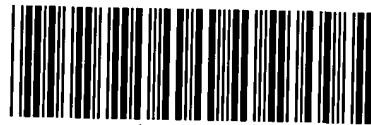


Registration number: 03879547

Mergermarket Limited
Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2020

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Mergermarket Limited

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Mergermarket Limited

Company Information

Directors

Kunal Gullapalli

Registered office

10 Queen Street Place
London
EC4R 1BE

Mergermarket Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Fair review of the business

The company recorded underlying growth in revenues benefiting from high levels of new business sales and stable renewal rates on subscription sales. Cost savings, primarily from headcount reductions helped drive the increase in operating profit.

The company continues to increase its investment in technology and product development, improving the core product platforms. These investments aim to improve the user experience and provide subscribers with new information sets to help them perform their daily tasks. The improvements help the company maintain its high renewal rates and increase renewal values. At the same time, the increased investment has led to an increase in costs.

The company's key financial and other performance indicators during the year were as follows:

Turnover increased by 0.5% to £77.4m and operating profit increased to £10.4m from £5.3m .

Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to consolidation of the customer base, employee retention and the regulatory environment.

The company aims to mitigate risks associated with consolidation of the customer base by investing in its products to enhance appeal to existing and new customers, and adding new products to sell to existing customers and customers in new market segments.

Risks associated with employee retention are addressed by offering competitive remuneration, a flexible working environment and providing training and professional development opportunities.

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

Section 172 statement

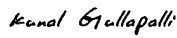
The directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members and key stakeholders. The directors when making key decisions for the company have had considered the impact of their decisions to the company's key stakeholders and to wider society by continuing to facilitate the critical processes within our customer's businesses, and by focusing on innovation in the capital markets in order to contribute to continuous process improvement for our customers.

One of the company's core values is to long term thinking and building long-term sustainable relationships with our customers. The company's products help our customers to improve decision-making, increase efficiency, simplify complex processes and empower their people. This is achieved by partnering with our customers to enable them to find insights that lead to business opportunities as well as strengthen compliance and risk management with in depth regulatory insights.

These long-term sustainable relationships allow us to invest in product development that enhances our products and provides more useful information to our customers; as well as managing our commitments to our suppliers and lenders.

The company recognises our employees are a critical success factor for the company, hence we seek to assist our employees to succeed through a positive culture and continuous improvement. There are a number of measures in place to keep employees up to date on recent developments of company and allow employee engagement with senior management, through face to face meetings and electronic media.

Approved by the director on 30 September 2021

DocuSigned by:

.....C91736CC8727493.....
Kunal Gullapalli
Director

Mergermarket Limited

Director's Report for the Year Ended 31 December 2020

The directors present their report and the unaudited financial statements for the year ended 31 December 2020.

Director of the company

The directors, who held office during the year, were as follows:

Hamilton Matthews (ceased 31 January 2020)

Kunal Gullapalli

Ashley Woods (appointed 31 January 2020 and ceased 30 November 2020)

Principal activity

The principal activity of the company is the provision of financial information services, analysis and data to the advisory, corporate and financial communities.

The directors believe that the company will continue in these activities for the foreseeable future.

Employment of disabled persons

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

Employee involvement

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

Future developments

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

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

Mergermarket Limited

Director's Report for the Year Ended 31 December 2020 (continued)

Creditor payment policy

The company aims to pay all its suppliers within a reasonable period of their invoices being received and in any case within the suppliers' own payment periods.

Greenhouse gas emissions, energy consumption and energy efficiency

The company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The company has complied with all applicable legislation and regulations.

	2020
	kWh
UK energy consumed:	
Electricity use	289,208
Gas combustion	3,101
	2020
	Tonnes CO2
UK emissions from:	
Scope 1 (Direct)	-
Scope 2 (Energy Indirect)	68.1
Scope 3 (Other Indirect)	-
Company's chosen intensity measurement:	
Total CO2 emissions per \$m Revenue	0.88

Consumption data was determined by using invoices from suppliers. Emissions were determined by applying the UK government conversion factors to the energy consumption values and aggregating the total.

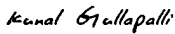
Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Director's liabilities

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

Approved by the director on 30 September 2021

DocuSigned by:


 Kunal Gullapalli
 Director

Mergermarket Limited**Income Statement for the Year Ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
Revenue	4	77,389	76,962
Cost of sales		<u>(24,941)</u>	<u>(29,421)</u>
Gross profit		52,448	47,541
Administrative expenses		(60,469)	(61,351)
Other operating income	5	<u>18,406</u>	<u>19,074</u>
Operating profit	6	10,385	5,264
Finance income		269	179
Finance costs		<u>(1,121)</u>	<u>(1,130)</u>
Net finance cost	7	<u>(852)</u>	<u>(951)</u>
Profit before tax		9,533	4,313
Income tax receipt	10	<u>66</u>	<u>982</u>
Profit for the year		9,599	5,295

The above results were derived from continuing operations.

Mergermarket Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£ 000	£ 000
Profit for the year	9,599	5,295
Total comprehensive income for the year	9,599	5,295

The notes on pages 12 to 41 form an integral part of these financial statements.

Mergermarket Limited**(Registration number: 03879547)****Statement of Financial Position as at 31 December 2020**

		31 December 2020 £ 000	31 December 2019 £ 000
	Note		
Assets			
Non-current assets			
Property, plant and equipment	11	1,507	2,636
Right of use assets	12	4,751	5,751
Intangible assets	13	40,622	43,194
Investments in subsidiaries, joint ventures and associates	14	41,595	41,595
Deferred tax assets	10	1,275	688
Loans		3,387	3,513
		<u>93,137</u>	<u>97,377</u>
Current assets			
Trade and other receivables	15	162,537	81,734
Cash and cash equivalents	16	1,531	1,830
		<u>164,068</u>	<u>83,564</u>
Total assets		<u>257,205</u>	<u>180,941</u>
Equity and liabilities			
Equity			
Share capital	17	(40)	(40)
Share premium		(6,044)	(6,044)
Retained earnings		<u>(56,079)</u>	<u>(46,480)</u>
Total equity		<u>(62,163)</u>	<u>(52,564)</u>
Non-current liabilities			
Long term lease liabilities		(5,850)	(7,224)
Loans and borrowings	18	(9,579)	(9,411)
Deferred tax liabilities	10	<u>(1,794)</u>	<u>(2,164)</u>
		<u>(17,223)</u>	<u>(18,799)</u>
Current liabilities			
Current portion of long term lease liabilities		(1,374)	(1,280)
Trade and other payables	20	(108,328)	(55,535)
Income tax liability		41	442
Deferred income		(50,240)	(45,422)
Accruals		<u>(17,918)</u>	<u>(7,783)</u>
		<u>(177,819)</u>	<u>(109,578)</u>
Total liabilities		<u>(195,042)</u>	<u>(128,377)</u>
Total equity and liabilities		<u>(257,205)</u>	<u>(180,941)</u>

The notes on pages 12 to 41 form an integral part of these financial statements.

Mergermarket Limited

(Registration number: 03879547)

Statement of Financial Position as at 31 December 2020 (continued)

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the director on 30 September 2021

DocuSigned by:

Kunal Gullapalli

.....C91778CC9727493.....
Kunal Gullapalli

Director

The notes on pages 12 to 41 form an integral part of these financial statements.

Mergermarket Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	40	6,044	46,480	52,564
Profit for the year	-	-	9,599	9,599
Total comprehensive income	-	-	9,599	9,599
At 31 December 2020	40	6,044	56,079	62,163
	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	40	6,044	41,185	47,269
Profit for the year	-	-	5,295	5,295
Total comprehensive income	-	-	5,295	5,295
At 31 December 2019	40	6,044	46,480	52,564

The notes on pages 12 to 41 form an integral part of these financial statements.

Mergermarket Limited**Statement of Cash Flows for the Year Ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Operating profit		10,385	5,264
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	18,523	17,024
Income tax (paid)/refunded		(622)	796
		<u>28,286</u>	<u>23,084</u>
Working capital adjustments			
Increase in trade and other receivables	15	(80,803)	(42,511)
Increase in trade and other payables	21	62,928	31,321
Increase in deferred income, including government grants		4,818	2,133
Net cash flow from operating activities		<u>15,229</u>	<u>14,027</u>
Cash flows from investing activities			
Acquisition of subsidiaries		-	(495)
Acquisitions of property plant and equipment	11	(497)	(1,367)
Internally generated intangible assets	13	(13,325)	(15,712)
Loans		-	(3,513)
Finance income		138	179
Net cash flows from investing activities		<u>(13,684)</u>	<u>(20,908)</u>
Cash flows from financing activities			
Interest paid	7	(564)	(1,129)
Increase in borrowings		-	3,794
Payment of lease liabilities		(1,280)	(760)
Net cash flows from financing activities		<u>(1,844)</u>	<u>1,905</u>
Net decrease in cash and cash equivalents		(299)	(4,976)
Cash and cash equivalents at 1 January		<u>1,830</u>	<u>6,806</u>
Cash and cash equivalents at 31 December		<u>1,531</u>	<u>1,830</u>

The notes on pages 12 to 41 form an integral part of these financial statements.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

10 Queen Street Place
London
EC4R 1BE

2 Accounting policies

Statement of compliance

The company financial statements have been prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ("adopted IFRS's").

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The company is a provider of financial information, analysis and data to the advisory, corporate and financial communities.

Going concern

The financial statements have been prepared on a going concern basis.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on the financial statements.

None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2020 and which have not been adopted early, are expected to have a material effect on the financial statements.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Revenue recognition

Revenue represents subscriptions to the information services and income from research reports and events. The cash relating to subscriptions is received in advance, with standard payment terms of 14 days from invoice date. Revenue is recognised in the income statement evenly over the duration of subscriptions as the company satisfies its performance obligations and control of the information passes to the subscriber. For periods where the company has not fulfilled its performance obligations, amounts are accrued on the balance sheet as contract liabilities. Revenue from research reports and events is recognised in the same accounting period in which the report is published or event is held. Standard contract terms do not allow for refunds or cancellations and do not contain warranties or related obligations.

Segment reporting

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

Foreign currency transactions and balances

Functional and presentation currency

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

Transactions and balances

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

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Computers and office equipment includes purchased software from third parties.

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

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

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computers and office equipment	Straight line 3 to 8 years
Fixtures and fittings	Straight line 5 years

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Intangible assets

Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or Group of CGUs, that is expected to benefit from the synergies of the combination. Due to the integrated nature of the business and sharing of common central functions, management has treated the Group as a single CGU for the purposes of impairment testing.

Acquired intangible assets

Acquired intangible assets include customer lists and relationships, trademarks and brands, content and technology. These assets are capitalised on acquisition at fair value and included in intangible assets. Intangible assets are amortised over their estimated useful lives of between 10 and 20 years, using an amortisation method that reflects the pattern of their consumption. The group tests whether these assets have suffered any impairment if any indicators of impairments have arisen.

Internally generated software

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

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

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

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

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

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Internally generated software development costs	Straight line 3 years

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call 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.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial instruments

Financial assets

Initial recognition and measurement

The company determines the classification of its financial assets on initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets held by the company are classified in the following categories:

- Financial assets at amortised costs - the company measures financial assets at amortised cost if both of the following conditions are met; (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) based on the contractual terms the expected cashflows are solely payments of principal and interest on the outstanding principal. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.
- Financial assets at fair value through profit or loss - these include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Derivatives, including embedded derivatives which are accounted for as separate derivatives other than those designated at fair value through profit or loss; are classified as held for trading. Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value presented in the Statement of Comprehensive Income.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivable and the economic environment.

The company considers default to occur when contractual payments are outstanding greater than 360 days past due based on historical experience; however given the company applies a simplified approach in calculating ECLs for trade receivables and contract assets, the definition of default has no impact on the quantification of the provision. Trade receivables are written off when there is no reasonable expectation of recovering the contractual cashflows, which is based on an assessment of the company's intention and ability to successfully recover balances through enforcement activities.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the company's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired; or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

Initial recognition and measurement

The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Loans and borrowings - after initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Income.
- Financial liabilities at fair value through profit or loss - these include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This includes derivatives not in a hedging relationship and embedded derivatives that meet the separation criteria in IFRS 9, as outlined above. Financial liabilities at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value presented in the Statement of Comprehensive Income.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the Statement of Comprehensive Income.

Classification of financial instruments

An instrument or its components, are classified on initial recognition as a financial asset, financial liability or equity in accordance with the substance of the contractual arrangements and the requirements of IAS 32. The initial carrying value of a compound instruments are allocated between the financial liability components and equity components, by first valuing the financial liability on a stand-alone basis and allocating the residual value to the equity component. Transaction costs are allocated between the components on a relative fair value basis.

Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the company has complied with all attached conditions. Grants received where the company has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

• Judgements:

In applying the company's accounting policies, management has applied judgement in the following areas that have a significant impact on the amounts recognised in the financial statements.

Income and deferred tax: The tax on profits is determined according to complex tax laws and regulations. Where the effect of these laws and regulations is unclear, judgements are used in determining the liability for the tax to be paid. Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income. The main areas of judgement in the company's tax calculation are reassessment of uncertain tax provisions and reassessment of the recognition and recoverability of deferred tax assets.

Acquired intangible assets: When the company makes an acquisition, management determines initially whether any intangible assets (e.g. customer relationships, trade names and technology) should be recognised separately from goodwill, and the provisional amounts at which to recognise those assets. Certain assumptions are used in determining the provisional values for such intangible assets, including, but not limited to, future growth rates and customer attrition rates. During the first 12 months of ownership, intangible assets are reviewed to determine whether any additional information exists that supports amendments to that original assessment, including new intangible assets.

• Estimates:

Discussed below are key assumptions concerning the future, and other key sources of estimation at the reporting date, that could have a risk of causing a significant material adjustment to the carrying amount of assets and liabilities within the next financial year.

Impairment of goodwill: Following recognition of goodwill as a result of acquisitions, the company determines, as a minimum on an annual basis and including current year acquisitions whether goodwill is impaired, which requires an estimation of the future cash flows of the cash generating unit to which the goodwill is allocated, as well as assumptions on growth rates and discount rates. No risk has been identified of a goodwill impairment in the next twelve months.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£ 000	£ 000
Subscription and events	76,867	76,658
Grants	490	301
Other revenue	32	3
	<u>77,389</u>	<u>76,962</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020	2019
	£ 000	£ 000
Sub lease rental income	-	420
Royalty income from related parties	18,406	18,654
Total other income	<u>18,406</u>	<u>19,074</u>

6 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£ 000	£ 000
Employee benefits expense	18,239	20,761
Depreciation expense	2,626	2,385
Amortisation expense	15,897	14,639
Foreign exchange gains	(1,536)	(528)
Donations	7	27
Other expenses	<u>50,177</u>	<u>53,488</u>
Total cost of sales and administrative expenses	<u>85,410</u>	<u>90,772</u>

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

7 Finance income and costs

	2020 £ 000	2019 £ 000
Finance income		
Interest receivable from related parties	269	179
Total finance income	269	179
Finance costs		
Other finance costs	-	(34)
Interest payable to related parties	(557)	(455)
Interest expense on leases	(564)	(641)
Total finance costs	(1,121)	(1,130)
Net finance costs	(852)	(951)

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	14,280	15,440
Social security costs	2,334	3,155
Pension costs, defined contribution scheme	1,262	1,705
Other employee expense	363	461
	18,239	20,761

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Content creation	182	237
Commercial	91	104
Administration and support	8	40
	281	381

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

9 Net foreign exchange gain

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

	31 December 2020 £ 000	31 December 2019 £ 000
Administrative expenses	(1,536)	(528)
	<u>(1,536)</u>	<u>(528)</u>

10 Income tax

Tax charged/(credited) in the income statement

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	413	-
UK corporation tax adjustment to prior periods	478-	(538)
	<u>891</u>	<u>(538)</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(721)	(328)
Adjustments in respect of prior years	(236)	(116)
Total deferred taxation	<u>(957)</u>	<u>(444)</u>
Tax receipt in the income statement	<u>(66)</u>	<u>(982)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	9,533	4,313
Corporation tax at standard rate	1,811	819
Increase/(decrease) in tax from adjustment for prior periods	242	(653)
Increase from effect of expenses not deductible in determining taxable profit	211	3,918
Decrease arising from group relief tax reconciliation	<u>(2,330)</u>	<u>(5,066)</u>
Total tax credit	<u>(66)</u>	<u>(982)</u>

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

10 Income tax (continued)

Deferred tax

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

	Asset	Liability	Net deferred tax
	£ 000	£ 000	£ 000
2020			
Accelerated tax depreciation	957	-	957
Accruals	318	-	318
Deferred development costs	-	(462)	(462)
Amortisation	-	(1,332)	(1,332)
	<u>1,275</u>	<u>(1,794)</u>	<u>(519)</u>
			Net deferred tax
	Asset	Liability	tax
	£ 000	£ 000	£ 000
2019			
Accelerated tax depreciation	475	-	475
Accruals	213	-	213
Deferred development costs	-	(426)	(426)
Amortisation	-	(1,738)	(1,738)
	<u>688</u>	<u>(2,164)</u>	<u>(1,476)</u>

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

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

10 Income tax (continued)

Deferred tax movement during the year:

	At 1 January 2020 £ 000	Recognised in income £ 000	At 31 December 2020 £ 000
Accelerated tax depreciation	475	482	957
Accruals	213	105	318
Deferred development costs	(426)	(36)	(462)
Amortisation	(1,738)	406	(1,332)
Net tax assets/(liabilities)	(1,476)	957	(519)

Deferred tax movement during the prior year:

	At 1 January 2019 £ 000	Recognised in income £ 000	At 31 December 2019 £ 000
Accelerated tax depreciation	470	5	475
Accruals	307	(94)	213
Deferred development costs	(618)	192	(426)
Amortisation	(2,079)	341	(1,738)
Net tax assets/(liabilities)	(1,920)	444	(1,476)

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

11 Property, plant and equipment

	Fixtures and Fittings £ 000	Computers and Office equipment £ 000	Total £ 000
Cost or valuation			
At 1 January 2019	3,676	7,296	10,972
Additions	21	1,346	1,367
At 31 December 2019	3,697	8,642	12,339
At 1 January 2020	3,697	8,642	12,339
Additions	-	497	497
At 31 December 2020	3,697	9,139	12,836
Depreciation			
At 1 January 2019	2,198	6,120	8,318
Charge for year	667	718	1,385
At 31 December 2019	2,865	6,838	9,703
At 1 January 2020	2,865	6,838	9,703
Charge for the year	379	1,247	1,626
At 31 December 2020	3,244	8,085	11,329
Carrying amount			
At 31 December 2020	453	1,054	1,507
At 31 December 2019	832	1,804	2,636
At 1 January 2019	1,478	1,176	2,654

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

12 Right of use assets

	Property £ 000	Total £ 000
Cost or valuation		
At 1 January 2019	6,751	6,751
At 31 December 2019	6,751	6,751
At 1 January 2020	6,751	6,751
At 31 December 2020	6,751	6,751
Depreciation		
At 1 January 2019	-	-
Charge for year	1,000	1,000
At 31 December 2019	1,000	1,000
Charge for the year	1,000	1,000
At 31 December 2020	2,000	2,000
Carrying amount		
At 31 December 2020	4,751	4,751
At 31 December 2019	5,751	5,751

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

13 Intangible assets

	Goodwill £ 000	Internally generated assets £ 000	Other intangible assets £ 000	Total £ 000
Cost or valuation				
At 1 January 2019	15,739	31,934	20,348	68,021
Additions	-	15,712	-	15,712
At 31 December 2019	15,739	47,646	20,348	83,733
At 1 January 2020	15,739	47,646	20,348	83,733
Additions	-	13,325	-	13,325
At 31 December 2020	15,739	60,971	20,348	97,058
Amortisation				
At 1 January 2019	-	18,524	7,376	25,900
Amortisation charge	-	10,818	3,821	14,639
At 31 December 2019	-	29,342	11,197	40,539
At 1 January 2020	-	29,342	11,197	40,539
Amortisation charge	-	14,063	1,834	15,897
At 31 December 2020	-	43,405	13,031	56,436
Carrying amount				
At 31 December 2020	15,739	17,566	7,317	40,622
At 31 December 2019	15,739	18,304	9,151	43,194
At 1 January 2019	15,739	13,410	12,972	42,121

Internally generated assets includes capitalised software development costs and commissions on third party customer sales.

Other intangible assets includes trademarks, brands and customer relationships.

Impairment tests for goodwill

The goodwill within the company is allocated to one CGU. The recoverable amount for the CGU tested exceeds its carrying value at each balance sheet date.

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

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

13 Intangible assets (continued)

Key assumptions

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

Discount rate. A pre-tax discount rate of 11.5% (2019: 11.5%) was assumed. The discount rate is based on the company's cost of capital as reflected by the relative weightings of the cost of debt and equity.

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

14 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2019	41,100
Additions	<u>495</u>
At 31 December 2019	<u>41,595</u>
At 31 December 2020	<u>41,595</u>
Carrying amount	
At 31 December 2020	<u>41,595</u>
At 31 December 2019	<u>41,595</u>
At 1 January 2019	<u>41,100</u>

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

14 Investments (continued)

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2020	2019
Mergermarket (Overseas) Limited	Provider of information services	C/O ION, 10 Queen Street Place, London, EC4R 1BE, United Kingdom	100%	100%
Hoxton Holdings Limited	Holding company	C/O ION, 10 Queen Street Place, London, EC4R 1BE, United Kingdom	100%	100%
Mergermarket Brasil Consultoria Ltda	Provider of information services	Avenida Paulista 453, Conjunto 71 Edificio Olivetti, Sao Paulo, SP 01311-000 Brazil	100%	100%
Mergermarket FZ LLC	Provider of information services	1405, Floor 14, Aurora Tower, Dubai UAE	100%	100%
Mergermarket Consulting Limited	Provider of information services	Suite 1602-06, 181 Queen's Road Central Hong Kong	100%	100%
Perfect Information Limited	Holding company	C/O ION, 10 Queen Street Place, London, EC4R 1BE, United Kingdom	100%	100%
Acuris Risk Intelligence Holdings Limited	Holding company	C/O ION, 10 Queen Street Place, London, EC4R 1BE, United Kingdom	100%	100%
Creditflux Limited	Provider of information services	C/O ION, 10 Queen Street Place, London, EC4R 1BE, United Kingdom	100%	100%
Blackpeak (Japan) K.K.	Provider of information services	5th Floor, Daisan Daiei Building, 7-18-8 Roppongi, Minato-ku, Tokyo, 106-0032, Japan	100%	100%

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

14 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2020	2019
Credit Rubric Limited	Provider of information services	C/O ION, 10 Queen Street Place, London, EC4R 1BE, United Kingdom	100%	75%

15 Trade and other receivables

	31 December 2020 £ 000	31 December 2019 £ 000
Trade receivables	22,096	17,013
Provision for impairment of trade receivables	(308)	(196)
Net trade receivables	21,788	16,817
Receivables from related parties	138,746	62,609
Prepayments	1,456	1,640
Other receivables	547	668
	<u>162,537</u>	<u>81,734</u>

Trade receivables are stated at fair value, net of provisions for expected losses.

The ageing analysis of trade receivables is as follows:

	31 December 2020 £ 000	31 December 2019 £ 000
Within due date	14,086	8,777
Up to 3 months	7,432	7,816
3 to 6 months	195	96
6 months plus	383	324
	<u>22,096</u>	<u>17,013</u>
Less: Provision for impairment of trade receivables	(308)	(196)
Trade receivables - net	<u>21,788</u>	<u>16,817</u>

The trade and other receivables classified as financial instruments are disclosed below. The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

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

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

15 Trade and other receivables (continued)

	31 December 2020 £ 000	31 December 2019 £ 000
UK pound	78,971	47,462
US dollar	78,053	32,987
Euros	5,340	1,126
Other currencies	173	159
	<u>162,537</u>	<u>81,734</u>

Expected credit losses on trade receivables

Customer credit risk is managed subject to the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and contract assets are regularly monitored. Trade receivables are non-interest bearing and are generally issued with credit terms of 0 - 30 days.

An impairment analysis is performed at each reporting date using the provision matrix below to measure the ECL. The provision rates are based on days past due and the calculation of the ECL reflects reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Loss rates are based on actual credit loss experience over a period of 2 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the company's view of economic conditions over the expected lives of the receivables.

Set out below is the information about the credit risk exposure on the company's trade receivables and contract assets using a provision matrix:

At 31 December 2020	Current	30 - 360	Over 360	Total
Expected credit loss rate (%)	0.10%	1.11 %	63.7%	
Gross carrying amount	14,086	7,682	328	22,096
Expected credit loss	(14)	(85)	(209)	(308)
Net carrying amount	<u>14,072</u>	<u>7,597</u>	<u>119</u>	<u>21,788</u>
Past due but not impaired	<u>-</u>	<u>7,597</u>	<u>119</u>	<u>7,716</u>

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

15 Trade and other receivables (continued)

Movements on the company's provision for impairment of trade receivables are as follows:

	31 December 2020 £ 000	31 December 2019 £ 000
Opening balance	197	326
Receivables written off during the year as uncollectable	(37)	(129)
Provision for impairment	148	-
	308	197

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the income statement.

16 Cash and cash equivalents

	31 December 2020 £ 000	31 December 2019 £ 000
Cash at bank	1,531	1,829
Other cash and cash equivalents	-	1
	1,531	1,830

17 Share capital

Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.01 each	2,002	20	2,002	20
A Ordinary shares of £0.01 each	838	8	838	8
B Ordinary shares of £0.01 each	878	9	878	9
C Ordinary shares of £0.01 each	260	3	260	3
	3,978	40	3,978	40

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

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

17 Share capital (continued)

The rights of the A, B and C Ordinary shares are as follows:

- rank pari passu with the Ordinary shares as regards dividends;
- upon a winding up of the company, any surplus shall be applied first to paying the subscription price for each A, B and C share held and then secondly paying all the shareholders the balance; and
- the voting rights are as Ordinary shares.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

18 Loans and borrowings

	31 December 2020 £ 000	31 December 2019 £ 000
Non-current loans and borrowings		
Related party borrowings	9,579	9,411

The company's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

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

Related company borrowings are repayable on demand, unsecured and subject to a fixed rate of interest at market rates.

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

	31 December 2020 £ 000	31 December 2019 £ 000
UK pound	6,193	5,898
US dollar	3,386	3,513
	<u>9,579</u>	<u>9,411</u>

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,262,738 (2019 - £1,705,630).

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

20 Trade and other payables

	31 December 2020 £ 000	31 December 2019 £ 000
Trade payables	3,756	11,153
Amounts due to related parties	100,911	42,061
Social security and other taxes	2,102	945
Other payables	1,559	1,376
	108,328	55,535

21 Financial Instruments and financial risk

Financial risk

The company's operations expose it to various financial risks that include credit risk, liquidity risk and currency risk. The company has a risk management program in place which seeks to limit the impact of these risks on the financial performance of the company. This note presents information about the company's exposure to each of the above risks and the company's objectives, policies and processes for measuring and managing the risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the company's risk management framework. The Board has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively.

Credit risk

Exposure to credit risk

Credit risk arises from credit extended to customers and associates arising on outstanding receivables and outstanding transactions as well as cash and cash equivalents and deposits with banks and financial institutions.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no significant concentration of credit risk by dependence on individual customers or geographically. The company has a large exposure to the financial services industry and the credit risk profile of the company could be adversely affected by significant changes in that industry.

The company has detailed procedures for assessing and managing the credit risk related to its trade receivables based on experience, customer's track record and historic default rates. The company actively follows up on all overdue debtors. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

21 Financial Instruments and financial risk (continued)

Financial instruments, cash and short-term bank deposits

Financial instruments, cash and short-term bank deposits are invested with institutions with the highest credit rating with limits on amounts held with individual banks or institutions at any one time.

The carrying amount of financial assets, net of impairment provisions represents the company's maximum credit exposure. The maximum exposure to credit risk at year end is the carrying value of the assets.

i) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation.

The following are the contractual maturities of the financial liabilities and long term employment benefits, excluding the impact of netting agreements:

	Carrying value £	No set maturity £	Less than one year £	One to five years £	Over five years £
At 31 December 2020					
Accounts payable and other payables	108,328	102,470	5,858	-	-
Lease liabilities	8,508	-	1,844	6,664	-
Loans and related interest payable	10,388	6,193	243	3,952	-
	<u>127,224</u>	<u>108,663</u>	<u>7,945</u>	<u>10,616</u>	<u>-</u>

ii) Market risk

Market risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, and interest rates. It will affect the company's income or the value of its holdings of financial instruments. The objective of the company's risk management strategy is to manage and control market risk exposures within acceptable parameters, while optimising the return earned by the company. The company primarily has one type of market risk namely currency risk.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

21 Financial Instruments and financial risk (continued)

Currency risk

Foreign exchange risk arises from assets and liabilities denominated in foreign currencies.

The company's material exposures to foreign currency risk for amounts not denominated in the functional currency of the relevant entities at the Statement of Financial Position date were as follows:

	USD £ 000	EUR £ 000
At 31 December 2020		
Cash and cash equivalents	74	121
Loans	3,387	-
Borrowings	(3,387)	-
Trade and other receivables	78,053	5,340
Trade and other payables	(103,355)	(177)
Gross Statement of Financial Position exposure	<u>(25,228)</u>	<u>5,284</u>

A 5% strengthening or weakening of the exchange rates in respect of the translation of amounts not denominated in the functional currency of relevant entities into the functional currency would impact on the profit or loss over a one year period by the amounts shown below. This assumes that all other variables remain constant.

	USD £ 000	EUR £ 000
Impact of a 5% strengthening	1,261	(264)
Impact of a 5% weakening	<u>(1,261)</u>	<u>264</u>

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

22 Related party transactions

Key management personnel

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

Key management compensation

	31 December 2020 £ 000	31 December 2019 £ 000
Salaries and other short term employee benefits	1,272	747
Post-employment benefits	23	13
	<u>1,295</u>	<u>760</u>

The highest paid director's emoluments were as follows:

	2020 £ 000	2019 £ 000
Remuneration	230	467
Post employment benefits	1	7
	<u>231</u>	<u>474</u>

Income and receivables from related parties

	Immediate parent £ 000	Indirect parent £ 000	Subsidiary £ 000	Associates £ 000
2020				
Provision of services	1,261	-	4,955	30,218
Amounts receivable from related party	101,089	27,029	8,498	2,130
	<u>101,089</u>	<u>27,029</u>	<u>8,498</u>	<u>2,130</u>
2019				
Provision of services	1,523	-	3,034	18,421
Amounts receivable from related party	53,662	1,235	7,509	204
	<u>53,662</u>	<u>1,235</u>	<u>7,509</u>	<u>204</u>

Sales of services to related parties are negotiated on terms that would be available to third parties and are mainly agreed on a cost plus basis or a percentage of sales basis for royalty income.

Amounts receivable from related parties arise mainly from the provision of services between entities. The receivables are unsecured in nature and bear no interest.

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

22 Related party transactions (continued)

Expenditure with and payables to related parties

	Immediate parent	Indirect parent	Subsidiary	Associates
2020	£ 000	£ 000	£ 000	£ 000
Purchase of services	524	-	10,662	5,431
Amounts payable to related party	-	7,251	20,328	73,332-
	Entities with joint control or significant influence			
	Immediate parent	Indirect parent	Subsidiary	Associates
2019	£ 000	£ 000	£ 000	£ 000
Purchase of services	616	-	2,442	5,229
Amounts payable to related party	-	7,569	12,845	13,798

Services are purchased from related parties on normal commercial terms and conditions and mainly purchased on a cost plus basis.

Amounts payable to related parties arise mainly from the provision of services between entities. The payables bear no interest.

Loans from related parties

2020	£ 000
At start of period	(9,411)
Interest charged	(295)
Foreign exchange movements	127
At end of period	(9,579)
2019	£ 000
At start of period	(5,617)
Advanced	(3,513)
Interest charged	(281)
At end of period	(9,411)

Mergermarket Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

23 Parent and ultimate parent undertaking

The company's immediate parent is Mergermarket Bidco Limited, a company incorporated in the UK. The company's ultimate parent undertaking and controlling party is Bessel Capital SARL, a company incorporated in Luxembourg.

Andrea Pignataro is the ultimate beneficial owner of Bessel Capital SARL holding >25% of the share capital.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Acuris Holdings Limited, incorporated in UK.

The address of Acuris Holdings Limited is:
10 Queen Street Place, London, EC4R 1BE

24 Non adjusting events after the financial period

There were no post year end events to report.