

Hemscott Investment Analysis Limited

Directors' report and financial statements

Year ended 31 December 2006

Registered number 3563522



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Hemscott Investment Analysis Limited

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DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 2006

The directors report is prepared in accordance with the special provisions relating to small companies under s246 Companies Act 1985

Principal activity

The company was regulated under the Financial Services and Markets Act 2000 to provide investment advice and related services. In this capacity it produced the Hemscott Analyst services.

Hemscott Group Limited has a beneficial interest in all of the issued share capital of the company.

Review of business

Full details of the results for the year are set out in the profit and loss account on page 6.

Hemscott Analyst, the email share recommendations service, experienced falling subscriber numbers during 2006 due to difficult market conditions continuing from the previous year. The factors creating this decline led the directors to decide that the company would cease trading on 28 April 2006. Therefore these financial statements have not been prepared on the basis of going concern and the entity's assets and liabilities have been written down to their recoverable amounts, however no material adjustments arise from the discontinuance of trade.

Analyst services were sold through Hemscott.com, a website owned and operated by Hemscott Group Limited, the company's parent.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend (2005: £nil). The retained loss transferred to reserves is £23,000 (2005: loss £123,000).

Directors

The directors who held office throughout the year, except as noted, were as follows:

R S Wilton (resigned on 29 January 2007)
N A Sarker
P A Lucas (appointed on 29 January 2007)

R S Wilton is a director of the ultimate holding company (see note 6).

Hemscott Group Limited, the immediate parent company, has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those 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,
- State whether applicable accounting standards have been followed, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hemscott Investment Analysis Limited

Directors' Report (continued)

Statement as to disclosure of information to auditors

The directors have taken all the necessary steps to make me aware, as director, of any relevant audit information and to establish that the auditors are aware of that information

As far as the directors are aware there is no relevant audit information of which the company's auditors are unaware

Preparation of directors report

The directors report has been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies

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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

Mazars LLP were appointed as the company's auditors after the year end to fill a casual vacancy after the audit was put out to tender. Mazars LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

By order of the Board
Nick Sarker
Director

24 May 2007



Registered Office
1st Floor
Castle House
37 - 45 Paul Street
London EC2A 4LS
United Kingdom

Hemscott Investment Analysis Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF HEMSCOTT INVESTMENT ANALYSIS LIMITED

We have audited the financial statements of Hemscott Investment Analysis Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 6. These financial statements have been prepared under the 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 him 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 the 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 United Kingdom 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 and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if 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 is not disclosed.

We read the directors' report for the above year 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 company's circumstances, 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 affairs of the company as at 31 December 2006 and of the loss of the company 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 directors' report is consistent with the financial statements.

Mazars UK

Mazars LLP
Chartered Accountants
and Registered Auditors
24 Bevis Marks
London
EC3A 7NR

24 May 2007

Hemscott Investment Analysis Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover	1	35	128
Administrative expenses		<u>(58)</u>	<u>(251)</u>
Loss on ordinary activities before taxation	3	(23)	(123)
Taxation	4	-	-
Loss on ordinary activities after taxation and loss for the financial year	5	<u>(23)</u>	<u>(123)</u>

All activities derive from discontinued operations

There are no gains or losses in either the current or previous year other than those that have been included in the profit and loss account above, accordingly no statement of recognised gains and losses has been prepared

Hemscott Investment Analysis Limited

BALANCE SHEET

At 31 December 2006

	Notes	2006 £'000	2005 £'000
Current assets			
Debtors amounts owed by immediate parent undertaking		42	-
Cash at bank and in hand		-	221
Creditors Amounts falling due within one year			
Amounts owed to parent undertaking		-	(156)
Net current assets / (liabilities)		<u>42</u>	<u>65</u>
Capital and reserves			
Called up share capital	2, 5	220	220
Profit and loss account	5	(178)	(155)
Equity shareholders' funds / (deficit)	5	<u>42</u>	<u>65</u>

Approved by the board on 24 May 2007 and signed on its behalf by



N Sarker
Director

Hemscott Investment Analysis Limited

NOTES TO THE ACCOUNTS

for the year ended 31 December 2006

1 Accounting policies

The financial statements have been prepared in accordance with applicable law and Accounting Standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year is set out below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards. The company ceased trading on 28 April 2006 therefore the financial statements have not been prepared on the basis of going concern. The entity's assets and liabilities have been written down to their recoverable amounts, however no material adjustments arise from the discontinuance of trade.

The company has taken advantage of the exemption from preparing a cash flow statement permitted in FRS 1 (revised) - Cash Flow Statements, as it is a subsidiary undertaking included in a group whose consolidated financial statements are available to the public.

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.

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 the balance sheet date. Timing differences are those between the company's taxable profits and its result 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 asset is regarded as recoverable and is 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 underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Deferred taxation 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 have been enacted or substantially enacted by the balance sheet date.

2 Called up share capital

	2006 £'000	2005 £'000
Authorised		
Ordinary shares of £1 each	500	500
Allotted, called up and fully paid		
Ordinary shares of £1 each	220	220

During 2005 the company issued 190,000 ordinary £1 shares to its immediate holding company, Hemscott Group Limited, for cash consideration of £190,000.

3 Loss on ordinary activities before taxation

The company's audit fee was borne by its parent company, Hemscott Group Limited, for both the current and preceding year.

None of the directors received remuneration for their services during the year (2005: £nil). The company does not directly employ any staff (2005: none).

Hemscott Investment Analysis Limited

NOTES TO THE ACCOUNTS (CONTINUED)

4 Taxation

a) The company has no liability to UK taxation (2005 £nil) No deferred tax asset has been recognised in relation to tax losses as the company is now dormant and therefore the tax losses will not be recovered The amount of the asset not recognised is £nil (2005 £7,000)

b) Factors affecting the tax charge for the period

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	(23)	(123)
Tax at standard rate of UK corporation tax @ 30% (2004 30%)	(7)	(37)
Effects of		
Expenses not deductible for tax purposes	7	-
Group relief surrendered for no consideration	-	37
Tax rate differences	-	-
Current tax charge for period	<u>-</u>	<u>-</u>

5 Reconciliation of movements in equity shareholders' funds

	Called up share capital £'000	Profit and loss account £'000	Total equity shareholders' funds £'000
At 1 January 2006	220	(155)	65
Loss for the year	-	(23)	(23)
At 31 December 2006	220	(178)	42

6 Ultimate parent company and parent undertaking of largest group of which the company is a member

The company's ultimate parent company is Ipreo Holdings LLC, which is incorporated in the United States of America Hemscott Limited is the only group company to prepare consolidated accounts containing Hemscott Investment Analysis Limited The consolidated accounts of this company are available to the public and may be obtained from 1st Floor, Castle House, 37 - 45 Paul Street London, EC2A 4LS, United Kingdom It therefore utilises the exemption contained in paragraph 3(c) of FRS 8 Related Party Disclosures not to disclose any transactions with any entities that are part of the group

The company's immediate parent undertaking is Hemscott Group Limited, a company incorporated in England Hemscott Group Limited is a wholly owned subsidiary of Hemscott Limited