

Hemscott Limited

Directors' report and financial statements

Year ended 31 December 2007
Registered number: 27883

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Hemscott Limited

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Directors' Report

The directors present their annual report on the affairs of the group and the audited financial statements for the year ended 31 December 2007.

Review of Business

Principal Activities

Hemscott is a leading international supplier of high quality business and financial information and online corporate investor relations solutions to clients in the UK, Europe and North America. Since 14 December 2006, Hemscott has been part of the Ipreo group of companies.

References to "the Group" below relate to Hemscott Limited and to its subsidiaries and not to the wider Ipreo group of companies.

Results

The business has performed reasonably well for the year. Our Group has two distinct revenue generating areas, as defined by the needs of our global customer base, Global Business Information and UK Media. Combined revenue increase slightly by 1% year on year.

Global Business Information

Global Business Information, which includes Global Capital Markets and Data Sales and Global Investor Relations, has continued to perform reasonably well, and a small growth of 1% has been achieved. Revenue for the year was up just over 1% to £22.2m (2006: £21.9m).

UK and North American Fundamental Data

Our international fundamental data business revenue has decreased by 19% (2006: increase of 4%). The strategy continues to focus on leveraging the opportunities to cross-sell these assets, however we are facing an increasingly tough market with new entrants to the market gaining market share through aggressive pricing strategies.

Data sales in the UK have also decreased by 12% (2006: 4%)

Bigdough Capital Markets

Bigdough, our CRM and communications platform for the capital markets community, which forms a large part of our revenue, has enjoyed good growth of 13% (2006: 24%), and during 2007 was integrated into the i-Deal workflow applications- further enhancing our proposition.

Investor Relations Services

Our UK corporate investor relations website business has also performed well, increasing by 6% (2006: 15%) adding further high-profile quoted companies to an already impressive client list of PLCs.

In the UK and US, sales of the investor relations application of Bigdough to Corporate IR officers has seen a small amount of growth, with further blue chip customers added to our client base.

UK Media

Our UK Media division includes advertising on our business and investment research website, www.hemscott.com, and subscription emails to the user base of high net worth individuals. The turnover from the Media division remained flat for the year at £1.7m (2006: £1.7m).

Profit for the Group before interest, tax, depreciation and amortisation-EBITDA, increased year on year from £1.3m to £1.7m. Although there were significant one off costs incurred in 2006 (£2.5m), further one off costs of £1.3m (of which £413k were exceptional) were also incurred in 2007. Much of this related to costs incurred as a result of the divestment of certain of the Hemscott Group companies. Overall, operating costs for the period, in line with revenue, remained largely flat.

Interest payable increased significantly from 2006 to 2007, interest being due and calculated on the loan with Wells Fargo that was put in place during December 2006.

As a result of UK losses in the current year, the group has no liability to UK taxation (2006: £nil). As at 31 December 2007, the group has UK tax losses available to carry forward of approximately £18m (2006: £14m) and the benefit of future capital allowances in excess of depreciation of £3m (2006: £2m).

Cash at the end of the year was £1.1m (at 31 December 2006: £3.1m)

Net cash inflow from operating activities for the year totalled £2.2m (2006 outflow of £0.3m)

The Group's cash is invested in short-term deposits and current accounts with the major banks and building societies.

The Group's financial instruments and financial risk management are disclosed in Note 15 to the financial statements.

Future developments

On 14 December 2007 the shareholders of Ipreo Holdings LLC, the ultimate parent company, agreed to exchange 100% of their shareholdings in Hemscott Group Limited, Hemscott Inc, Corporate Fundamentals Inc and Hemscott India (Private) Limited for consideration of US\$ 51.6m. On 9 January 2008 the sale of these entities to Morningstar LLC completed. The activity of these companies has been disclosed as discontinued in these financial statements.

On 14 December 2007, certain business assets relating to the Bigdough sales force and certain back office operations were sold to Hemscott Holdings Ltd by Hemscott Group Limited, and these operations are therefore classified as continuing in these financial statements.

The results for 2008 and 2009 to date are encouraging. Bigdough, now our core product for this group, continues to grow and contribute significantly to the profitability of the group.

Bank financing

During 2006, Hemscott's US subsidiaries took out a secured loan facility (the Phase 2 facility) with Wells Fargo. i-Deal LLC and other parties connected to Ipreo Holdings LLC were also parties to the financing, raising money for the purpose of distributions under the i-Deal merger transaction and for potential future acquisitions. The loan repayments and interest on the loan, commenced during 2007. Further details are disclosed in note 17 to the accounts.

Financial and non-financial KPI's

The Group has always measured itself primarily on financial KPI's derived from the profit and loss and cashflow which are commented on in this business review. Another important KPI for the group is the level of deferred income which at 31 December 2007 was £8.4m (2006: £7.6m).

Employees

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

Directors' Report continued

Research and development

The company continues to invest significantly in product development. The combination of Hemscott, I-Deal and Marketpipe as part of the Ipreo group has brought together a complementary set of products designed to serve the investment community. Research and development continues to be focused on integrating and further enhancing the products of the three companies, as well as enhancing a number of back office systems. During early 2007 Ipreo launched its full suite of investor relations, market intelligence and analytic services.

Risks and uncertainties

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

Risk that R&D will not deliver commercially successful new products

Continued development of commercially viable new products is critical to the Group's ability to grow and stay ahead of the competition. Developing new products is a costly, lengthy and uncertain process. New products may appear promising in development but, after significant investment, may have limited commercial success.

Third party competition

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

Reliance on information technology

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

Group reorganisation

The combination of the three businesses, Hemscott Ltd, I-Deal LLC and Marketpipe Ltd to form the Ipreo group has required a significant amount of integration work and a change in management and their responsibilities. To a certain extent this may be reflected in the lower rate of growth seen this year compared to that experienced in prior years.

Exposure to foreign exchange fluctuations

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

Accounting standards

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

Human resources

The Group has approximately 434 employees in the UK, US and India. Failure to continue to recruit and retain the right people and maintain a culture of compliance could have a significant adverse effect on the Group.

Bank financing

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

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

Directors

The directors who held office during the year and to the date of this report were as follows:

Rosalyn Wilton (resigned 1 June 2007)
 Daryl Paton (resigned 1 June 2007)
 Nick Veronis (resigned 1 June 2007)
 Scott Troeller (resigned 1 June 2007)
 Gary Brian Dockray (appointed 1 June 2007)
 Paul Lucas (appointed 1 June 2007)
 Scott Ganeles (appointed 1 June 2007)

Directors' indemnity

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

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

Charitable and Political Donations

Charitable donations of £5,000 were made during the year (2006: £7,500). No political donations were made during the year (2006: Nil).

Statement of Directors' responsibilities

Financial Statements including Adoption of Going Concern Basis

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and Group as at the end of the financial year and of the profit or loss of the Group for that period.

After making enquiries, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Other Matters

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report continued

Auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Mazars LLP have expressed their willingness to continue in office and a resolution to reappoint them as auditors will be prepared at the forthcoming Annual General Meeting.



By order of the Board

Paul Lucas

Director

22 DECEMBER 2009

Hemscott Limited

Independent auditors' report to the member of Hemscott Limited

We have audited the financial statements of Hemscott Limited for the year ended 31 December 2007 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company's Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the company's member, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's and the group's affairs as at 31 December 2007 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's report is consistent with the financial statements.

Mazars LLP

Mazars LLP
Chartered Accountants
and Registered Auditors
Tower Bridge House
St Katharine's way
London
E1W 1DD

22 December 2009

Hemscott Limited

Consolidated profit and loss account

For the year ended 31 December 2007

| | Notes | Continuing operations 2007 £'000 | Discontinued operations 2007 £'000 | Total 2007 £'000 | Continuing operations 2006 £'000 | Discontinued operations 2006 £'000 | Total 2006 £'000 |
|---|-------|--|--|------------------------|--|--|------------------------|
| Turnover | 2 | 12,103 | 11,743 | 23,846 | 10,853 | 12,687 | 23,540 |
| Operating expenses | 3,6 | (12,439) | (14,285) | (26,724) | (12,651) | (14,165) | (26,816) |
| Operating loss | | (336) | (2,542) | (2,878) | (1,798) | (1,478) | (3,276) |
| Loss on sale of tangible fixed assets | | - | - | - | - | (282) | (282) |
| Loss on ordinary activities before finance charges | | (336) | (2,542) | (2,878) | (1,798) | (1,760) | (3,558) |
| Interest receivable and similar income | 4 | 17 | 78 | 95 | 94 | 95 | 189 |
| Interest payable and similar charges | 5 | (1,096) | - | (1,096) | (60) | - | (60) |
| Loss on ordinary activities before taxation | 6 | (1,415) | (2,464) | (3,879) | (1,764) | (1,665) | (3,429) |
| Tax (charge)/ credit on loss on ordinary activities | 9 | (621) | (136) | (757) | (37) | 594 | 557 |
| Retained loss for the financial year | 20 | (2,036) | (2,600) | (4,636) | (1,801) | (1,071) | (2,872) |

Hemscott Group Limited, Hemscott Inc, Corporate Fundamentals Inc and Hemscott India (Private) Limited were sold outside the group on 9 January 2008. The operations of these companies have been classified as discontinued in 2007 and in the comparatives for 2006.

Consolidated statement of total recognised gains and losses

For the year ended 31 December 2007

| | 2007 £'000 | 2006 £'000 |
|--|---------------|---------------|
| Loss for the financial year | (4,636) | (2,872) |
| Currency translation difference on foreign currency net investments | (86) | (2,727) |
| Total losses recognised relating to the period and since last annual report and financial statements | (4,732) | (5,599) |

2006 comparatives are presented without analysis of exceptional and non-recurring items. These are analysed in Note 3 to the financial information.

Hemscott Limited

Consolidated balance sheet

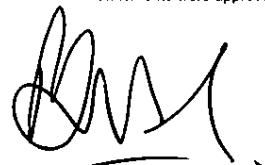
31 December 2007

| | Notes | 2007 £'000 | 2006 £'000 |
|--|-----------|-----------------|-----------------|
| Fixed assets | | | |
| Goodwill | 10 | 23,041 | 27,120 |
| Tangible assets | 11 | 3,100 | 2,247 |
| Investments | 12 | 118 | 122 |
| | | 26,259 | 29,489 |
| Current Assets | | | |
| Debtors - amounts falling due within one year | 14 | 9,231 | 5,702 |
| Debtors - amounts falling due after one year | 14 | 1,113 | 1,787 |
| Cash at bank and in hand | 15 | 1,109 | 3,090 |
| | | 11,453 | 10,559 |
| Creditors: Amounts falling due within one year | 16 | (25,577) | (15,225) |
| Net current liabilities | | (14,124) | (4,666) |
| Total assets less current liabilities | | 12,135 | 24,823 |
| Creditors: Amounts falling due after more than one year | 17 | (4,160) | (12,118) |
| | | 7,975 | 12,707 |
| Capital and reserves | | | |
| Called up share capital | 18 | 3,660 | 3,660 |
| Capital redemption reserve | 20 | 1,513 | 1,513 |
| Other reserves | 20 | 4,509 | 4,509 |
| Profit and loss account | 20 | (1,707) | 3,025 |
| Shareholder's funds - equity | 20 | 7,975 | 12,707 |

The financial statements were approved by the board of directors on

22 DECEMBER 2009

and signed on its behalf by:



Paul Lucas
Director

Hemscott Limited

Company balance sheet

31 December 2007

| | Notes | 2007 £'000 | 2006 £'000 |
|---|-----------|---------------|----------------|
| Fixed Assets | | | |
| Investments | 12 | 16,477 | 26,740 |
| | | 16,477 | 26,740 |
| Current assets | | | |
| Debtors - amounts falling due within one year | 14 | 275 | 223 |
| Debtors - amounts falling due after one year | 14 | 159 | 159 |
| Cash at bank and in hand | 15 | 2 | 333 |
| | | 436 | 715 |
| Creditors: Amounts falling due within one year | 16 | (799) | (2,294) |
| Net current liabilities | | (363) | (1,579) |
| Total assets less current liabilities | | 16,114 | 25,161 |
| Creditors: Amounts falling due after more than one year | 17 | (273) | (273) |
| | | 15,841 | 24,888 |
| Capital and Reserves | | | |
| Called up share capital | 18 | 3,660 | 3,660 |
| Capital redemption reserve | 20 | 1,513 | 1,513 |
| Other reserves | 20 | 8,639 | 8,639 |
| Profit and loss account | 20 | 2,029 | 11,076 |
| Shareholder's funds - equity | 20 | 15,841 | 24,888 |

The financial statements were approved by the board of directors on

22 DECEMBER 2009

and signed on its behalf by:



Paul Lucas
Director

Hemscott Limited

Consolidated cash flow statement

For the year ended 31 December 2007

| | Notes | 2007 £'000 | 2008 £'000 |
|--|-------|---------------|---------------|
| Net cash inflow/(outflow) from operating activities | 22 | 2,218 | (332) |
| Returns on investments and servicing of finance | 23 | (988) | 126 |
| Taxation | 23 | (119) | (666) |
| Capital expenditure and financial investments | 23 | (2,022) | (1,673) |
| Cash outflow before management of liquid resources and financing | | (921) | (2,545) |
| Management of liquid resources | 23 | 1,348 | (299) |
| Financing | 23 | (1,057) | (1,936) |
| Decrease in cash in the year | 24 | (630) | (4,780) |

Hemscott Limited

Notes to the Financial Statements For the year ended 31 December 2007

1. Principal accounting policies

In accordance with applicable law and Accounting Standards in the UK a summary of the principal accounting policies which have been applied consistently through the year and preceding year is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and are prepared on the basis that the group is a going concern. The directors have good reason to believe that the group will continue to be a going concern for the foreseeable future. The 2007 net liability position is largely due to the \$14m revolving credit agreement in place with Wells Fargo, repaid in 2008. The group is anticipated to be profitable and in a net positive cashflow positive for 2008 through to 2009 with similar expected for 2010.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. As described in note 29, on 14 December 2007, the shareholders agreed to sell certain subsidiaries outside of the group. The sale completed and control passed on 9 January 2008, and the results of the subsidiaries have therefore been consolidated up to this date.

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

Turnover

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

Goodwill

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

Tangible fixed assets

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

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

Investments

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

Taxation

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

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

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that

Foreign currency

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

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

Share based payments

2006 scheme

The Group applied the requirements of FRS20 Share-based Payments. In accordance with the transitional provisions, FRS 20 was applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.

The group issued equity-settled share based payments to certain employees. Equity-settled share-based payments were measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the date of grant was expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that would eventually vest and adjusted for the effect of non-market based conditions.

Fair value is measured by use of Black-Scholes pricing model. The expected life used in the model was adjusted, based on managements' best estimate, for the effects of non transferability, exercise restrictions, and behavioural considerations.

An accrual for National Insurance is made in respect of all the options granted since 6 April 1999 on the difference between the fair value of the shares at year end and the exercise price to the extent that it is believed that the options are likely to be exercised

2007 scheme

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

In the opinion of the directors, the fair value cannot be reliably estimated using an appropriate pricing model, due to the following factors

- the group is unlisted and the units are not freely traded so a market price cannot be reliably attained;
- as the units are not traded, the directors consider that volatility cannot be reliably measured.

With these factors in mind, the company uses intrinsic value to value the units

Hemscott Limited

Notes to the Financial Statements continued For the year ended 31 December 2007

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received or receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Website development costs

Design and content development costs are capitalised to the extent that they lead to the creation of an enduring asset, which delivers benefits at least as great as the amount capitalised. If there is insufficient evidence upon which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred.

Amortisation is provided on capitalised costs, at rates calculated to write off the capitalised cost of the assets evenly over the useful life of 3 years.

Presentation of company profit and loss

As permitted under Section 230 of the Companies Act 1985, the company has not presented its own profit and loss account which is presented to the board and approved at the date of signing these accounts.

2 Segmental reporting

Classes of business:

| | 2007 £'000 | 2006 £'000 |
|----------------------|---------------|---------------|
| Turnover | | |
| Business information | 22,210 | 21,856 |
| Media | 1,636 | 1,684 |
| | 23,846 | 23,540 |

In the opinion of the directors it is not practicable to determine the operating loss and net assets by business class principally because a significant amount of costs are shared across all areas of the business.

| | 2007 £'000 | 2006 £'000 |
|------------------------|---------------|---------------|
| Geographical segments: | | |
| Turnover by origin | | |
| United Kingdom | 8,962 | 8,597 |
| North America | 14,884 | 14,943 |
| Rest of World | - | - |
| | 23,846 | 23,540 |

Loss before taxation

| | | |
|----------------|----------------|----------------|
| United Kingdom | (1,929) | (729) |
| North America | (2,136) | (2,764) |
| Rest of World | 186 | 84 |
| | (3,879) | (3,429) |

Net assets

| | | |
|----------------|--------------|---------------|
| United Kingdom | 4,314 | 16,410 |
| North America | 3,388 | (3,755) |
| Rest of World | 273 | 52 |
| | 7,975 | 12,707 |

The turnover by destination is not materially different to that by origin.

3 Operating expenses

| 3 Operating expenses | | 2007 £'000 | 2006 £'000 |
|--|----------|---------------|---------------|
| Staff costs including non-recurring items below (note 7) | (i, iii) | 12,014 | 13,671 |
| Other external charges including non-recurring items below | (ii) | 9,758 | 8,216 |
| Research and development - current year expenditure | | 320 | 301 |
| Other operating income | | - | (12) |
| Depreciation and amortisation | | 4,632 | 4,640 |
| | | 26,724 | 26,816 |

Non-recurring items included in above:

| | | | |
|--|--------|------------|--------------|
| Operating costs of US and UK data collection centres that will discontinue including loyalty bonuses | (i) | - | 1,987 |
| Development costs of Oracle based system written off | (ii) | 413 | - |
| Write off of previously capitalised development costs | (iii) | - | 19 |
| Legal fees associated with corporate activity | (iv) | - | 586 |
| Sale of business bonuses for executive management | (v) | - | 304 |
| Legal fees associated with bank financing | (vi) | - | 202 |
| Severance packages for executive management | (vii) | - | 168 |
| Legal fees associated with reassignment of an office lease | (viii) | - | 81 |
| Accelerate release of property rent accrual | (ix) | - | (160) |
| Share options based (income)/expense | (x) | - | (606) |
| | | 413 | 2,580 |

Non-recurring items:

- (i) Operating costs of the US and UK data collection centres discontinued following the migration of these functions to India (including loyalty bonuses).
- (ii) During the year, costs associated with the development of an Oracle based system to retrieve information from the Hemscott Inc databases were incurred. Due to the decision to sell this entity this activity ceased and the costs incurred to date were written off.
- (iii) Write off of assets and capitalised development costs made redundant by the re-organisation and migration of functions to India.
- (iv) Professional fees in relation to corporate activities including aborted tender offer, company delisting and other associated sale of business fees.
- (v) Executive management bonuses paid on the successful sale of the business.
- (vi) Professional fees in relation to the bank financing.
- (vii) Severance packages associated with the release of three of the executive management team.
- (viii) Professional fees in relation to the reassignment of an office lease.
- (ix) Acceleration of the release of the accrual made for the initial property rent-free period given on the lease.
- (x) Share options expense on adoption of FRS 20 "Share-based Payment".

4 Interest receivable and similar income

| | 2007 £'000 | 2006 £'000 |
|--------------------------|---------------|---------------|
| Bank interest receivable | 95 | 189 |

5 Interest payable and similar charges

| | 2007 £'000 | 2006 £'000 |
|-----------------------|---------------|---------------|
| Loan interest payable | 1,096 | 60 |

Notes to the Financial Statements continued
For the year ended 31 December 2007

6 Loss on ordinary activities before taxation

| | 2007 | 2006 |
|---|-------|-------|
| | £'000 | £'000 |
| Loss on ordinary activities before taxation is stated after charging: | | |
| Depreciation on owned assets | 927 | 934 |
| Amortisation of goodwill | 3,705 | 3,706 |
| Research and development - current year expenditure | 320 | 301 |
| Other operating lease rentals | 185 | 504 |
| Fees paid to Mazars LLP for the audit of the group and company financial statements | 15 | 50 |
| Fees paid to Mazars LLP for the audit of subsidiaries pursuant to legislation | 39 | 79 |

7 Staff costs

| | 2007 | 2006 |
|--|--------|--------|
| | number | number |
| The average monthly number of employees (including executive directors) was: | | |
| Sales and marketing | 79 | 73 |
| Content and editorial | 238 | 195 |
| Information technology | 78 | 78 |
| Administration | 39 | 28 |
| | 434 | 374 |

| | 2007 | 2006 |
|---|--------|--------|
| | £'000 | £'000 |
| Staff costs (including executive directors) | | |
| Wages and salaries | 11,138 | 12,525 |
| Social security costs | 715 | 947 |
| Other pension costs | - | 199 |
| Other share based compensation | 181 | - |
| | 12,044 | 13,671 |

8 Directors' remuneration

| | 2007 | 2006 |
|--|-------|-------|
| | £'000 | £'000 |
| Directors' emoluments included within staff costs: | | |
| Emoluments | 787 | 1,081 |

The emoluments of the highest paid director were £485,000 (2006: £529,000).
Roselyn Wilton and Daryl Paton received private health insurance cover during the year. The value of this cover is included within emoluments above.
Daryl Paton received compensation for loss of office of £125,000 during the year.

9 Taxation

(a) Analysis of charge/(credit) in the period

| | 2007 | 2006 |
|---|------------|--------------|
| | £'000 | £'000 |
| Current Tax | | |
| UK corporation tax on profits for the period | 21 | - |
| Overseas corporation tax charge | 481 | 54 |
| Current tax charge/(credit) for period (see (b) below) | 502 | 54 |
| Deferred Tax | | |
| Origination and reversal of temporary differences | 255 | (611) |
| Total deferred tax | 255 | (611) |
| Tax charge/(credit) on loss on ordinary activities | 757 | (557) |

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

| | 2007 | 2006 |
|---|------------|-----------|
| | £000 | £000 |
| On the loss on ordinary activities in the year: | | |
| Loss on ordinary activities before taxation | (3,879) | (3,429) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006: 30%) | (1,162) | (1,029) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 38 | 874 |
| Amortisation of goodwill on consolidation | 1,042 | - |
| Depreciation/amortisation in excess of capital allowances | (223) | 88 |
| Other temporary differences | 123 | 127 |
| Creation/(utilisation) of tax losses | 684 | 236 |
| Overseas tax rate differences | - | 58 |
| Adjustments to tax charge in respect of previous periods | - | (280) |
| Current tax charge/(credit) for the year | 502 | 54 |

(c) Deferred tax

| | 2007 | 2006 |
|--|--------------|--------------|
| | £000 | £000 |
| Included in debtors-amounts falling due within one year | 42 | 69 |
| Included in debtors-amounts falling due after more than one year | 862 | 1,062 |
| Total recognised deferred tax asset | 904 | 1,131 |
| Accelerated depreciation | 547 | 941 |
| Losses carried forward | 289 | 123 |
| Other temporary differences | 68 | 67 |
| Total recognised deferred tax asset | 904 | 1,131 |
| Deferred tax asset at the start of the year | 1,131 | 520 |
| Exchange difference | 28 | - |
| Deferred tax (charge) at the start of the year | (255) | 611 |
| Total recognised deferred tax asset | 904 | 1,131 |
| Accelerated depreciation | 841 | 540 |
| Other temporary differences | 184 | (20) |
| Losses carried forward | 5,050 | 4,280 |
| Capital losses carried forward | 1,025 | 1,025 |
| Total unrecognised deferred tax asset | 7,100 | 6,805 |

With effect from 1 April 2008, the standard rate of corporation tax reduced from 30% to 28%. As this legislation was substantially enacted as at 31 December 2007, the UK deferred tax balances have been calculated at 28%.

As a result of UK losses in the current year, the group has no liability to UK taxation (2006: £nil). As at 31 December 2007, the group has UK tax losses available to carry forward of approximately £18m (2006: £14m) and the benefit of future capital allowances in excess of depreciation of £3m (2006: £2m).

A deferred tax asset of £7m (2006: £5m) has not been recognised in these accounts due to uncertainty concerning future profitability.

The group has losses carried forward in its overseas subsidiaries of £0.8m (2006: £0.3m), short term timing differences of approximately £0.2m (2006: £0.7m), and the benefit of future asset related tax allowances of approximately £1.5m (2006: £1.9m).

The benefit of these items has been recognised at the prevailing overseas tax rate of 35.9% and therefore a deferred tax asset of £0.9m (2006: £1.1m) has been included in the balance sheet.

Notes to the Financial Statements continued
For the year ended 31 December 2007

| | |
|------------------------------------|--------|
| 10 Goodwill | 2007 |
| | £'000 |
| Cost | |
| At 1 January 2007 | 35,820 |
| Exchange adjustment | (481) |
| At 31 December 2007 | 35,159 |
| Amortisation | |
| At 1 January 2007 | 8,500 |
| Charge for the year | 3,705 |
| Exchange adjustments | (87) |
| At 31 December 2007 | 12,118 |
| Net book value at 31 December 2007 | 23,041 |
| Net book value at 31 December 2006 | 27,120 |

11 Tangible fixed assets

| Group | Short leasehold property £'000 | Computer Equipment and Software £'000 | Fixtures and Fittings £'000 | Total £'000 |
|------------------------------------|--------------------------------------|--|-----------------------------------|----------------|
| Cost | | | | |
| At 1 January 2007 | 291 | 5,597 | 380 | 6,268 |
| Additions * | 322 | 1,814 | 85 | 2,021 |
| Transfer from group companies ** | 146 | - | 10 | 156 |
| Transfer to group companies ** | (343) | (87) | - | (410) |
| Disposals | - | (111) | (195) | (306) |
| Exchange adjustments | (1) | (78) | (7) | (86) |
| At 31 December 2007 | 415 | 6,955 | 273 | 7,643 |
| Depreciation | | | | |
| At 1 January 2007 | 34 | 3,728 | 258 | 4,020 |
| Charge for the year | 108 | 737 | 82 | 927 |
| Transfers to group companies ** | (105) | (29) | - | (134) |
| Disposals | - | (38) | (192) | (230) |
| Exchange adjustments | - | (42) | 2 | (40) |
| At 31 December 2007 | 37 | 4,356 | 150 | 4,543 |
| Net book value at 31 December 2007 | 378 | 2,599 | 123 | 3,100 |
| Net book value at 31 December 2006 | 257 | 1,869 | 122 | 2,248 |

* Additions to computer equipment and software includes identifiable direct wage costs incurred for development of new website software products which provide additional information for customers of £1,101,000 (2006: £570,000).

**Transfers of fixed assets were to other companies within the Ipreo group but outside the Hemscott Limited group.

Company

The company does not have any fixed assets.

12 Investments

| | Country of Incorporation | Principal activity | Holding % |
|--|--------------------------|---|-----------|
| Subsidiary undertakings | | | |
| Hemscott Group Ltd ** | England and Wales | Sale of business information provision of corporate investor relations websites and media services | 100 |
| Hemscott Investment Analysis Ltd *** | England and Wales | Dormant | 100 |
| Hemscott Americas, Inc.* | United States of America | Holding company | 100 |
| Hemscott, Inc. (formerly known as Coredata, Inc.) **** | United States of America | Sale of business information | 100 |
| bigdough.com, Inc. ***** | United States of America | Sale of Customer Relationship Systems to capital markets and corporate investor relations | 100 |
| Corporate Fundamentals, Inc. **** | United States of America | Sale of business information | 100 |
| Hemscott India Private Ltd (formerly XIM Information Services (India) Private Ltd) ***** | India | Collection of business information | 100 |
| Other investments | | | |
| Centerpoint Data, LLC. ***** | United States of America | Holding company | |

* Wholly owned subsidiary of Hemscott Ltd

** Indirectly held by Hemscott Ltd, wholly owned subsidiary of Hemscott Holdings Ltd

*** Indirectly held by Hemscott Ltd, wholly owned subsidiary of Hemscott Group Ltd

**** Indirectly held by Hemscott Ltd, wholly owned subsidiary of Hemscott Americas, Inc.

***** Indirectly held by Hemscott Ltd, wholly owned subsidiary of Corporate Fundamentals, Inc.

***** Parent of Hemscott Ltd

Notes to the Financial Statements continued
For the year ended 31 December 2007

| | |
|---|--------------|
| 12 Investments continued | Total |
| Group fixed asset investments: | £'000 |
| Cost | |
| At 1 January 2007 | 122 |
| Exchange adjustments | (4) |
| At 31 December 2007 | 118 |
| Provision for impairment | |
| At 1 January 2007 | - |
| At 31 December 2007 | - |
| Net book value At 31 December 2007 | 118 |
| Net book value at 31 December 2006 | 122 |

Company fixed asset investments:

| | Shares in group undertakings £'000 | Loans to group undertakings £'000 | Total £'000 |
|---|---|---|----------------|
| Cost | | | |
| At 1 January 2007 | 23,721 | 20,450 | 44,171 |
| Reclassification to trading balance | - | (1,150) | (1,150) |
| Repayment of loan to Hemscott Group Ltd | - | (14,500) | (14,500) |
| Loan to Hemscott Holdings Ltd | - | 14,500 | 14,500 |
| At 31 December 2007 | 23,721 | 19,300 | 43,021 |
| Provision for impairment | | | |
| At 1 January 2007 | (632) | (16,799) | (17,431) |
| Impairment of investment in Hemscott Inc | (9,113) | - | (9,113) |
| Release of impairment of loan to Hemscott Group Ltd | - | 12,000 | 12,000 |
| Impairment of loan to Hemscott Holdings Ltd | - | (12,000) | (12,000) |
| At 31 December 2007 | (9,745) | (16,799) | (26,544) |
| Net book value At 31 December 2007 | 13,976 | 2,501 | 16,477 |
| Net book value at 31 December 2006 | 23,089 | 3,651 | 26,740 |

The carrying value of the investment in Hemscott Inc was written down to nil at the end of 2007 based on the allocation of the consideration received on the sale of certain companies to Morningstar LLC in 2008.

14 Debtors

| | Group | | Company | |
|--|--------------|--------------|------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due within one year: | | | | |
| Amounts owed by group companies | 2,678 | - | 199 | 197 |
| Trade debtors | 4,614 | 3,308 | - | - |
| Deferred taxation | 42 | 69 | - | - |
| Other debtors | 894 | 1,069 | 3 | 26 |
| Prepayments and accrued income | 1,103 | 1,256 | 73 | - |
| | 9,231 | 5,702 | 276 | 223 |
| Amounts falling due after more than one year: | | | | |
| Deferred taxation | 882 | 1,062 | - | - |
| Other debtors | 251 | 705 | 158 | 159 |
| | 1,133 | 1,767 | 158 | 159 |

15 Financial Instruments

| | Group | | Company | |
|---|---------------|---------------|------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | £'000 | £'000 | £'000 | £'000 |
| Cash: | | | | |
| Sterling | 454 | 1,697 | 2 | 333 |
| US Dollar | 548 | 1,322 | - | - |
| Indian Rupee | 87 | 71 | - | - |
| Total | 1,109 | 3,090 | 2 | 333 |
| Debtors: amounts falling due within one year | | | | |
| Sterling | 6,717 | 2,291 | 276 | 223 |
| US Dollar | 3,472 | 3,392 | - | - |
| Indian Rupee | 42 | 19 | - | - |
| Total | 9,231 | 5,702 | 276 | 223 |
| Creditors: amounts falling due within one year | | | | |
| Sterling | 7,088 | 8,015 | 799 | 2,294 |
| US Dollar | 18,473 | 7,183 | - | - |
| Indian Rupee | 18 | 27 | - | - |
| Total | 25,577 | 15,225 | 799 | 2,294 |

The Group has no financial assets other than cash balances of £1,109,000 for the group and £2,000 for the company (2006: £3,090,000 for the group and £333,000 for the company) that are part of the financial arrangements of the Group. The Sterling and US dollar deposits are placed on money market at call, 7-Day and monthly floating rates. There are no fixed rate financial assets.

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

16 Creditors: Amounts falling due within one year

| | Group | | Company | |
|--------------------------------------|---------------|---------------|------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | £'000 | £'000 | £'000 | £'000 |
| Other creditors: | | | | |
| Trade creditors | 840 | 989 | 96 | 29 |
| Amounts owed to related undertakings | 6,945 | 1,242 | - | - |
| Amounts owed to group undertakings | - | - | 240 | 1,691 |
| Current corporation tax | 21 | - | - | - |
| Deferred tax | - | 2 | - | - |
| Other taxation and social security | 449 | 522 | - | - |
| Bank loans and overdrafts | 8,004 | 1,433 | - | - |
| Others | 4 | 192 | - | - |
| | 15,263 | 4,380 | 336 | 1,720 |
| Accruals and deferred income | 10,314 | 10,845 | 463 | 574 |
| | 25,577 | 15,225 | 799 | 2,294 |

Hemscott Limited

Notes to the Financial Statements continued For the year ended 31 December 2007

17 Creditors: Amounts falling due after more than one year

| | Group | | Company | |
|------------------------------------|-------|--------|---------|-------|
| | 2007 | 2006 | 2007 | 2006 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loan | 4,160 | 12,116 | - | - |
| Amounts owed to group undertakings | - | - | 273 | 273 |
| | 4,160 | 12,116 | 273 | 273 |

Bank loan

On 14 December 2006 the company's US subsidiaries Hemscott Americas, Inc., Hemscott, Inc., Bigdough.com, Inc., Corporate Fundamentals, Inc., together with other Ipreo group companies, I-Deal Merger Sub LLC, and I-Deal LLC (collectively known as "The Borrowers") jointly executed a credit agreement with Wells Fargo Bank, National Association ("Wells Fargo"), as administrative agent for the Lenders, as sole lead arranger, as sole bookrunner, as L/C issuer and as Swing Line Lender; CIT Lending Services Corporation, as syndication agent and Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent (collectively known as "The Lenders"). There are 2 parts to the credit facility:

(i) Revolving loan commitment of \$20,000,000. The Borrowers shall repay the principal amount of the revolving loan on the revolving loan maturity date of 31 December 2013.

(ii) Term loan commitment of \$40,000,000. The Borrowers shall repay the principal amount of the term loan on each term loan instalment date as defined in the loan agreement; provided, that the Borrowers shall pay all outstanding principal on the term loan, together with all accrued and unpaid interest thereon on the term loan maturity date being 31 December 2013.

Interest is charged as follows where "Total Leverage Ratio" shall mean, at any time, the ratio of (a) Total Debt at such time, to (b) Adjusted EBITDA for the four quarter period ended as of the end of the most recent fiscal quarter.

| Tier | Total Leverage Ratio | Applicable Margin for LIBOR Loans/Portions | Applicable Margin for Base Rate Loans/Portions | Non-Usage Fee Percentage |
|------|----------------------|--|--|--------------------------|
| 1 | < 2.00 | 2.25% | 1.25% | 0.20% |
| 2 | > 2.00 but < 3.00 | 2.50% | 1.50% | 0.30% |
| 3 | > 3.00 but < 4.00 | 2.75% | 1.75% | 0.40% |
| 4 | > 4.00 | 3.25% | 2.25% | 0.50% |

The loan is subject to certain performance based covenants as defined in the loan agreement.

The facilities are secured by way of charges and pledges over the assets and shares of various group companies.

| | Group | | Company | |
|---|-------|--------|---------|-------|
| | 2007 | 2006 | 2007 | 2006 |
| | £'000 | £'000 | £'000 | £'000 |
| Borrowings are repayable as follows: | | | | |
| Between one and two years | 584 | 994 | 273 | 273 |
| Between two and five years | 2,476 | 5,561 | - | - |
| After five years | 1,100 | 5,561 | - | - |
| | 4,160 | 12,116 | 273 | 273 |

18 Called-up share capital

Authorised

139,637,410 ordinary shares of 5p each (2006: 139,637,410)

6,982 6,982

Allotted, called-up and fully-paid

73,193,766 ordinary shares of 5p each (2006: 57,881,235)

3,660 3,660

19 Share based payments

2006 scheme

During 2006, the company had a share option scheme for all employees of the Group. Options were exercisable at a price agreed at the date of grant but not necessarily based on the market price at the date of grant. The share options vested over varying periods depending on the type of share option issued. If the options remained unexercised after a period of 10 years from the date of grant the options would expire. Options were forfeited if the employee left the Group before the options vested.

The delisting of the group in 2006 triggered the vesting of all unexercised share options save for the TSR Options, because the company's performance criteria for those options had not been met.

Details of the share options outstanding during 2006 are as follows.

| | 2006 | |
|--------------------------------------|-------------------------|--|
| | Number of share options | weighted average exercise price (in £) |
| Outstanding at beginning of the year | - | - |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | (116,664) | 0.27 |
| Expired during the year | 3,225,983 | - |
| Cash converted during the year | (3,109,319) | 0.44 |
| Exercisable at the end of 2006 | - | - |

The inputs to the Black-Scholes option pricing model to determine the fair value of the share options granted are as follows:

| | 2006 |
|--|------|
| Weighted average share price (in £) | 0.45 |
| Weighted average exercise price (in £) | 0.52 |
| Expected volatility | 45% |
| Expected life (in years) | 3 |
| Risk-free rate | 7% |
| Expected dividends | - |

Expected volatility was determined by calculating the historical volatility of the group's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The group recognised total expenses of £806,000 in 2006 relating to equity share based payment transactions.

Hemscott Limited

Notes to the Financial Statements continued
For the year ended 31 December 2007

19 Share based payments continued

2007 scheme

During 2007, employees of the UK based Companies have been granted units in HID Management LLP, a limited liability partnership. Employees of the US based companies have been granted units in HID Management LLC, a limited liability company. Both of these entities hold interests in the ultimate parent company of the group, Ipreo Holdings LLC. These units entitle the employees to receive a cash distribution based on the appreciation in value of the group when the ultimate controlling party, VS&A Equities III LLC no longer controls more than 50% of the group.

Details of units in issue

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

| | No. of units | Weighted average exercise price |
|---------------------------------|--------------|---------------------------------|
| Outstanding at 1 January 2007 | - | - |
| Granted in the year | 5,294,442 | - |
| Settled in the year | - | - |
| Outstanding at 31 December 2007 | 5,294,442 | - |

No units were exercisable at 31 December 2007. The weighted average remaining contractual life of the units is 1.62 years.

Determination of intrinsic value

The Company has calculated the intrinsic value of the units in issue based on the difference between the estimated value of the group at the year end, and the actual value of the group when VS&A Equities III LLC first acquired a controlling share in the group.

| | Unit value | Expense |
|---------------------|------------|---------|
| | | £'000 |
| At 1 January 2007 | - | - |
| At 31 December 2007 | 9.75p | 161 |

The total expense for the period was therefore £161k

20 Movement in shareholder's funds

| Group | Share capital £'000 | Capital redemption reserve £'000 | Other reserves £'000 | Profit and loss account £'000 | Total £'000 |
|--|------------------------|-------------------------------------|-------------------------|----------------------------------|----------------|
| At 1 January 2007 | 3,660 | 1,513 | 4,509 | 3,025 | 12,707 |
| Currency translation differences on foreign currency net investments | - | - | - | (96) | (96) |
| Retained loss for year | - | - | - | (4,636) | (4,636) |
| At 31 December 2007 | 3,660 | 1,513 | 4,509 | (1,707) | 7,975 |

Other reserves are made up of a merger reserve of £2,975,000 (2006: £2,975,000), and a special reserve of £1,534,000 (2006: £1,534,000) relating to the share capital reduction which took place on 15 August 2000.

| Company | Share capital £'000 | Capital redemption reserve £'000 | Other reserves £'000 | Profit and loss account £'000 | Total £'000 |
|------------------------|------------------------|-------------------------------------|-------------------------|----------------------------------|----------------|
| At 1 January 2007 | 3,660 | 1,513 | 8,639 | 11,078 | 24,888 |
| Retained loss for year | - | - | - | (9,047) | (9,047) |
| At 31 December 2007 | 3,660 | 1,513 | 8,639 | 2,029 | 15,841 |

Other reserves are made up of a merger reserve of £7,105,000 (2006: £7,105,000), and a special reserve of £1,534,000 (2006: £1,534,000) relating to the share capital reduction which took place on 15 August 2000.

As permitted under Section 230 of the Companies Act 1985, the company has not presented its own profit and loss account.

21 Reconciliation of movements in group shareholder's funds

| | 2007 £'000 | 2006 £'000 |
|--|---------------|---------------|
| Loss for the financial year | (4,636) | (2,872) |
| Other recognised gains and losses relating to the year (net) | (96) | (2,727) |
| | (4,732) | (5,599) |
| Shares issued and expense of equity share issues | - | 32 |
| Share options issued at a discount | - | (2,027) |
| Share issues on conversion of loan note | - | 16,353 |
| Share buy back | - | (14,067) |
| Net addition to shareholder's funds | (4,732) | (5,308) |
| Opening shareholder's funds | 12,707 | 18,015 |
| Closing shareholder's funds | 7,975 | 12,707 |

22 Reconciliation of operating loss to operating cash flows

| | 2007 £'000 | 2006 £'000 |
|---|---------------|---------------|
| Operating loss | (2,878) | (3,558) |
| Depreciation and asset disposals | 1,123 | 934 |
| Amortisation | 3,705 | 3,706 |
| Increase in debtors | (3,494) | (833) |
| Increase in creditors | 3,762 | 1,446 |
| Share options issued at a discount | - | (2,027) |
| Net cash inflow/outflow from operating activities | 2,218 | (332) |

Included in the cash flow from operating activities is a charge to the operating loss in respect of exceptional costs of £413,000 (2006: £2,580,000) (see Note 3).

Hemscott Limited

Notes to the Financial Statements continued
For the year ended 31 December 2007

23 Analysis of cash flows

| | 2007 £'000 | 2006 £'000 |
|---|----------------|----------------|
| Returns on investments and servicing of finance | | |
| Interest received | 98 | 126 |
| Interest paid | (1,096) | - |
| Net cash (outflow)/inflow | (998) | 126 |
| Taxation | | |
| UK corporation tax paid | - | - |
| Foreign tax paid | (119) | (666) |
| Net cash outflow | (119) | (666) |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (2,022) | (1,551) |
| Purchase of trade investments | - | (122) |
| Net cash outflow | (2,022) | (1,673) |
| Management of liquid resources | | |
| Cash withdrawn from short term cash deposits | 1,348 | (299) |
| Net cash inflow/ (outflow) | 1,348 | (299) |
| Financing | | |
| Proceeds on issue of ordinary shares | - | 32 |
| Repurchase of ordinary shares | - | (14,067) |
| New bank loans raised | - | 12,116 |
| Repayment of unsecured loan | (1,057) | (17) |
| Net cash outflow | (1,057) | (1,936) |

24 Analysis and reconciliation of movement in net debt

| | 1 January 2007 £'000 | Cash flow £'000 | Exchange movements £'000 | 31 December 2007 £'000 |
|----------------------------|-------------------------|--------------------|--------------------------------|------------------------------|
| Cash in hand, at bank | 1,742 | (960) | 327 | 1,109 |
| Cash on short term deposit | 1,348 | (1,348) | - | - |
| Overdrafts | (348) | 327 | - | (19) |
| | 2,744 | (1,981) | 327 | 1,090 |
| Loan | (1,087) | (6,898) | - | (7,985) |
| Debt due after one year | (12,116) | 7,956 | - | (4,160) |
| Net debt | (10,459) | (923) | 327 | (11,055) |

| | 2007 £'000 | 2006 £'000 |
|---|-----------------|-----------------|
| Decrease in cash in the year | (630) | (4,780) |
| Cash (outflow)/inflow from decrease in liquid resources | (1,348) | 299 |
| Decrease in net funds resulting from cash flows | (1,978) | (4,481) |
| Interest accrued on loan note | - | (1,681) |
| Conversion of loan note to equity | - | 16,051 |
| New bank loans repaid / (raised) | 1,057 | (12,116) |
| Translation difference | 324 | 619 |
| (Increase)/ decrease in net debt in the year | (597) | 392 |
| Net deficit brought forward | (10,459) | (10,851) |
| Net deficit carried forward | (11,056) | (10,459) |

25 Financial commitments

| | 2007 | | 2006 | |
|------------------------------|--------------------|-------|--------------------|-------|
| | Land and buildings | Other | Land and buildings | Other |
| Group | £'000 | £'000 | £'000 | £'000 |
| Expiry date | | | | |
| - within one year | 90 | 14 | 213 | 18 |
| - between two and five years | - | 23 | 91 | 34 |
| - after five years | 180 | - | 502 | - |
| | 270 | 37 | 806 | 52 |

26 Guarantees

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

Hemscott's US subsidiaries have pledged 100% of their issued share capital to Wells Fargo Bank, and Hemscott India Private Limited pledged 65% of their issued share capital to Wells Fargo Bank, all pledges being security for the bank financing provided by Wells Fargo Bank to Hemscott's US subsidiaries and other parties pursuant to a credit agreement dated 14 December 2006.

Hemscott Limited

Notes to the Financial Statements continued
For the year ended 31 December 2007

27 Related party transactions

| Name of connected party | Description of transaction during the year | Value of transaction during the year | From / (to) at 31 December | |
|-------------------------------------|--|--------------------------------------|----------------------------|---------------|
| | | | 2007 £'000 | 2008 £'000 |
| Ipreo Holdings LLC | Interest on credit facility with Wells Fargo Bank repaid during 2007 | 24 | (220) | (24) |
| | Transfer pricing | (104) | - | - |
| | Expense of share based compensation plan | (116) | - | - |
| Centerpoint Data LLC | The balance of £1,218k is deferred consideration payable on the acquisition of Corporate Fundamentals Inc. The 07 movement of £ 24k is the FX difference | 24 | (1,113) | (1,218) |
| | Transactions in the ordinary course of business due to cash pooling arrangements in place | 81 | - | - |
| | Transactions in the ordinary course of business due to cash pooling arrangements in place | (2,063) | (4,360) | - |
| I-Deal LLC | Repayment of interest on Wells Fargo loan | (1,196) | - | - |
| | Repayment of Wells Fargo loan | (805) | - | - |
| | FX difference on Wells Fargo loan | (252) | - | - |
| | Expense of share based compensation plan | (44) | - | - |
| | Transactions in the ordinary course of business due to cash pooling arrangements in place | 1,855 | 1,855 | - |
| Ipreo Limited Marketpipe Limited | Transactions in the ordinary course of business due to cash pooling arrangements in place | 572 | 572 | - |

28 Controlling party

VS&A Equities III, LLC, as the general partner of Fund III, is the ultimate controlling party of Ipreo Holdings LLC. Ipreo Holdings LLC is the parent company of Centerpoint Data, LLC (the immediate parent company) holding 100% of the issued share capital of Hemscott Limited.

Centerpoint Data, LLC and VS&A Equities III, LLC are both registered in the United States of America with their registered offices located at 350 Park Avenue, 7th Floor, New York, NY 10022 United States of America.

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

No other group accounts are drawn up.

29 Subsequent events

On 14 December 2007 the shareholders of Ipreo Holdings LLC agreed to exchange 100% of their shareholdings in Hemscott Group Limited, Hemscott Inc, Corporate Fundamentals Inc and Hemscott India (Private) Limited for consideration of \$51.6m. On 9 January 2008 the sale of these entities to Morningstar LLC completed.

