

ALPHASIGHTS LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**



ALPHASIGHTS LTD

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | Andrew Heath Max Cartellieri Sebastian Wossagk |
| Registered number | 06534480 |
| Registered office | Thames Court 3rd Floor 1 Queenhithe London EC4V 3DX |
| Independent auditors | Gerald Edelman Chartered Accountants 73 Cornhill London EC3V 3QQ |

ALPHASIGHTS LTD

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ALPHASIGHTS LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Business review

The group saw continued growth for the year to 31 December 2016. The directors believe that there is considerable opportunity for the continued development of the activities of the group.

The company was ranked the forty-first (2015: twenty-first) fastest growing company in UK by the Sunday Times Fast Track 100 index published in December 2016.

Principal risks and uncertainties

Commercial risk

Continued commercial success will depend on the company's ability to add clients and expand its footprint amongst its existing client base, while maintaining the quality and standards in execution.

Foreign exchange risk

The company executes business denominated in currencies other than its reporting currency, and is thus exposed to risks related to movements in exchange rates. While the company is hedged to a degree owing to costs incurred in the invoicing currencies, a net exposure remains to the movement in currencies against the reporting currency.

Credit risk

The company provides credit to clients and therefore assumes credit risk with regards to non-payment of invoices issued to clients or general client default. This is mitigated by the composition and quality of the company's client base.

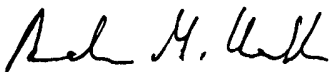
Financial key performance indicators

The company's financial key performance indicators, turnover and profit, both grew year on year.

Future developments

The Company will continue to invest in its people and its relationships with clients.

This report was approved by the board and signed on its behalf.



.....
Andrew Heath
Director



.....
Max Cartellieri
Director

Date: 19 May 2017

ALPHASIGHTS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is the provision of business information services to corporate clients.

Results and dividends

The profit for the year, after taxation, amounted to £17,788,282 (2015: £11,346,478).

Dividends of £2,972,178 (2015: £2,972,178) were paid to Ordinary shareholders during the year.

Directors

The Directors who served during the year were:

Andrew Heath
Max Cartellieri
Sebastian Wossagk

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

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

ALPHASIGHTS LTD

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

Going concern

The financial statements show growing profitability for both the company and the group. Based on financial forecasts and associated expected future cash flows, the directors reasonably expect the group to remain in a position to continue operations over the foreseeable future. Accordingly, the financial statements for the year ended 31 December 2016 have been prepared on a going concern basis, notwithstanding the fact that, upon consolidation only, total liabilities for the group exceed total assets.

Total assets exceed total liabilities for the company as well as each of its subsidiaries.

Auditors

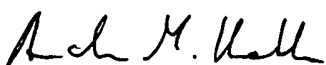
Under section 487(2) of the Companies Act 2006, Gerald Edelman will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

This report was approved by the board and signed on its behalf.



.....
Andrew Heath
Director

Date: 19 May 2017



.....
Max Cartellieri
Director

Date: 19 May 2017

ALPHASIGHTS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHASIGHTS LTD

We have audited the financial statements of AlphaSights Ltd for the year ended 31 December 2016, set out on pages 6 to 36. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

ALPHASIGHTS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHASIGHTS LTD (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

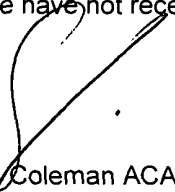
In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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


Stephen Coleman ACA (Senior Statutory Auditor)

for and on behalf of
Gerald Edelman

Chartered Accountants

73 Cornhill
London
EC3V 3QQ

19 May 2017

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---|------|-------------------|-------------------|
| Turnover | | 66,523,792 | 48,616,944 |
| Cost of sales | | (34,381,816) | (25,875,695) |
| Gross profit | | 32,141,976 | 22,741,249 |
| Administrative expenses | | (9,297,042) | (8,333,531) |
| Operating profit | 4 | 22,844,934 | 14,407,718 |
| Interest receivable and similar income | 7 | 1,355 | 368 |
| Interest payable and expenses | 8 | (106,584) | (154,332) |
| Profit before taxation | | 22,739,705 | 14,253,754 |
| Tax on profit | 9 | (4,951,423) | (2,907,276) |
| Profit for the year | | 17,788,282 | 11,346,478 |
| Currency translation differences | | 205,711 | 58 |
| Movement in share options reserve | | 343,781 | 303,550 |
| Release of deferred tax on excess depreciation charge | | 283,233 | 330,240 |
| Other comprehensive income for the year | | 832,725 | 633,848 |
| Total comprehensive income for the year | | 18,621,007 | 11,980,326 |

ALPHASIGHTS LTD
REGISTERED NUMBER: 06534480

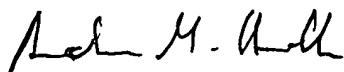
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---|------|---------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 12 | 12,379,962 | 13,019,583 |
| Tangible assets | 13 | 2,236,315 | 386,521 |
| | | <u>14,616,277</u> | <u>13,406,104</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 15 | 15,285,878 | 8,762,701 |
| Cash at bank and in hand | 16 | 10,413,436 | 7,580,956 |
| | | <u>25,699,314</u> | <u>16,343,657</u> |
| Creditors: amounts falling due within one year | 17 | (23,448,081) | (8,674,079) |
| Net current assets | | <u>2,251,233</u> | <u>7,669,578</u> |
| Total assets less current liabilities | | <u>16,867,510</u> | <u>21,075,682</u> |
| Creditors: amounts falling due after more than one year | 18 | (31,750,000) | - |
| Provisions for liabilities | | | |
| Deferred taxation | 21 | (1,177,105) | (1,529,094) |
| | | <u>(1,177,105)</u> | <u>(1,529,094)</u> |
| Net (liabilities)/assets | | <u>(16,059,595)</u> | <u>19,546,588</u> |
| Capital and reserves | | | |
| Called up share capital | 22 | 382,030 | 495,363 |
| Revaluation reserve | 23 | - | 2,708,518 |
| Capital redemption reserve | 23 | 158,829 | 45,496 |
| Foreign exchange reserve | 23 | 186,776 | (18,935) |
| Share options reserve | 23 | 711,915 | 368,134 |
| Profit and loss account | 23 | (17,499,145) | 15,948,012 |
| | | <u>(16,059,595)</u> | <u>19,546,588</u> |

ALPHASIGHTS LTD
REGISTERED NUMBER: 06534480

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 May 2017.



.....
Andrew Heath

Director

The notes on pages 17 to 36 form part of these financial statements.



.....
Max Cartellieri

Director

ALPHASIGHTS LTD
REGISTERED NUMBER: 06534480

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 12 | 12,379,962 | 13,019,583 |
| Tangible assets | 13 | 1,801,550 | 122,458 |
| Investments | 14 | 26,367,000 | 12,667,020 |
| | | <u>40,548,512</u> | <u>25,809,061</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 15 | 15,009,472 | 8,300,381 |
| Cash at bank and in hand | 16 | 8,623,063 | 6,279,892 |
| | | <u>23,632,535</u> | <u>14,580,273</u> |
| Creditors: amounts falling due within one year | 17 | (23,307,109) | (7,771,521) |
| Net current assets | | <u>325,426</u> | <u>6,808,752</u> |
| Total assets less current liabilities | | <u>40,873,938</u> | <u>32,617,813</u> |
| Creditors: amounts falling due after more than one year | 18 | (31,750,000) | - |
| Provisions for liabilities | | | |
| Deferred taxation | 21 | (1,177,105) | (1,529,094) |
| | | <u>(1,177,105)</u> | <u>(1,529,094)</u> |
| Net assets | | <u>7,946,833</u> | <u>31,088,719</u> |
| Capital and reserves | | | |
| Called up share capital | 22 | 382,030 | 495,363 |
| Revaluation reserve | 23 | - | 15,338,877 |
| Capital redemption reserve | 23 | 158,829 | 45,496 |
| Share options reserve | 23 | 711,915 | 368,134 |
| Profit and loss account | 23 | 6,694,059 | 14,840,849 |
| | | <u>7,946,833</u> | <u>31,088,719</u> |

ALPHASIGHTS LTD
REGISTERED NUMBER: 06534480

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 May 2017.



.....
Andrew Heath
Director



.....
Max Cartellieri
Director

The notes on pages 17 to 36 form part of these financial statements.

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Called up share capital | Capital redemption reserve | Fair value reserve | Foreign exchange reserve | Share options reserve | Profit and loss account | Total equity |
|---|----------------------------|----------------------------------|-----------------------|--------------------------------|-----------------------------|----------------------------|---------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| At 1 January 2016 | 495,363 | 45,496 | 2,708,518 | (18,935) | 368,134 | 15,948,012 | 19,546,588 |
| Total comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | - | - | 17,788,282 | 17,788,282 |
| Currency translation differences | - | - | - | 205,711 | - | - | 205,711 |
| Movement in share options reserve | - | - | - | - | 343,781 | - | 343,781 |
| Transfer of excess depreciation net of deferred tax | - | - | (803,169) | - | - | 1,086,402 | 283,233 |
| Dividends: Equity capital | - | - | - | - | - | (2,972,178) | (2,972,178) |
| Purchase of own shares | - | 113,333 | - | - | - | (51,255,013) | (51,141,680) |
| Bonus shares allotted from fair value reserve | 28,235,688 | - | - | - | - | - | 28,235,688 |
| Shares cancelled during the year | (28,349,022) | - | - | - | - | - | (28,349,022) |
| Capitalisation of fair value reserve | - | - | (1,905,349) | - | - | - | (1,905,349) |
| Capitalisation of fair value reserve | - | - | - | - | - | 1,905,350 | 1,905,350 |
| At 31 December 2016 | 382,029 | 158,829 | - | 186,776 | 711,915 | (17,499,145) | (16,059,596) |

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Called up share capital | Capital redemption reserve | Fair value reserve | Foreign exchange reserve | Share options reserve | Profit and loss account | Total equity |
|---|----------------------------|----------------------------------|-----------------------|--------------------------------|-----------------------------|----------------------------|-------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| At 1 January 2015 | 495,363 | 45,496 | 4,029,476 | (18,993) | 64,584 | 5,922,514 | 10,538,440 |
| Total comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | - | - | 11,346,478 | 11,346,478 |
| Currency translation differences | - | - | - | 58 | - | - | 58 |
| Movement in share options reserve | - | - | - | - | 303,550 | - | 303,550 |
| Transfer of excess depreciation net of deferred tax | - | - | (1,320,958) | - | - | 1,651,198 | 330,240 |
| Dividends: Equity capital | - | - | - | - | - | (2,972,178) | (2,972,178) |
| At 31 December 2015 | 495,363 | 45,496 | 2,708,518 | (18,935) | 368,134 | 15,948,012 | 19,546,588 |

The notes on pages 17 to 36 form part of these financial statements.

ALPHASIGHTS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Called up share capital | Capital redemption reserve | Fair value reserve | Share options reserve | Profit and loss account | Total equity |
|---|----------------------------|----------------------------------|-----------------------|-----------------------------|----------------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| At 1 January 2016 | 495,363 | 45,496 | 15,338,877 | 368,134 | 14,840,849 | 31,088,719 |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 16,758,311 | 16,758,311 |
| Movement in share options reserve | - | - | - | 343,781 | - | 343,781 |
| Transfer of excess depreciation net of deferred tax | - | - | (803,169) | - | 1,086,402 | 283,233 |
| Dividends: Equity capital | - | - | - | - | (2,972,178) | (2,972,178) |
| Purchase of own shares | - | 113,333 | - | - | (51,255,013) | (51,141,680) |
| Bonus shares allotted from fair value reserve | 28,235,688 | - | - | - | - | 28,235,688 |
| Shares cancelled during the year | (28,349,022) | - | - | - | - | (28,349,022) |
| Fair value reserves allotment | - | - | (28,235,688) | - | - | (28,235,688) |
| Capital reduction | - | - | - | - | 28,235,688 | 28,235,688 |
| Surplus on fair valuation of subsidiaries | - | - | 13,699,980 | - | - | 13,699,980 |
| At 31 December 2016 | 382,029 | 158,829 | - | 711,915 | 6,694,059 | 7,946,832 |

ALPHASIGHTS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Called up share capital | Capital redemption reserve | Fair value reserve | Share options reserve | Profit and loss account | Total equity |
|---|----------------------------|----------------------------------|-----------------------|-----------------------------|----------------------------|-------------------|
| | £ | £ | £ | £ | £ | £ |
| At 1 January 2015 | 495,363 | 45,496 | 4,685,653 | 64,584 | 5,913,157 | 11,204,253 |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 10,248,672 | 10,248,672 |
| Movement in share options reserve | - | - | - | 303,550 | - | 303,550 |
| Transfer of excess depreciation net of deferred tax | - | - | (1,320,958) | - | 1,651,198 | 330,240 |
| Dividends: Equity capital | - | - | - | - | (2,972,178) | (2,972,178) |
| Surplus on fair valuation of subsidiaries | - | - | 11,974,182 | - | - | 11,974,182 |
| At 31 December 2015 | 495,363 | 45,496 | 15,338,877 | 368,134 | 14,840,849 | 31,088,719 |

The notes on pages 17 to 36 form part of these financial statements.

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

| | 2016 £ | 2015 £ |
|--|---------------------|---------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 17,788,282 | 11,346,478 |
| Adjustments for: | | |
| Amortisation of intangible assets | 1,701,608 | 1,847,138 |
| Depreciation of tangible assets | 322,099 | 263,733 |
| Loss on disposal of tangible assets | 20,633 | (263) |
| Interest paid | 106,584 | 154,332 |
| Interest received | (1,355) | (368) |
| Taxation charge | 4,951,423 | 2,907,276 |
| (Increase) in debtors | (6,500,276) | (1,355,747) |
| Increase in creditors | 4,857,999 | 3,401,032 |
| Corporation tax (paid) | (3,377,071) | (2,344,665) |
| Share options charge | 343,781 | 303,550 |
| Exchange differences on reconversion of foreign subsidiaries | 170,153 | (11,439) |
| Net cash generated from operating activities | 20,383,860 | 16,511,057 |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (1,061,987) | (792,235) |
| Purchase of tangible fixed assets | (2,159,450) | (136,933) |
| Sale of tangible fixed assets | 2,477 | 700 |
| Interest received | 1,355 | 368 |
| Net cash from investing activities | (3,217,605) | (928,100) |
| Cash flows from financing activities | | |
| Purchase of ordinary shares | (51,255,013) | - |
| New secured loans | 40,000,000 | - |
| Repayment of loans | - | (10,124,894) |
| Dividends paid | (2,972,178) | (2,972,178) |
| Interest paid | (106,584) | (154,332) |
| Net cash used in financing activities | (14,333,775) | (13,251,404) |
| Net increase in cash and cash equivalents | 2,832,480 | 2,331,553 |

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

| | 2016 £ | 2015 £ |
|--|-------------------|------------------|
| Cash and cash equivalents at beginning of year | 7,580,956 | 5,249,403 |
| Cash and cash equivalents at the end of year | <u>10,413,436</u> | <u>7,580,956</u> |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 10,413,436 | 7,580,956 |
| | <u>10,413,436</u> | <u>7,580,956</u> |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

1.1 General information

AlphaSights Ltd. is a company incorporated in England and Wales as a private limited liability company. The address of its registered office is:

Thames Court, 3rd floor
1 Queenhithe
London
EC4V 3DX

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

1.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the formed entity's / acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the formation / acquisition date. The results of the formed entity's / acquiree's operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- a) the amount of revenue can be measured reliably;
- b) it is probable that the Group will receive the consideration due under the contract;
- c) the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- d) the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.5 Intangible assets

Previously revalued intangibles are brought in at deemed cost representing the net book value of those revalued intangible assets as at the date of transition. Subsequently, intangible assets are recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software development cost is amortised on a straight line basis over 10 years.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined as the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-------------------------------|--|
| Short-term leasehold property | - straight line over the life of lease |
| Computer equipment | - 33% straight line |
| Fixtures and fittings | - 25% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised in the Profit and Loss Account on a straight line basis over the lease term.

1.9 Valuation of investments

Investments in subsidiaries were historically carried at cost less accumulated impairment losses. During the year, investments in the Company's wholly owned subsidiaries were restated at fair value. The fair valuation exercise was carried out by an independent valuer. Fair value surplus was recorded through the company's other comprehensive income. This change in accounting policy necessitated for the comparatives to be changed retrospectively to reflect the fair value adjustment.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the Profit and Loss Account within operating profit.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.15 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

1.17 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Profit and Loss Account over the vesting period. Such instruments are measured at fair value at the time of grant taking into account the terms and conditions upon which the instruments are granted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.18 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.19 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

1.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Intangible assets

Critical estimates are made by the directors in determining amortization rates for intangible assets and their residual values.

Tangible assets

Critical estimates are made by the directors in determining depreciation rates for tangible assets and their residual values.

Debtors

Critical estimates are made by the directors in determining the recoverable amount of impaired receivables.

Applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made judgements in determining whether assets are impaired or not.

3. Analysis of turnover

The total turnover of the Group for the year has been derived from its principal activity invoiced from the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

| | 2016 £ | 2015 £ |
|---|-------------|-----------|
| Depreciation of tangible fixed assets | 322,219 | 263,740 |
| Amortisation of intangible assets | 1,701,608 | 1,847,138 |
| Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements | 28,975 | 30,140 |
| - The audit of the Group's subsidiaries pursuant to legislation | 15,000 | 15,000 |
| Exchange differences | (1,404,323) | 392 |
| Other operating lease rentals | 2,640,375 | 1,424,192 |
| Share based payment | 343,781 | 303,550 |
| Defined contribution pension cost | 123,536 | 15,884 |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

5. Employees

Staff costs, including Directors' remuneration, were as follows:

| | 2016 £ | 2015 £ |
|-------------------------------------|-------------------|-------------------|
| Wages and salaries | 16,469,161 | 12,541,750 |
| Social security costs | 1,462,195 | 1,123,417 |
| Cost of defined contribution scheme | 123,536 | 15,884 |
| | <u>18,054,892</u> | <u>13,681,051</u> |

The average monthly number of employees, including the Directors, during the year was as follows:

| | 2016 No. | 2015 No. |
|-------------------------------|-------------|-------------|
| Commercial and administration | <u>320</u> | <u>269</u> |

6. Directors' remuneration

| | 2016 £ | 2015 £ |
|---|----------------|----------------|
| Directors' emoluments | 799,946 | 229,451 |
| Company contributions to defined contribution pension schemes | 9,900 | 8,100 |
| | <u>809,846</u> | <u>237,551</u> |

During the year retirement benefits were accruing to 1 Director (2015: 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £417,946 (2015: £121,451).

7. Interest receivable

| | 2016 £ | 2015 £ |
|---------------------------|--------------|------------|
| Other interest receivable | 1,355 | 368 |
| | <u>1,355</u> | <u>368</u> |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. Interest payable and similar charges

| | 2016 £ | 2015 £ |
|-----------------------|----------------|----------------|
| Bank interest payable | 106,584 | 154,332 |
| | <u>106,584</u> | <u>154,332</u> |

9. Taxation

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Corporation tax | | |
| Current tax on profits for the year | 4,025,124 | 2,567,685 |
| | <u>4,025,124</u> | <u>2,567,685</u> |
| Foreign tax | | |
| Foreign tax on income for the year | 995,055 | 413,218 |
| | <u>995,055</u> | <u>413,218</u> |
| Total current tax | <u>5,020,179</u> | <u>2,980,903</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (68,756) | (73,627) |
| Total deferred tax | <u>(68,756)</u> | <u>(73,627)</u> |
| Taxation on profit on ordinary activities | <u>4,951,423</u> | <u>2,907,276</u> |

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015: *higher than*) the standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are explained below:

| | 2016 £ | 2015 £ |
|---|-------------------|------------|
| Profit on ordinary activities before tax | 22,739,705 | 14,253,754 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20%) | 4,547,941 | 2,850,751 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 85,855 | 65,701 |
| Capital allowances for year in excess of depreciation | 291,096 | 378,529 |
| Research and development tax credit | (488,514) | (356,506) |
| Research and development tax credit | 4,604 | (53) |
| Foreign tax charge | 995,056 | 413,218 |
| Origination and reversal of timing differences | (68,756) | (73,627) |
| Other differences leading to an increase (decrease) in the tax charge | (415,859) | (370,737) |
| Total tax charge for the year | 4,951,423 | 2,907,276 |

10. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £16,758,311 (2015: £10,248,673).

11. Dividends

| | 2016 £ | 2015 £ |
|-----------------|------------------|-----------|
| Ordinary shares | 2,972,178 | 2,972,178 |
| | 2,972,178 | 2,972,178 |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. Intangible assets

Group

| | Software development cost £ |
|-----------------------|--------------------------------------|
| Cost | |
| At 1 January 2016 | 15,398,326 |
| Additions | 1,061,987 |
| At 31 December 2016 | 16,460,313 |
| Amortisation | |
| At 1 January 2016 | 2,378,743 |
| Charge for the year | 1,701,608 |
| At 31 December 2016 | 4,080,351 |
| Net book value | |
| At 31 December 2016 | 12,379,962 |
| At 31 December 2015 | 13,019,583 |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. Intangible assets (continued)

Company

| | Software development cost £ |
|-----------------------|--------------------------------------|
| Cost | |
| At 1 January 2016 | 15,398,326 |
| Additions | 1,061,987 |
| At 31 December 2016 | 16,460,313 |
| Amortisation | |
| At 1 January 2016 | 2,378,743 |
| Charge for the year | 1,701,608 |
| At 31 December 2016 | 4,080,351 |
| Net book value | |
| At 31 December 2016 | 12,379,962 |
| At 31 December 2015 | 13,019,583 |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

13. Tangible fixed assets

Group

| | Short-term leasehold property £ | Computer equipment £ | Fixtures, fittings & equipment £ | Total £ |
|---------------------------------------|--|----------------------------|---|------------|
| Cost or valuation | | | | |
| At 1 January 2016 | 195,280 | 650,590 | 339,921 | 1,185,791 |
| Additions | 575,054 | 158,392 | 1,426,004 | 2,159,450 |
| Disposals | (79,314) | (230,135) | (116,087) | (425,536) |
| Exchange adjustments | 23,105 | 67,902 | 41,387 | 132,394 |
| At 31 December 2016 | 714,125 | 646,749 | 1,691,225 | 3,052,099 |
| Depreciation | | | | |
| At 1 January 2016 | 166,225 | 453,755 | 179,290 | 799,270 |
| Charge for the period on owned assets | 52,707 | 154,197 | 115,315 | 322,219 |
| Disposals | (79,314) | (229,639) | (93,473) | (402,426) |
| Exchange adjustments | 19,749 | 52,060 | 24,908 | 96,717 |
| At 31 December 2016 | 159,367 | 430,373 | 226,040 | 815,780 |
| Net book value | | | | |
| At 31 December 2016 | 554,758 | 216,376 | 1,465,185 | 2,236,319 |
| At 31 December 2015 | 29,055 | 196,835 | 160,631 | 386,521 |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

13. Tangible fixed assets (continued)

Company

| | Short-term leasehold property £ | Computer equipment £ | Fixtures, fittings & equipment £ | Total £ |
|---------------------------------------|--|----------------------------|---|------------|
| Cost or valuation | | | | |
| At 1 January 2016 | 79,314 | 309,760 | 132,212 | 521,286 |
| Additions | 423,377 | 44,252 | 1,339,960 | 1,807,589 |
| Disposals | (79,314) | (222,465) | (116,087) | (417,866) |
| At 31 December 2016 | 423,377 | 131,547 | 1,356,085 | 1,911,009 |
| Depreciation | | | | |
| At 1 January 2016 | 79,314 | 237,712 | 81,802 | 398,828 |
| Charge for the period on owned assets | 6,048 | 49,490 | 50,272 | 105,810 |
| Disposals | (79,314) | (222,392) | (93,473) | (395,179) |
| At 31 December 2016 | 6,048 | 64,810 | 38,601 | 109,459 |
| Net book value | | | | |
| At 31 December 2016 | 417,329 | 66,737 | 1,317,484 | 1,801,550 |
| At 31 December 2015 | - | 72,048 | 50,410 | 122,458 |

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Fixed asset investments**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|---------------------|------------------------|----------------|-------------------------------|
| AlphaSights Inc. | Ordinary | 100 % | Business information services |
| AlphaSights Limited | Ordinary | 100 % | Business information services |
| AlphaSights FZ-LLC | Ordinary | 100 % | Business information services |

Company

**Investments
in
subsidiary
companies
£**

Valuation

| | |
|---------------------|-------------------|
| At 1 January 2016 | 12,667,020 |
| Revaluations | 13,699,980 |
| At 31 December 2016 | 26,367,000 |

Net book value

| | |
|---------------------|-------------------|
| At 31 December 2016 | 26,367,000 |
| At 31 December 2015 | 12,667,020 |

The investments in subsidiaries are stated at fair value as explained in note 1.9. The carrying value at 1 January 2016 of £12,667,020 is based on the fair value at that date. The carrying value at 31 December 2015 of £36,661 was based on cost less impairment losses. The current year's fair value adjustment of £13,699,980 has been recorded in other comprehensive income which has been eliminated on consolidation.

No deferred tax has been provided due to the availability of substantial shareholding exemption.

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

15. Debtors

| | Group 2016 £ | Group 2015 £ | Company 2016 £ | Company 2015 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 11,067,539 | 7,556,489 | 11,067,539 | 7,556,489 |
| Amounts owed by group undertakings | - | - | 319,438 | 36,470 |
| Other debtors | 2,544,471 | 420,608 | 2,354,552 | 54,486 |
| Prepayments and accrued income | 1,673,868 | 785,604 | 1,267,943 | 652,936 |
| | <u>15,285,878</u> | <u>8,762,701</u> | <u>15,009,472</u> | <u>8,300,381</u> |

16. Cash and cash equivalents

| | Group 2016 £ | Group 2015 £ | Company 2016 £ | Company 2015 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | 10,413,436 | 7,580,956 | 8,623,063 | 6,279,892 |
| | <u>10,413,436</u> | <u>7,580,956</u> | <u>8,623,063</u> | <u>6,279,892</u> |

17. Creditors: Amounts falling due within one year

| | Group 2016 £ | Group 2015 £ | Company 2016 £ | Company 2015 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 8,250,000 | - | 8,250,000 | - |
| Trade creditors | 1,418,335 | 629,353 | 1,252,100 | 499,883 |
| Amounts owed to group undertakings | - | - | 1,757,623 | 392,838 |
| Corporation tax | 3,389,888 | 1,723,881 | 2,624,801 | 1,323,728 |
| Other taxation and social security | 452,253 | 699,233 | 438,572 | 690,637 |
| Other creditors | 126,903 | 94,603 | 1,883 | 6,091 |
| Accruals and deferred income | 9,810,702 | 5,527,009 | 8,982,130 | 4,858,344 |
| | <u>23,448,081</u> | <u>8,674,079</u> | <u>23,307,109</u> | <u>7,771,521</u> |

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. Creditors: Amounts falling due after more than one year

| | Group 2016 £ | Group 2015 £ | Company 2016 £ | Company 2015 £ |
|------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 31,750,000 | - | 31,750,000 | - |
| | <u>31,750,000</u> | <u>-</u> | <u>31,750,000</u> | <u>-</u> |

19. Loans

The bank loan was secured by a fixed and floating charge over the assets of the Company.

| | Group 2016 £ | Group 2015 £ | Company 2016 £ | Company 2015 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Amounts falling due within one year | | | | |
| Bank loans | 8,250,000 | - | 8,250,000 | - |
| Amounts falling due 2-5 years | | | | |
| Bank loans | 31,750,000 | - | 31,750,000 | - |
| | <u>40,000,000</u> | <u>-</u> | <u>40,000,000</u> | <u>-</u> |

20. Financial instruments

| | Group 2016 £ | Group 2015 £ | Company 2016 £ | Company 2015 £ |
|---|---------------------|--------------------|----------------------|----------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | 10,413,436 | 7,580,956 | 8,623,063 | 6,279,892 |
| Financial assets that are debt instruments measured at amortised cost | 14,224,928 | 8,395,166 | 14,354,447 | 8,065,513 |
| | <u>24,638,364</u> | <u>15,976,122</u> | <u>22,977,510</u> | <u>14,345,405</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | (43,511,303) | (1,586,530) | (44,149,292) | (1,109,319) |
| | <u>(43,511,303)</u> | <u>(1,586,530)</u> | <u>(44,149,292)</u> | <u>(1,109,319)</u> |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

21. Deferred taxation

Group

| | 2016 £ | 2015 £ |
|---------------------------------------|--------------------|--------------------|
| At beginning of year | (1,529,094) | (1,932,961) |
| Charged to the comprehensive income | 68,756 | 73,627 |
| Charged to other comprehensive income | 283,233 | 330,240 |
| At end of year | (1,177,105) | (1,529,094) |

Company

| | 2016 £ | 2015 £ |
|---------------------------------------|--------------------|--------------------|
| At beginning of year | (1,529,094) | (1,932,961) |
| Charged to the comprehensive income | 68,756 | 73,627 |
| Charged to other comprehensive income | 283,233 | 330,240 |
| At end of year | (1,177,105) | (1,529,094) |

| | Group 2016 £ | Group 2015 £ | Company 2016 £ | Company 2015 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Origination and reversal of timing differences | (1,177,104) | (1,529,094) | 1,177,104 | 1,529,094 |
| | (1,177,104) | (1,529,094) | 1,177,104 | 1,529,094 |

22. Share capital

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 7,640,592 (2015: 9,907,259) Ordinary shares of £0.05 each | 382,030 | 495,363 |

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

22. Share capital (continued)

During the year, in chronological order,

564,713,763 Ordinary Shares of £0.05 each were allotted, at the rate of 57 for every 1 held, to holders of Ordinary Shares out of the revaluation reserve.

The capital of the company was reduced by extinguishing the 564,713,763 Ordinary Shares of £0.05 each of the revaluation reserve allotment.

The company purchased 2,266,667 Ordinary Shares of £0.05 each in the capital of the company for a consideration of £22.50 per share.

Ordinary shares rank *pari passu* in terms of voting rights or rights to receive any distribution of profits or proceeds of capital.

23. Reserves

The reserves for the Group and Company have been fully analysed in the Consolidated Statement of Changes in Equity and Company Statement of Changes in Equity.

24. Share based payments

During the year, the company issued options over 118,750 (2015: 375,000) Ordinary Shares of £0.05 each vesting over 5 years at an exercise price of £5.00 (2015: £2.91) per share.

At the Balance Sheet date, the aggregate of the estimated fair value of the share options granted resulted in a charge of £343,781 (2015: £303,550) in the Profit and Loss Account.

Fair value is determined by adjusting the arithmetic average of an earnings-based and yield-based valuation, based on management's best estimates.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £39,855 (2015: £15,884).

Contributions totalling £15,600 (2015: £8,175) were payable to the fund at the reporting date.

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

26. Commitments under operating leases

At 31 December 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2016 £ | <i>Group 2015 £</i> | Company 2016 £ | <i>Company 2015 £</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Not later than 1 year | 2,241,188 | 1,356,881 | 542,305 | 194,875 |
| Later than 1 year and not later than 5 years | 15,868,029 | 598,672 | 4,542,241 | - |
| Later than 5 years | 3,397,343 | - | 854,919 | - |
| | <u>21,506,560</u> | <u>1,955,553</u> | <u>5,939,465</u> | <u>194,875</u> |

27. Related party transactions

Group

The company made profit distributions to Harley Street Nominees Limited in the amount of £2,311,833 (2015: £2,311,833) which included distributions to the company's directors' family interests.

Company

The company has taken advantage of the exemption available in section 33 of FRS 102 "Related Party Disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.