPD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

9. INVESTMENTS

At 31 December 2019 the Company held investments in subsidiary undertakings as set out below:

	Total £'000
Cost	
At 1 January 2019	6,440
Additions	-
At 31 December 2019	6,440

At 31 December 2019 the Company has the following direct subsidiary undertakings:

	Country of incorporation	Class of shares held	Proportion of voting rights	Net investment value (£'000)
Investment Property Databank Limited	United Kingdom	Ordinary	100%	-
IPD France SAS	France	Ordinary	100%	907
IPD Investment Property Databank GmbH	Germany	Ordinary	100%	353
IPD Norden AB	Sweden	Ordinary	100%	678
Investment Property Databank South Africa (Pty) Limited	South Africa	Ordinary	100%	490
K.K. IPD Japan	Japan	Ordinary	100%	353
Investment Property Databank Pty Limited	Australia	Ordinary	100%	617
IPD Nederland BV	Netherlands	Ordinary	100%	3,042
Total:				6,440

The Company has recorded its investments at the historic cost value as of the date of acquisition.

The nature of business of the above listed subsidiaries is that of the provision of data and analytic services relating to the real estate sector.

The Directors believe that the carrying value of the investments is supported by their underlying cash flows.

IPD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

9. INVESTMENTS (CONTINUED)

The direct subsidiary undertakings of the Company are registered at the following addresses:

Subsidiary	Registered address
Investment Property Databank Limited	Ninth Floor, Ten Bishops Square, London, E1 6EG, United Kingdom
IPD France SAS	42 rue Washington, 75008 Paris, France
IPD Investment Property Databank GmbH	An Der Welle 5, 60322 Frankfurt, Germany
IPD Norden AB	Regus – Stockholms Central, Master Samuelsgatan 60, 111 21 Stockholm, Sweden
Investment Property Databank South Africa (Pty) Limited	2nd Floor, Kildare House, The Oval, 1 Oakdale Road, 7700 Cape Town, South Africa
K.K. IPD Japan	Tokyo Sankei Building 17F, 1-7-2 Otemachi, Chiyoda-ku, Tokyo 1000004, Japan
Investment Property Databank Pty Limited	Suite 1, Level 1, 56 Pitt Street, 2000 Sydney, Australia
IPD Nederland B.V.	Keizersgracht 62, 1015 CS, Amsterdam, The Netherlands

10. LOANS TO GROUP UNDERTAKINGS

The Company entered into a long-term interest-bearing loan agreement with MSCI UK Holdings Limited on 12 December 2013. The principal loan amount of £7,914k accrues interest at a rate of 5.62% per annum and has a maturity date of 11 December 2023. Interest is rolled up in accordance with the loan agreement.

The below table sets out the movements in non-current assets during the year:

	Principal outstanding £'000	Accrued interest £'000	Total £'000
At 1 January 2019	7,914	2,561	10,475
Movement during the year		597	597
At 31 December 2019	<u>7,914</u>	<u>3,158</u>	<u>11,072</u>

IPD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

11. DEBTORS

	2019 £'000	2018 £'000
Amounts owed by Group undertakings	1,079	1,116

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

Debtors are stated after provisions for impairment of £nil (2018: £nil).

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts owed to Group undertakings	20	24
Accruals and deferred income	-	12
	<u>20</u>	<u>36</u>

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

13. CALLED UP SHARE CAPITAL

	2019 £	2018 £
Issued and fully paid:		
250 (2018: 250) Ordinary shares of £1.00 each	<u>250</u>	<u>250</u>
	<u>250</u>	<u>250</u>

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

14. RELATED PARTY TRANSACTIONS

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

15. PARENT UNDERTAKINGS

The immediate parent undertaking of the Company is MSCI Limited, a company incorporated in the United Kingdom 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 2019. 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.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

16. POST BALANCE SHEET EVENTS

On 23 June 2016, the United Kingdom voted to leave the European Union (the "EU") and formally left the EU on 31 January 2020, as a result of which the United Kingdom has entered the 'transition period', which is scheduled to end on 31 December 2020. There is provision to extend the transition period by one or two years and at the date of this report there remains a lack of clarity about the likely terms of the post-Brexit arrangements between the UK and the EU and when such arrangements would take effect. The Company does not expect that the United Kingdom's exit from the EU will have a significant impact on its business or its operations in the future.

On 11 March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. For the reporting year ended 31 December 2019, this information is to be treated as a non-adjusting subsequent event. The COVID-19 pandemic has caused significant economic disruption, including volatility in the global equity markets. Due to ongoing uncertainty related to the duration, magnitude and impact of the COVID-19 pandemic, its effects on our business are uncertain and difficult to predict. The position of the Company within MSCI group as a holding entity ensures that it operates with sufficient funding and enables continuing with business activities in the foreseeable future. We cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may impact our financial position, results of operations, and cash flows in the fiscal year 2020, however, we believe that the Company continues to operate as a going concern.