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Company Ltd

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AXIO Data Group Limited

Directors' report and financial
statements for the period ended
31 December 2013

Registered number 08338657

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AXIO Data Group Limited

Directors' report and financial statements for the period ended 31 December 2013

Contents

Strategic report	1
Directors' report	3
Statement of Directors' Responsibilities	5
Auditor's Report	6
Consolidated statement of profit and loss and other comprehensive income /(loss)	8
Consolidated statement of financial position	9
Consolidated statement of cashflows	10
Consolidated statement of changes in equity	12
Notes to the consolidated financial statements	13
Company statement of financial position	44
Company statement of cash flows	45
Company statement of changes in equity	46
Notes to the company financial statements	47

AXIO Data Group Limited

Strategic report

The Directors present their strategic report on the Group for the period from the date of incorporation to 31 December 2013

Review of the business

The Company is an investment and holding company. The Company, its subsidiary and associated undertakings comprise the AXIO group of companies. The AXIO Group operates a portfolio of market-leading information businesses, providing data and information products which professionals use to support their decision-making and day-to-day business activities. Operating in 28 countries worldwide, the businesses serve a wide range of sectors and have a strong portfolio of brands including Vidal and MIMS in the healthcare sector, TechInsights in the technology & intellectual property sector, PIERS, JOC, Breakbulk and OAG in the global transportation sector, and RISI in the forest products sector.

The AXIO businesses were acquired by the Company on 8 April 2013 from United Business Media plc and its affiliates. Prior to this date the Company had no significant activities. As a result, the financial statements largely reflect the incorporation of the Company, its acquisition of the AXIO business and that business' trading for the 9 month period from 8 April 2013 to 31 December 2013.

Results and performance

The results for the period are set out in the consolidated statement of profit and loss and other comprehensive income/(loss) on page 8. The loss for the period ended 31 December 2013 was £30.1 million as set out on page 8. During the period no dividends have been paid.

The results for the period include a number of one-off costs related to the establishment of the AXIO group of companies. The results also include charges related to the restructuring of certain AXIO businesses and an impairment charge of £13.5 million against intangible assets and goodwill. The details of this charge are set out in note 14.

For the trading period from 8 April to 31 December 2013, the underlying results excluding one off items and deferred revenue fair value adjustments were as follows:

	<u>£M</u>
Revenue	128.0
Operating Profit	16.1
EBITDA	24.4

The reconciliation of underlying results to the consolidated statement of profit and loss and other comprehensive income/(loss) is shown in Note 2.

The Company is funded through the issuance of Senior Institutional Loan Notes and Institutional Loan Notes that mature in 2017 and 2019 respectively. The interest payable on the Institutional Loan Notes maturing in 2019 is settled through the issuance of PIK notes. The details of the contractual terms of the Company's borrowings are set out in notes 18 and 21.

Strategy

The Company aims to maximise the value of its portfolio of businesses for the benefit of its shareholders by building and realising value. The Company seeks to be the clear leader in the focused markets that it serves and is committed to improving its businesses through organic investment and growth, acquisitions and partnerships and by focusing on the efficiency of its operations.

AXIO Data Group Limited

Strategic report (continued)

Key performance indicators ("KPIs")

The Board monitors the progress of the Group by reference to

- Revenue – measuring the level of continuing operating activity Underlying revenue for the trading period is £128 0m as stated in Note 2,
- EBITDA (earnings before interest, tax, amortisation, depreciation, impairments and restructuring costs) Underlying EBITDA for the period is £24 4m,
- Net cash from operating activities Net cash from operating activities for the period is £8 8m as shown in the consolidated statement of cash flows on page 10, and
- Other operational KPIs applicable to individual businesses

The performance during 2013 has been significantly affected by the one-off costs referred to above together with the impact of the changes implemented as a result of the change of ownership

Principal Risks and Uncertainties

Economic Factors

A significant change in the global economy or to the economic conditions in any of the markets served by the Group may lead to a decline in the performance of any of the Company's businesses, particularly in those businesses more exposed to discretionary spend This could have an adverse impact on the Group's operational results

Liquidity Risk

The Group is focused on ensuring its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders The Group's cash position is carefully managed and reported to the board monthly

Foreign Exchange Risk

The Group earns foreign currency profits, principally in US Dollars, Euros, Australian Dollars and Singapore Dollars and its debt is denominated in pounds sterling The Group has no foreign exchange hedges in place as at 31 December 2013

Credit Risk

Credit risk arises from deposits with banks and financial institutions as well as credit exposure to customers

The Group minimises its risk by dealing with financial institutions with secure credit ratings Credit risks are incurred in the ordinary course of business although for subscription and event revenues the risk is limited as cash is generally received in advance of the service being provided

By order of the board



Christopher Bradley
Director
3 June 2014

AXIO Data Group Limited

Directors' report

The Company was incorporated on 20 December 2012 in the United Kingdom and is registered in England

The Directors present their report and financial statements for the period from the date of incorporation to 31 December 2013. These are the first financial statements produced by the Company and as a result no comparative figures are shown.

Directors and directors' interests

The current directors are

	Appointed on
Alexander Christopher Cooper-Evans	20 December 2012
Sarah Jane Williams	20 December 2012
Henry Elkington	08 April 2013
Patrick David McAleenan	08 April 2013 (Resigned 14 April 2014)
Alexander Jan Fortescue	08 April 2013
Christopher Bradley	17 September 2013
Hans Gieskes	17 September 2013

No director had any beneficial interest in any contract to which the Company or a subsidiary was a party during the period.

The Directors' beneficial and non-beneficial interests in the share capital, including share options, of the Company are shown on Note 25 and their emoluments in Note 11. The Company's register of directors' interests, which is open to inspection at the registered office, contains full details of directors' shareholdings and share options.

Post Balance Sheet Events

On 31 January 2014, the Medical Observer and My Doctor portion of MIMS Australia was sold for AUD 1.1m. Refer to Note 4 for more information.

On 31 March 2014, AXIO Forest Products Holdings Limited purchased FOEX from Niiilo Pellonmaa, Timo Teras, Timo Laitinen, Vessilä Oy Ab, Seligson Bros AB, Juha Korhonen, Martti Aaristo, Lars Halén and Tytti Inkinen for consideration of £1.3m (€1.6m).

Going Concern

The accounts have been prepared on a going concern basis. The background to and reasons for the adoption of the going concern basis are explained in Note 1 of the notes to the consolidated financial statements.

Employees

During the period, AXIO employed an average of 1,618 full time equivalent employees.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

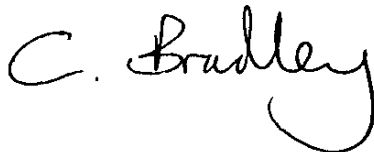
Auditor

Following its incorporation the Directors conducted an audit tender during 2013 as a result of which KPMG LLP were appointed as the first auditors of the Company. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

AXIO Data Group Limited

Directors' report (continued)

By order of the board

A handwritten signature in black ink, appearing to read 'C. Bradley', with a large, stylized loop at the end of the surname.

Christopher Bradley
Director
3 June 2014

Ludgate House
245 Blackfriars Road
London SE1 9UY
United Kingdom

AXIO Data Group Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with IFRSs as adopted by the EU and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIO DATA GROUP LIMITED

We have audited the financial statements of AXIO Data Group Limited for the period ended 31 December 2013 set out on pages 8 to 50. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's loss for the period then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Independent Auditor's report (continued)

A handwritten signature in black ink, appearing to be 'HG' followed by a long horizontal stroke.

Hugh Green
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

4 June 2014

AXIO Data Group Limited

Consolidated statement of profit and loss and other comprehensive income/(loss)

for the period ended 31 December 2013

	Note	2013 £000
Revenue	3	122,011
Cost of inventories recognised as an expense		(794)
Employee costs	9	(60,953)
Depreciation		(1,696)
Amortisation		(6,633)
Impairment	7, 14	(13,500)
Restructuring costs	7	(6,942)
Acquisition costs	5, 7	(6,089)
Other operating expenses	7	(41,842)
Total operating expenses		(138,449)
Share of results from associates	6	865
Group operating profit (before exceptional items)		10,958
Total exceptional operating items	7	(26,531)
Group operating loss		(15,573)
Net financing expense	8	(16,479)
Loss on disposal of property, plant and equipment	7	(1,300)
Gain on disposal of an associate	6, 7	1,280
Loss before tax (before exceptional items)		(5,521)
Total exceptional items	7	(26,551)
Loss before tax		(32,072)
Tax credit	12	1,925
Loss for the period		(30,147)
Loss attributable to:		
Owners of the parent entity		(30,149)
Non-controlling interests		2
		(30,147)
Other comprehensive income		
<i>Items that will not be reclassified to profit and loss</i>		
Actuarial gains and losses on defined benefit pension plans, net of tax	10	128
<i>Items that are subsequently reclassified to profit and loss</i>		
Foreign exchange translation differences - foreign operations, net of tax		2,603
Other comprehensive income		2,731
Loss for the period		(30,147)
Total comprehensive loss		(27,416)
Total comprehensive loss attributable to:		
Owners of the parent entity		(27,418)
Non-controlling interests		2
		(27,416)

The accompanying notes on pages 13 to 43 are an integral part of the consolidated financial statements

AXIO Data Group Limited

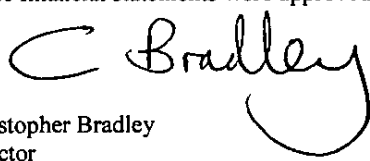
Consolidated statement of financial position

as at 31 December 2013

	Note	2013 £000
Non-current assets		
Goodwill	14	61,737
Intangible assets	14	61,043
Property, plant and equipment	13	3,989
Deferred tax assets	12	6,559
		133,328
Current assets		
Inventories	17	1,079
Tax receivable		1,129
Trade and other receivables	16	32,234
Cash and cash equivalents	15	21,193
Assets classified as held for sale	4	386
		56,021
Total assets		189,349
Current liabilities		
Interest-bearing loans and borrowings	18	8,017
Trade and other payables	19	61,390
Employee benefits	10	2,331
Tax payable		3,469
		75,207
Non-current liabilities		
Interest-bearing loans and borrowings	18	122,997
Deferred tax liabilities	12	16,087
		139,084
Total liabilities		214,291
Net liabilities		(24,942)
Capital and Reserves		
Share capital	28,29	155
Share premium	28,29	2,319
Pension reserve	28,29	128
Foreign currency translation reserve	28,29	2,603
Retained deficit	28,29	(30,149)
Total Capital and Reserves		(24,944)
Non-controlling interests		2
Total Shareholders' deficit		(24,942)

The accompanying notes on pages 13 to 43 are an integral part of the consolidated financial statements

These financial statements were approved by the board of directors on 3 June 2014 and were signed on its behalf by


Christopher Bradley
Director

AXIO Data Group Limited

Consolidated statement of cash flows

for the period ended 31 December 2013

	Note	2013 £000
Cash flows from operating activities		
Reconciliation of loss to operating cashflows		
Loss for the year		(30,147)
Add back		
Capitalised acquisition costs	18	(2,171)
Loss on disposal of fixed assets	7	1,300
Profit on disposal of associates	7	(1,280)
Other non-cash operating items		(323)
Acquisition costs	7	6,089
Tax	12	(1,925)
Amortisation of intangible assets	14	6,633
Impairment	7,14	13,500
Depreciation	13	1,696
Share of results from joint ventures and associates	6	(865)
Financing expense	8	16,479
		8,986
Pension deficit contributions	10	(20)
Decrease/(increase) in trade and other receivables		16,063
Decrease/(increase) in inventory		(376)
Increase/(decrease) in deferred revenue		(5,032)
Increase/(decrease) in trade and other payables		1,782
Cash generated from operations		21,403
Acquisition costs		(6,089)
Interest and finance costs paid		(3,157)
Tax paid		(3,355)
Net cash from operating activities		8,802

AXIO Data Group Limited

Consolidated statement of changes in equity

for the period ended 31 December 2013

	Share Capital £000	Share Premium £000	Pension Reserve £000	Foreign Currency Translation Reserve £000	Retained deficit £000	Non- controlling Interest £000	Total Equity/ (Deficit) £000
On incorporation	22	2,188	-	-	-	-	2,210
Loss for the year	-	-	-	-	(30,149)	2	(30,147)
Other comprehensive income	-	-	128	2,603	-	-	2,731
Total comprehensive income/(loss) for the period	-	-	128	2,603	(30,149)	2	(27,416)
Transactions with owners, recorded directly in equity							
Issue of shares	133	131	-	-	-	-	264
Balance at 31 December 2013	155	2,319	128	2,603	(30,149)	2	(24,942)

AXIO Data Group Limited

Consolidated statement of cash flows (continued)

for the period ended 31 December 2013

	Note	2013 £000
Cash flows from investing activities		
Purchase of property, plant and equipment	13	(1,184)
Expenditure on intangible assets	14	(1,105)
Acquisition of interests in subsidiaries	5	(98,405)
Cash acquired in business combination	5	11,509
Proceeds from sale of businesses, net of cash disposed	6	7,500
Net cash from investing activities		(81,685)
Cash flows from financing activities		
Proceeds from issuance of ordinary share capital and share premium		2,467
Junior and senior loan notes issued		115,057
Increase in borrowings		697
Repayment of loans	18	(23,186)
Net cash from financing activities		95,035
Net change in cash and cash equivalents		22,152
Net foreign exchange difference		(959)
Cash and cash equivalents at 20 December 2012		-
Cash and cash equivalents at 31 December 2013	15	21,193

The accompanying notes on pages 13 to 43 are an integral part of the consolidated financial statements

AXIO Data Group Limited

Notes to the consolidated financial statements

1 Accounting policies

AXIO Data Group Limited (the “Company”), incorporated on 20 December 2012, is a limited liability company registered in England, United Kingdom

The consolidated financial statements of AXIO Data Group Limited comprise the Company, its subsidiaries (together referred to as the “Group”) and equity account the Group’s interest in associates and jointly controlled entities

The Group operates a portfolio of market-leading information businesses. It serves customers in a range of sectors including healthcare, aviation, forest products, intellectual property licensing, containerised trade and breakbulk services

The consolidated financial statements are presented in pound sterling, which is the functional and reporting currency. All amounts are rounded to the nearest £000 unless otherwise indicated

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”)

The consolidated financial statements have been authorised for issue by the directors on 3 June 2014

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed below

Measurement convention

The consolidated financial statements are prepared on the historical cost basis except that assets held for sale are stated at the lower of the carrying amount and fair value less costs to sell

Basis of preparation

The Group has net liabilities of £24.9m as at 31 December 2013. The board has reviewed the liquidity position of the Group, in particular forecasts up until 31 December 2016 for EBITDA, cash flows and the headroom after servicing the significant financial liabilities. The Group’s borrowing is largely run to December 2017 or December 2019 as set out in note 18. As a result of this review, the board is of the view that the going concern assumption is appropriate and as such the consolidated financial statements have been prepared on this basis

Accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and the accompanying disclosures

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods

The judgements made in the process of applying the Group’s accounting policies that have the most significant effect on amounts recognised in the financial statements relate to

- The identification of cash generating units and assumptions used in the impairment testing of goodwill (note 14)
- The identification of intangible assets acquired in a business combinations (note 5)
- Unrecognised deferred tax assets (note 12)

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Accounting estimates and judgements (continued)

The key areas of estimation uncertainty at the reporting date that could have a material effect on the carrying amounts of assets and liabilities within the next financial period are

- Current tax liabilities (note 12)
- Forecast cash flows used in annual impairment testing of goodwill (note 14)

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The subsidiaries are consolidated from the date that control commences until the date that control ceases. All intra-group balances and transactions have been eliminated in full.

Business combinations

The Group uses the acquisition method to account for business combinations. The consideration is measured at the amount of cash and cash equivalents transferred, the fair value of any equity instruments transferred and the fair value of any contingent consideration arrangement. Subsequent changes to the fair value of the contingent consideration which is classified as a financial liability that is within the scope of IAS 39 is recognised in the consolidated statement of profit and loss.

Acquisition costs incurred are recognised as an expense in the consolidated statement of profit and loss as exceptional operating items.

If a business combination is achieved in stages, the acquisition date carrying amount of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the consolidated statement of profit and loss.

When there is a change in ownership of a subsidiary without a change in control, the difference between the consideration paid/received and the relevant share of the carrying amount of net assets acquired/disposed of the subsidiary is recorded in other comprehensive income.

Non-controlling interests

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income/(loss) of those investees is presented as part of the Group's other comprehensive income/(loss). In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit and loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss outside operating profit and represents profit and loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit and loss.

Goodwill

Goodwill is measured on acquisition as the excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and (in the case of business combinations achieved in stages) the acquisition date fair value of any previous equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If the initial amount of goodwill is negative, the amount is recognised in the consolidated statement of profit and loss as a gain on a bargain purchase.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. For the purpose of impairment tests, the goodwill arising from each business combination is allocated to cash generating units (CGUs) that are expected to benefit from the combination and which represent the lowest level within the Group at which management monitors goodwill. Goodwill is recognised in the most appropriate currency given the cashflows that the CGU generates.

The impairment test requires the Group to estimate the recoverable amount of the CGU to which the goodwill relates, this is performed where appropriate with the assistance of external advisors. Recoverable amount is the higher of value in use and fair value less costs to sell. The value in use of a CGU is measured by discounting the estimated future cash flows of the CGU to their present value using a pre-tax discount rate. Fair value less costs to sell is generally measured using an earnings multiple approach using revenue and EBITA multiples obtained from comparable businesses and transactions. Any impairment loss is recognised immediately in the profit and loss and is not subsequently reversed.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Foreign Currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are released into profit and loss upon disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests.

Classification of financial instruments issued by the Group

In compliance with IAS 32, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group), and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment

Depreciation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows

Buildings	Up to 50 years
Plant, machinery and office equipment	3-20 years
Motor vehicles	3-5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the item is included in the statement of profit and loss in the period the asset is derecognised. The residual values, useful lives and methods of depreciation of these assets are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Intangible Assets

Intangible assets acquired separately (including website development costs relating to the application and infrastructure development, graphical design and content development stages incurred with third parties) are measured on initial recognition at cost.

Intangible assets acquired in a business combination are recognised in accordance with the accounting policy for acquisitions and measured on initial recognition at fair value at the date of acquisition.

Internally generated intangible assets, including internally generated software, that do not qualify for recognition as an intangible asset under IAS 38 are recognised as an expense. All research costs are expensed as incurred.

At each reporting date, intangible assets are measured at cost or fair value at the date of acquisition less amortisation and any impairment losses.

Intangible assets are amortised on a straight line basis over their useful lives as follows

Software	5 years
Customer Relationships	5 - 11 years
Data Sets	5 - 10 years
Brands	15 - 20 years

Trade and other receivables

Trade and other receivables generally have 30 to 90 day terms and are measured at invoice amount less a provision for impairment. A provision is made when collection of the full amount is no longer probable. Trade and other receivables are written off when there is no expectation of recovery.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and on-call deposits.

Inventories

Inventories and work in progress are measured at the lower of cost and net realisable value. Cost is measured using the first in first out method and comprises materials and directly attributable production costs. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Share capital

Share capital issued by the Company is recorded at the fair value of the proceeds received net of direct issue costs. Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Ordinary shares of the company are classified as equity. Mandatorily redeemable preference shares and other classes of share where an obligation exists to transfer economic benefits are classified as liabilities.

Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Trade and other payables

Trade and other payables principally comprise of deferred revenue and amounts outstanding for trade purchases and ongoing costs. Trade and other payables are measured at original cost, which approximates to their fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value, net of any transaction costs incurred. They are subsequently stated at amortised cost using the effective interest method less any impairment losses with any difference between the proceeds (net of transaction costs) and the redemption value being recognised over the period of the borrowings.

All borrowings are classified as current unless the group has an unconditional right to defer payment of the borrowings until at least twelve months from the reporting date.

Leases

On inception of a lease, the terms and conditions of the lease are reviewed to determine the appropriate classification for the lease. Where the Group bears substantially all the risks and rewards of ownership of the item, the lease is classified as a finance lease and the item is capitalised at the lower of the fair value of the leased item and the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to obtain a constant rate on the finance balance outstanding. The outstanding capital element of the lease payments are included within current and long-term payables as appropriate, the interest element of the lease payments is charged to the consolidated statement of profit and loss over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases where the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the consolidated statement of profit and loss on a straight line basis over the term of the lease.

Impairment

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Employee benefits

Defined contribution plans

A defined contribution plan is post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated statement of profit and loss as they are incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset). The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in the consolidated statement of profit and loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Contributions paid or payable in respect of employee service rendered during the accounting period are recognised as an expense in that period.

The liability for the benefits earned by employees in return for service rendered is determined by using the projected unit credit method as determined by qualified actuaries. This is based upon a number of assumptions, the determination of which is significant to the valuation.

Provisions

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

If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects the risks specific to the liability.

Provisions are estimates and the actual cost and timing of future cash flows are dependent on future events. Management reassesses the amounts of these provisions at each reporting date in order to ensure that they are measured at the current best estimate of the expenditure required to settle the obligation at the reporting date. Any difference between the amounts previously recognised and the current estimates is recognised immediately in the consolidated statement of profit and loss.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Events revenue

Revenue is recognised on completion of the event.

Subscription revenue

Revenue is recognised on a straight line basis over life of the subscription.

Listing fee revenue

Revenue is recognised on the delivery of the listing, unless it can be justified that the listing supports an annually delivered service, in which case it is recognised on a straight line basis.

Marketing services

Revenue is recognised on issue of the publication. Regardless of issue date, Print revenues are recognised in the month in which the physical copies are shipped.

Consulting

Revenue is recognised as services are delivered. Where consultancy services are provided over a period of time, revenue is recognised using the percentage of completion method. The stage of completion is determined with regard to key milestones in the contract being attained and the percentage of services performed under the contract as a percentage of the total services to be performed.

Expenses

Net financing costs

Net financing costs comprise interest payable, finance charges on shares classified as liabilities and finance leases, interest receivable on funds invested, defined benefit pension plan interest cost, amortisation of issue costs, dividend income and foreign exchange gains and losses.

Interest income and interest payable is recognised in the consolidated statement of profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the consolidated statement of profit and loss on the date the entity's right to receive payments is established.

Taxation

Current tax for the current and prior periods is recognised, to the extent unpaid, as a liability at the amount expected to be paid to the taxation authorities. The tax liabilities are measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. However, deferred tax is not recognised on temporary differences arising from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Current tax expense and deferred tax expense are recognised in profit and loss except to the extent they arise from a transaction or event recognised in other comprehensive income or directly in equity. Any such tax expense is recognised in other comprehensive income or in equity respectively.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Taxation (continued)

The Group is a multi-national group with tax liabilities arising in many geographical locations. This inherently leads to complexity to the Group's tax structure. Therefore the calculation of the Group's current tax liabilities and tax expense necessarily involves a degree of estimation and judgment in respect of items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The resolution of issues is not always within the control of the Group and issues can, and often do, take many periods to resolve. The tax liabilities recognised in the consolidated financial statements are measured at the directors' estimate of tax that may become payable. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the consolidated statement of profit and loss and tax payments. The final resolution of certain of these items may give rise to material profit and loss and/or cash flow variances. Any difference between expectations and the actual future liability will be accounted for in the period identified.

Non-current assets held for disposal and discontinued operations

A non-current asset or a group of assets (a disposal group) is classified as held for disposal if its carrying amount will be recovered principally through sale or winding up rather than through continuing use, it is available for immediate sale or winding up and sale or winding up is highly probable within one period.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to the consolidated statement of profit and loss. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented on the consolidated statement of profit or loss as a column analysing the post tax profit or loss of the discontinued operation and the post tax gain or loss recognised on the remeasurement to fair value less costs to sell or on disposal of the assets/disposal groups constituting discontinued operations.

IFRS in issue but not applied in the current consolidated financial statements

The following IFRS and IFRIC Interpretations have been issued but have not been applied by the Group in preparing these consolidated financial statements as they are not yet effective. The Group intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 9 Financial Instruments
- IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32
- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Group's activities and which have not therefore been adopted in preparing the consolidated financial statements.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

2 Reconciliation of Group operating loss to underlying EBITDA

The reconciliation of the group operating loss per the consolidated statement of profit and loss to the EBITDA per the strategic report is as follows

	Consolidated statement of profit and loss	Impairment	Other exceptional items	Deferred revenue fair value adjustment	Share of profit of associate	Total adjustment	Underlying results for 9 months to 31 December 2013 £000
Revenue	£000	£000	£000	£000	£000	£000	£000
Group operating loss	122,011	-	-	5,999	-	5,999	128,010
Depreciation (Note 13)	(15,573)	13,500	13,031	5,999	(865)	31,665	16,092
Amortisation (Note 14)	1,696	-	-	-	-	-	1,696
Impairment (Note 14)	6,633	-	-	-	-	-	6,633
	13,500	(13,500)	-	-	-	(13,500)	-
EBITDA	6,256	-	13,031	5,999	(865)	18,165	24,421

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

3 Revenue

	2013 £000
Subscriptions	48,946
Marketing services	29,193
Listing fees	15,887
Consulting	14,324
Other	13,661
Total Revenue	122,011

4 Assets held for sale

During 2013, the Group made the decision to sell the Medical Observer and My Doctor portion of MIMS Australia and on 13 December 2013, a sales agreement was signed for a total consideration of AUD 1.1m. The sale was completed on 31 January 2014.

	2013 £000s
Assets held for sale	386

Effect of the disposals on individual assets and liabilities as at 31 December 2013

	2013 £000
Property, plant and equipment	5
Goodwill	435
Trade and Other Payables	(54)
Net identifiable assets	386
Consideration received (net of selling costs)	386
Net profit	-

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

5 Acquisitions of businesses

Acquisitions in the current period

AXIO Data Group Ltd purchased 100% of the data services businesses from United Business Media Plc on 8 April 2013, for consideration of £136.9m, including £98.4m paid in cash, £1.5m of deferred consideration and a vendor loan note of £37.0m, which is included in the Secured Institutional Loan Notes 2019

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities

	Book Value	Fair Value Adjustments	Recognised values on acquisition
	£000	£000	£000
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	6,322	-	6,322
Intangible assets	-	73,151	73,151
Inventories	709	-	709
Trade and other receivables	48,264	-	48,264
Cash and cash equivalents	11,509	-	11,509
Trade and other payables	(19,750)	(3,427)	(23,177)
Deferred revenue	(43,374)	7,043	(36,331)
Tax liabilities	(562)	1,036	474
Investment in associates	5,167	-	5,167
Pension creditors	(1,925)	(465)	(2,390)
Net identifiable assets and liabilities	6,360	77,338	83,698
Consideration paid cash			98,405
Vendor loan note			37,000
Deferred consideration			1,494
Total consideration			136,899
Goodwill on acquisition			53,201

The goodwill is attributable mainly to the assembled workforces and the anticipated future growth in the customer base of the acquired business, particularly into countries in which certain products are not currently exploited. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs

The Group incurred acquisition related cost of £8.6m. £6.1m has been included in exceptional operating items, £0.3m has been included as financing expense and £2.2m has been capitalised in the consolidated statement of financial position under interest-bearing loans and borrowings.

Results contribution

From the date of acquisition, AXIO Data Group contributed £122.0m of revenue and (£32.1m) to the loss before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been £161.3m and the loss before tax from continuing operations for the Group would have been (£28.6m). In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition occurred on 1 January 2013.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

6 Investment in associates

The business acquired on 8th April 2013 included a 25.1% share in UCF Holdings Sarl. The value of the investment at 8th April 2013 was £5.2m. The Group's share of the profit of UCF Holdings Sarl up to 31st July 2013 was £0.9m, which is presented in the consolidated statement of profit and loss. On 31st July 2013, the Group sold all of its share in UCF Holdings, for consideration of £7.5m, to Compugroup Medical Deutschland AG. The profit on disposal was £1.3m, which is reported in the consolidated statement of profit and loss.

7 Operating expenses, exceptional expenses and auditor's remuneration

Included in profit/loss are the following

	2013 £000s
Minimum Lease Payments recognised as an operating lease expense	(4,378)
<i>Auditor's Remuneration</i>	
Audit of these financial statements	(340)
Amounts receivable by the Group's auditor and its associates in respect of	
- Audit of financial statements of subsidiaries of the company	(98)
- Tax compliance services	(205)
- Other services	(239)
Total remuneration paid to Auditor and its affiliates	(882)
Exceptional items	
Impairment	(13,500)
Restructuring costs	(6,942)
Acquisition costs	(6,089)
Total exceptional operating items	(26,531)
Loss on disposal of property, plant and equipment	(1,300)
Gain on disposal of an associate	1,280
Total exceptional items	(26,551)

Included in the tax credit of £1.9m in Note 12 is a £2.0m deduction in relation to the above exceptional costs.

8 Finance income and expense

	2013 £000
Interest expense	(7,794)
Amortisation of issue costs	(354)
Net foreign exchange loss	(8,273)
Defined benefit pension interest cost	(58)
Net finance expense	(16,479)

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

9 Employee costs and numbers

	2013 £000
Wages and salaries	(48,902)
Social security costs and other benefits	(10,346)
Defined contribution pension costs	(1,502)
Defined benefit pension costs	(203)
Total employee costs	(60,953)

Redundancy costs of £6 1m are excluded from the above figures and instead presented within restructuring costs in the consolidated statement of profit and loss

During the period, there was an average of 1,618 full time equivalent employees These are analysed below

	2013
Editorial	576
Production	283
Sales and marketing	471
Management and support	288
Total full time equivalent employees	1,618

10 Employee benefits

Retirement Benefit Obligations

Defined contribution schemes

The Group operates various defined contribution schemes Total contributions to these schemes throughout the period is £1 5m

Defined benefit schemes

The Group operates unfunded defined benefit schemes in France, Germany and Belgium The scheme in Belgium was started in 1977 and closed in October 2013 There is only one employee left under this plan with an outstanding liability of £0 1m The defined benefit scheme in Germany is deemed not to be material for disclosure

	France	Germany	Belgium	2013 £000 Total
Scheme assets	-	-	-	-
Scheme liabilities	(2,013)	(267)	(51)	(2,331)
Net scheme liabilities	(2,013)	(267)	(51)	(2,331)
Employee numbers	145	15	1	161

AXIO Data Group Limited

Notes to the consolidated financial statements *(continued)*

10 Employee benefits (continued)

Retirement Benefit Obligations (continued)

The most significant is the defined benefit scheme in France. This scheme is operated on a “pay as you go” basis. Each employee is entitled to receive a basic pension from the Social Security plus a complementary pension from defined contribution schemes ARRCO and AGIRC (solely for management).

Moreover, retiring allowances (lump sums) must by law be paid by the employer when employees retire.

The allowances to be paid are defined by

- the Collective Bargaining Agreement of Advertising and,
- the Collective Bargaining Agreement of Journalists and Reporters.

The lump sums are calculated as follows

Advertising Bargaining Agreement

Non Management

After 1 year of service 1/4 month's salary per year of service

Management

- After 1 year of service 1/4 month's salary per year of service
- After 10 years of service 2.5 months' salary + 1/3 months' salary per year of service above 10 years

The length of service is determined in years and months. For fraction of a year a pro rata is applied.

In addition the allowance is increased by a seniority premium for all employees with more than 20 years of service. This increase (in percentage of the allowance) is equal to

- a 5% after 20 years of service,
- b 10% after 25 years of service,
- c 15% after 30 years of service,
- d 20% after 35 years of service

In case of death of the employee before retirement (but with at least 3 years of service) the allowance is paid to the survivor spouse or children with a minimum lump sum of 2 months' salary. This measure is not applicable if the Group provides a similar death coverage through an insurance contract.

Reporters Bargaining Agreement

After 2 years of service 1 month's salary

After 5 years of service 2 months' salary

After 10 years of service 3 months' salary

After 20 years of service 4 months' salary

After 30 years of service 5 months' salary

All permanent employees are being covered on this scheme.

Normal Retirement Age in France is 60 (62 in 2017) but 41.25 years of employment are required. Benefit rights are not vested before Normal Retirement Age.

In case of retirement at the employee's initiative, the allowance is subject to social charges.

This retiring allowance scheme is not externally funded through an insurance contract.

The most recent actuarial funding valuation was carried out in October 2013 and updated to 31 December 2013 for accounting purposes by independent qualified actuaries.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

10 Employee benefits (continued)

Retirement Benefit Obligations (continued)

Assumptions and sensitivities

Principal actuarial assumptions used in determining pension obligations for the Group's schemes

	2013
<i>Economic Assumptions</i>	
Discount rate	3.00%
Salary growth rate	2.20%
Inflation rate	2.00%
<i>Demographic Assumptions</i>	
Retirement age	
- Management	64
- Non- Management	62
Retirement conditions	At the employee's initiative
Employer's social charges rate	52%
Mortality table	INSEE TD/TV 2009-2011
Turnover table (annual rates)	
- 16-29 years	23%
- 30-34 years	16%
- 35-39 years	12%
- 40-44 years	6%
- 45-49 years	3%
- 50-54 years	1%
- 55+ years	0%

In accordance with the recommendation 2003-R 01 of the ANC, the discount rate has been based on the available yields of 10 year AA rated euro-zone bonds as of valuation date. This includes a long-term inflation rate of 2.00%. It is a long term best estimate that wages will grow at a rate 0.20% above inflation.

Due to the Fillon law requirements and 2010 reform, retirement ages of 64 for management and 62 for non-management are taken into account.

The turnover rates were based on statistics for the last few years. These rates project 10.0 resignations over the next 12 months (6.9% average turnover rate).

The discount rate has a significant effect on the measurement of the defined benefit obligation. The table below shows the sensitivity.

The sensitivity of the valuation to changes in these assumptions is as follows:

	Obligation as at 31 December 2013
Discount rate	£000
2.75%	(2,071)
3.00%	(2,013)
3.25%	(1,958)

Consolidated Financial Position

	2013
	£000
Fair value of plan assets	-
Defined benefit obligation	(2,013)
Net deficit in the consolidated statement of financial position	(2,013)

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

10 Employee benefits (continued)

Change in the Defined Benefit Obligation

	2013 £000
On incorporation	-
Acquired in a business combination	(2,043)
Service cost	(114)
Interest cost	(58)
Benefit Payments	20
Actuarial gains/(losses) due to changes in financial assumptions	(1)
Actuarial gains/(losses) due to changes in demographics	129
Currency translation	54
At 31 December 2013	(2,013)

Consolidated statement of profit and loss

	2013 £000
Service cost	(114)
Interest cost	(58)
Net expense in consolidated statement of profit and loss	(172)

Other comprehensive income

	2013 £000
Actuarial gains/(losses) due to changes in demographics	(129)
Actuarial gains/(losses) due to changes in financial assumptions	1
Total gain/(loss)	(128)

11 Directors' Emoluments

	2013 £000
Directors' emoluments	828
Company contributions to defined contribution pension schemes	57
Compensation for loss of office	133
	1,018

The aggregate of emoluments of the highest paid director was £0.4m and company pension contributions of £0.1m were made on his behalf.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

12 Taxation

(a) Income tax

<i>Amounts recognised in the consolidated statement of profit and loss</i>	2013
	£000
Current tax on losses for the period	3,674
Withholding taxes	351
Other taxes	73
Total current tax expense	4,098
Deferred tax	
- Origination and reversal of temporary differences	(5,715)
- Impact of the change in the UK tax rate	(308)
Total deferred tax credit	(6,023)
Total tax credit	(1,925)

The income tax charge/(credit) relating to components of other comprehensive income is nil The income tax charged/(credited) directly to equity during the year is nil

(b) Reconciliation of effective tax rate

	2013
	£000
Loss before tax	(32,072)
Tax calculated at standard rate of 23% in the UK	(7,377)
Tax effects of	
- Difference in tax rates between UK and foreign jurisdictions	(964)
- Non-deductible expenses	4,177
- Tax incentives	(388)
- Non-deductible impairment losses on goodwill	2,208
- Recognition of previously unrecognised losses	318
- Re-measurement of deferred tax due to change in income tax rate	(308)
- Other taxes	424
- Other	(15)
Total tax credit	(1,925)

Reductions in the UK corporation tax rate from 23% to 21%, effective from 1 April 2014, and from 21% to 20%, effective from 1 April 2015, were substantively enacted on 2 July 2013 The Group's UK deferred tax balances are expected to reverse in or after the year to 31 December 2015 and have therefore been measured at a rate of 20%

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

12 Taxation (continued)

(c) Movement in deferred tax during the period

The movement on the deferred tax account is as follows

	2013 £000
On incorporation	-
Acquired in business combination	(15,614)
Exchange differences	64
Effect of change in rate of deferred taxes	308
Profit and loss charge	5,714
Balance carried forward	(9,528)

(c) Movement in deferred tax during the period (continued)

The movement in deferred income tax assets and liabilities during the period is as follows

	On incorporation £000	Acquired in business combination £000	Recognised in profit and loss £000	Recognised in other comprehensive income £000	Exchange difference £000	31 December 2013 £000
Recognised deferred tax						
<i>Deferred tax assets</i>						
Property, plant and equipment	-	81	305	-	12	398
Intangible assets	-	38	(5)	-	1	34
Bad debts	-	140	62	-	6	208
Provisions	-	666	237	-	28	931
Tax losses	-	2,488	(371)	-	67	2,184
Investment tax credits	-	1,204	388	-	(170)	1,422
Other	-	1,197	108	-	77	1,382
Total assets	-	5,814	724	-	21	6,559
<i>Deferred tax liabilities</i>						
Bad debts	-	(1)	(31)	-	(1)	(33)
Property, plant and equipment	-	(26)	(125)	-	(5)	(156)
Intangible assets	-	(18,942)	3,482	-	63	(15,397)
Provisions	-	(2,427)	1,986	-	(14)	(455)
Other	-	(31)	(14)	-	(1)	(46)
Total liabilities	-	(21,427)	5,298	-	42	(16,087)
Net deferred tax asset/(liability)	-	(15,613)	6,022	-	63	(9,528)

AXIO Data Group Limited

Notes to the consolidated financial statements *(continued)*

12 Taxation *(continued)*

Deferred income tax assets are recognised for carried forward tax losses to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred income tax assets of £1.7m have not been recognised in respect of carried forward tax losses amounting to £5.1m because it is not probable that future taxable profit will be available against which the relevant Group entities can use the benefits therefrom.

13 Property, plant and equipment

	Buildings	Plant, machinery and office equipment	Motor vehicles	Total
	£000	£000	£000	£000
Cost				
On incorporation	-	-	-	-
Acquired in a business combination	2,306	16,197	527	19,030
Additions	29	1,123	32	1,184
Disposals	(138)	(2,753)	(95)	(2,986)
Effect of movements in foreign exchange	(225)	(1,236)	(57)	(1,518)
At 31 December 2013	1,972	13,331	407	15,710
Depreciation				
On incorporation	-	-	-	-
Acquired in a business combination	(1,246)	(11,136)	(340)	(12,722)
Charge for the period	(247)	(1,393)	(56)	(1,696)
Disposals	131	1,401	87	1,619
Effect of movements in foreign exchange	138	905	35	1,078
At 31 December 2013	(1,224)	(10,223)	(274)	(11,721)
Carrying amount				
On incorporation	-	-	-	-
As at 31 December 2013	748	3,108	133	3,989

No impairment loss was recognised during the period.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

14 Intangible Assets and Goodwill

	Goodwill	Software	Customer relationships	Data sets	Brands	Total Intangible Assets
	£000	£000	£000	£000	£000	£000
Cost						
On incorporation	-	-	-	-	-	-
Acquired in a business combination	53,201	8,760	7,640	23,130	33,630	73,160
Deferred tax on intangible assets upon acquisition	21,238	-	-	-	-	-
Additions, internally generated	-	1,081	-	-	-	1,081
Effect of movements in foreign exchange	(3,202)	(281)	(512)	(762)	(1,258)	(2,813)
At 31 December 2013	71,237	9,560	7,128	22,368	32,372	71,428
Amortisation and impairment						
On incorporation	-	-	-	-	-	-
Acquired in a business combination	-	-	-	-	-	-
Amortisation charge for the period	-	(1,286)	(694)	(3,389)	(1,264)	(6,633)
Impairment charge for the period	(9,500)	-	(2,035)	-	(1,965)	(4,000)
Effect of movements in foreign exchange	-	41	48	112	47	248
At 31 December 2013	(9,500)	(1,245)	(2,681)	(3,277)	(3,182)	(10,385)
Carrying amount						
On incorporation	-	-	-	-	-	-
As at 31 December 2013	61,737	8,315	4,447	19,091	29,190	61,043

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

14 Intangible Assets and Goodwill (continued)

Impairment tests for goodwill

Goodwill of £74.4m acquired in the acquisition of AXIO Data Group in April was allocated to seven cash generating units (CGUs) that benefit from that business combination. The CGUs represent the operating divisions of the Group.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill or intangible assets might be impaired.

When testing for impairment, recoverable amounts for all of the Group's CGUs are measured at their value in use by discounting the future expected cash flows from the assets in the CGUs. These calculations use cash flow projections based on Board approved budgets and management expectations. For each CGU, the forecast cash flows beyond the period covered by the most recent financial budgets and forecasts approved by management are based on the average projected growth rates. The growth rates used in the value in use calculation range from 1% to 5%, depending on the territories and markets in which each CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Pre-tax discount rate	Perpetuity growth rate
OAG	29.6%	3%
EMEA	14.0%	0%
MIMS	21.1%	3%
TechInsights	17.7%	3%
JOC Group	27.3%	0%
Breakbulk	24.9%	5%
RISI	16.0%	1%

In the RISI CGU, the underlying profitability and growth rate is less than anticipated at the acquisition date. The value in use is consequently lower than the asset value including intangible assets and goodwill. Therefore impairment of £13.5m has been recognised in the period. Of the impairment, £4.0m was charged to intangible assets and the remaining £9.5m to goodwill. The recoverable amount of the asset on the balance sheet at 31 December 2013 is £14.9m.

Sensitivities

The measurement of value in use is sensitive to changes in these key assumptions and in the assumptions about economic growth and market penetration that underpin the cash flow projections.

Management have sensitised the key assumptions, including the discount rate, and under both base case and sensitised case no indicators of impairment exist other than that disclosed above. Except within RISI, management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount by a material amount.

Changes in the key assumptions in relation to RISI would have had the following impact on the £13.5m impairment charge:

Assumption	Impact on impairment charge £m
<i>Discount rate</i>	
+1%	(0.5)
-1%	0.5
<i>Perpetuity growth rate</i>	
+1%	0.5
-1%	(0.5)

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

15 Cash and Cash Equivalents

	2013
	£000
Cash at bank and in hand	21,193

16 Trade and other receivables

	2013
	£000
Trade receivables	30,267
Less Provision for impairment	(2,908)
Trade receivables - net	27,359
Other receivables	2,610
Prepayments and accrued income	2,265
Total trade and other receivables	32,234
Non-current	-
Current	32,234
	32,234

The Directors consider the carrying amount of trade and other receivables approximates the fair value

17 Inventories

	2013
	£000
Raw materials and consumables	890
Work in progress	128
Finished goods	61
Total inventories	1,079

Inventories expensed during the period amounted to £0.8m. Write-down of inventories included in operating expenses is nil.

18 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings

	2013
	£000
Non-current liabilities	
Secured loans	122,997
Current liabilities	
Secured loans	8,017
Total interest-bearing loans and borrowings	131,014

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

18 Interest-bearing loans and borrowings (continued)

	Original Loan 8 April 2013	Amortisation	Additional loan notes in the period	Repayments	Capitalised interest	31 December 2013
	£000	£000	£000	£000	£000	£000
Secured Institutional Loan Notes 2017	70,000	-	-	(23,186)	-	46,814
Secured Institutional Loan Notes 2019	82,057	-	697	-	3,617	86,371
Issue costs	(2,526)	355	-	-	-	(2,171)
Total interest-bearing loans and borrowings	149,531	355	697	(23,186)	3,617	131,014
						2013
						£000
Loans issued for cash						
Secured Institutional Loan Notes 2017						70,000
Secured Institutional Loan Notes 2019						45,057
Total loans issued for cash						115,057
Loans issued as consideration for acquisition						
Secured Institutional Loan Notes 2019						37,000

Secured Institutional Loan Notes 2017- Issuer: AXIO Data Group Holdings Limited

These notes rank in priority to the Secured Institutional Loan Notes 2019

As at 31 December 2013 there were £46.8m of notes issued and £1.0m of accrued unpaid interest. In the period to 31 December 2013 £23.2m of capital was repaid and £3.2m of interest paid. Interest is payable every six months, the notes are interest-bearing at a rate of 9 per cent. The maximum aggregate principal nominal amount of the notes is limited to £90.0m. Final Maturity Date of the Notes (being the date any notes remaining in issue must be repaid in full) is 31 December 2017.

The Notes are listed on the Channel Isles Stock Exchange.

Secured Institutional Loan Notes 2019- Issuer: AXIO Data Group Midco Limited

As at 31 December 2013 there were £86.4m of notes issued, including £3.6m PIK Notes and a £37.0m vendor loan note. The maximum aggregate principal nominal amount of the Notes is limited to £110.0m. The Notes are interest-bearing at a rate of 6 per cent, payable annually in arrears. On 31 December 2013 the Issuer issued to the holders PIK Notes in a nominal amount equal to the amount of interest to be paid. Final Maturity Date of the Notes (being the date any Notes remaining in issue must be repaid in full) is 08 April 2019.

The Notes are listed on the Channel Isles Stock Exchange.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

19 Trade and other payables

	2013 £000
Trade payables	24,529
Other payables and accrued expenses	3,521
Tax and social security	2,041
Deferred revenue	31,299
Total trade and other payables	61,390
Non-current	-
Current	61,390
	61,390

The Directors consider the carrying amount of trade and other receivables approximates the fair value

20 Financial instruments

This note presents information about the Group in response to IFRS 7 (Financial Risk Management). The two main categories of disclosures required by IFRS 7 are (i) information about the significance of financial instruments and (ii) information about the nature and extent of risks arising from financial instruments.

Group Management is responsible for the risk management of the treasury activity. Treasury activity is principally concerned with the monitoring of operating liquidity, managing funding requirements related to the resolution of legacy issues and the monitoring and management of the rolling cash flow. The Company and its subsidiaries are governed by financial policies and procedures implemented for the whole of the Group. Information concerning the Group's exposure to interest rate risk, foreign currency risk, liquidity risk and credit risk is set down below.

The Group does not enter such instruments for speculative purposes and does not trade in financial instruments.

Fair values

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

	2013 Carrying Values £000	2013 Fair Values £000
Financial Assets		
<i>Loans and Receivables</i>		
Cash and cash equivalents	21,193	21,193
Trade and other receivables	27,678	27,678
	48,871	48,871
Financial Liabilities		
<i>Amortised Cost</i>		
Loans and borrowings	131,014	132,380
Trade and other payables	16,293	16,293
	147,307	148,673

AXIO Data Group Limited

Notes to the consolidated financial statements *(continued)*

21 Financial risk management

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due

Group Management evaluates the Group's actual and expected cash flows on a monthly basis to ensure the viability of the work-out process, particularly the ability of the Group to continue as a going concern

The loan maturity profile, based on contractual undiscounted cash flows, of the Group is disclosed below

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements

	2013					
	Carrying Amount as at 31 December £000	Future Contractual cash flows £000	1 year or less £000	1 to 2 years £000	2 to 5 years £000	5 years and over £000
Financial Liabilities						
Loans and Borrowings	131,014	176,116	12,565	11,344	14,578	137,629
Trade and other payables	16,293	16,293	16,293	-	-	-
	147,307	192,409	28,858	11,344	14,578	137,629

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities

Credit risk is managed on a Group basis. Credit risk arises principally from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure to customers including committed transactions and outstanding receivables. The Group reviews its banking arrangements carefully to minimise such risks. The maximum credit risk associated with the Group's financial instruments and cash deposits is equal to their carrying amount as set out above.

Trade and other receivables

Customer credit risk is managed by each business unit in accordance with the Group's established policy, procedures and controls relating to customer credit management. Credit limits are established for all customers and are based inter alia on bank references and credit checks. Outstanding customer receivables are regularly monitored.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. The maximum credit risk associated with the Group's trade receivables is equal to their carrying amount as set out above.

The Group believes that all receivables that are more than 180 days old are past due. As at 31 December 2013, this was £4.4m. The following table outlines the ageing of the trade and other receivables as at 31 December 2013.

Total	<90 days	91-180 days	181-365 days	>365 days
30,267	22,942	2,885	2,453	1,987

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

21 Financial risk management (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency).

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a possible change in the listed currencies, with all other variables held constant, due to changes in the translated value of monetary assets and liabilities.

	Effect on profit/(loss) before tax £000	Effect on capital and reserves £000
<i>Euro</i>		
- 10% fall	79	1,108
- 10% rise	(96)	(1,355)
<i>US dollar</i>		
- 10% fall	(227)	(312)
- 10% rise	228	381
<i>Canadian Dollar</i>		
- 10% fall	157	1,183
- 10% rise	(192)	(1,446)

22 Operating leases

Minimum lease payments

Operating leases have varying terms, escalation clauses and renewal rights. The future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings £000	Other £000	Total £000
Within 1 year	3,959	362	4,321
Later than 1 year and not later than 5 year	8,534	275	8,809
Later than 5 years	1,353	-	1,353
	13,846	637	14,483

23 Capital commitments

At 31 December 2013 the Group had no commitments for capital expenditure.

24 Contingent assets and liabilities

At 31 December 2013 the Group had no contingent liabilities which the Directors consider could have a material impact on the Group. Since 31 December 2013, the Group has initiated a warranty claim in relation to the acquisition of the AXIO businesses. The Directors consider the claim to be material, but the value that will be realised from the claim is not sufficiently certain to be recorded as a contingent asset as at 31 December 2013.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

25 Related parties

Material Subsidiaries

Name	Principal Activities	Country of Incorporation	% Equity Interest
RISI Inc	Data and information products - forest products	USA	100%
Semiconductor Insights	Data and information products - technology and intellectual property	Canada	100%
JOC Inc	Data and information products - global transportation	USA	100%
Vidal SA	Data and information products - healthcare	France	100%
Medizinische Medien Informations Gmbh	Data and information products - healthcare	Germany	100%
OAG Worldwide Ltd	Data and information products - global transportation	United Kingdom	100%
OAG LLC Ltd	Data and information products - global transportation	USA	100%
MIMS (NZ) Ltd	Data and information products - healthcare	New Zealand	100%
MIMS Australia Pty Ltd	Data and information products - healthcare	Australia	100%
MIMS Pte Ltd	Data and information products - healthcare	Singapore	100%
MIMS (Hong Kong) Ltd	Data and information products - healthcare	Hong Kong	100%
MIMS Medica Sdn Bhd	Data and information products - healthcare	Malaysia	100%
AXIO Data Group Holdings Limited	Holding company	United Kingdom	100%
AXIO Data Group MIDCO Limited	Holding company	United Kingdom	100%

Other related parties

	Relationship
Electra Private Equity PLC	Ultimate Parent
Electra Private Equity Partners 2006 Scottish LP	Shareholder
Electra Partners Club 2007	Minority Shareholder
Electra Partners LLP	Immediate Controlling Party
International Private Equity Fund II LP	Minority Shareholder

Ultimate parent company

The immediate controlling party is Electra Partners LLP as investment manager on behalf of the ultimate parent, Electra Private Equity PLC, which was incorporated in the United Kingdom on 15th July 1935 and is listed on the London Stock Exchange. It has a registered address is Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB. For more information, refer to <http://www.electraequity.com>

Transactions with key management personnel

Key management personnel is comprised of the directors of the Company. Key management personnel holds 255,533 shares in AXIO with a value of £0.3m. Emoluments for key management personnel are disclosed in Note 11.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

25 Related parties (continued)

Other related party transactions

2013

	Acquisition Costs £000	Management Fees Payable £000	Balance as at 31 December £000	
Electra Private Equity PLC	-	-	-	-
Electra Private Equity Partners 2006 Scottish LP	-	-	-	-
Electra Partners Club 2007	-	-	-	-
Electra Partners LLP	3,789	160	-	-
International Private Equity Fund II LP	-	-	-	-
	3,789	160	-	-

	Principal repayments £000	Interest payable £000	Balance as at 31 December Principal £000 Interest £000	
Electra Private Equity PLC	-	-	-	-
Electra Private Equity Partners 2006 Scottish LP	18,090	4,772	73,224	766
Electra Partners Club 2007	2,341	618	9,476	99
Electra Partners LLP	-	-	-	-
International Private Equity Fund II LP	2,755	727	11,149	117
	23,186	6,117	93,849	982

For terms and conditions of these loans, refer to Note 18

26 Post balance sheet events

Sale of My Doctor and Medical Observer

On 31 January 2014 MIMS Australia Limited sold their interest in Medical Observer and My Doctor. Refer to Note 4 for more information.

Purchase of FOEX

On 31 March 2014, AXIO Forest Products Holdings Limited purchased FOEX from Nilo Pellonmaa, Timo Teräs, Timo Laitinen, Vessila Oy Ab, Seligson Bros AB, Juha Korhonen, Martti Airsto, Lars Halén and Tytti Inkinen for consideration of £1.3m (€1.6m). The acquisition accounting for this transaction is yet to be completed at the date of authorisation of the consolidated accounts.

27 Guarantees

The Company has given a guarantee under s479C of the Companies Act 2006 to the following subsidiary companies for the period ended 31 December 2013. These subsidiaries have taken the exemption from audit under S479a of the Companies Act 2006 for the period ended 31 December 2013.

Subsidiary name	Registered number
AXIO Data Hedgeco Limited	08638050
AXIO Group Treasury Company Limited	08411983
Global Trade (Holdco) Limited	08408182
Medica Asia (Holdco) Limited	08408185
Medica EMEA (Holdco) Limited	08408187
OAG Aviation Holdings Limited	08408167
AXIO Forest Products Holdings Limited (Formerly RISI (Holdco) Limited)	08408193
Techinsights (Holdco) Limited	08408196
Breakbulk UK Holdco Limited	08707579
UBM Data Services Limited	04920893

Registered number 08338657

41

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

28 Capital and reserves

Share Capital

	Subscription price (£ per share)	Number of Ordinary shares	2013 £000
Issued and fully paid			
- Class 'A'	0.01	2,210,961	22
- Class 'B1'	0.50	28,533	14
- Class 'B2'	0.50	212,500	106
- Class 'C'	1.00	12,500	13
- Class 'G'	0.01	10,000	0
		2,474,494	155

Class 'A', 'B1', 'B2' and 'C', Ordinary Shares

These ordinary shares carry no voting rights and no right of redemption for the shareholders. These ordinary shares do carry the right to participate in dividends and the right to participate in distributions (including on a wind up), as more particularly set out in the articles of association of the company.

Class 'G' Ordinary Shares

These ordinary shares carry full voting rights, the right to participate in dividends, the right to participate in distributions (including on a wind up), and no right of redemption for the shareholders as more particularly set out in the articles of association of the company.

On incorporation, 2,203,809 Class A ordinary shares and 8,000 Class G ordinary shares were issued for a total consideration of £2.2m. During the period, the Company issued an additional 262,685 shares for a consideration of £0.1m.

Share Premium

	2013 £000
On incorporation	2,188
Increase due to issue of shares throughout the period	
- Settled in cash during period	124
- Settled in cash post reporting date	7
Balance at 31 December 2013	2,319

Other Reserves

	Foreign Currency Translation Reserve £000	Pension Reserve £000	Total £000
Balance as at 20 December 2012	-	-	-
Total comprehensive income for the period	2,603	128	2,731
Balance as at 31 December 2013	2,603	128	2,731

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

AXIO Data Group Limited

Notes to the consolidated financial statements (continued)

28 Capital and reserves (continued)

Pension Reserve

The pension reserve is used to record actuarial gains and losses arising from the Group's defined benefit pension schemes

Retained Deficit

	2013 £000
On incorporation	-
Total comprehensive loss for the period	(30,149)
Balance at 31 December 2013	(30,149)

29 Capital Management

For the purposes of the Group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

In order to achieve these overall objectives, the Group's capital management, amongst other things, aims to ensure that it meets covenants and obligations attached to the interest-bearing loans and borrowings that define capital structure requirements. The Group has honoured its obligations related to its interest bearing loans and borrowings in the current period.

Management assess the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	2013 £000
Interest-bearing loans and borrowings other than convertible preference shares (Note 18)	131,014
Trade and other payables (Note 19)	61,343
Less: cash and cash equivalents (Note 15)	(21,193)
Net debt	171,164
Share capital	155
Share premium	2,319
Pension Reserve	128
Foreign Currency Translation Reserve	2,603
Retained deficit	(30,149)
Capital	(24,944)
Capital and net debt	146,220
Gearing ratio	117%

AXIO Data Group Limited

Company statement of financial position

as at 31 December 2013

	Note	£000
Non-Current Assets		
Investments	2	2,474
Net Assets		2,474
Capital		
Share capital	3	2,474
Total Shareholders' capital		2,474

The accompanying notes on pages 47 to 50 are an integral part of the financial statements

These financial statements were approved by the board of directors on 3 June 2014 and were signed on its behalf by



Christopher Bradley
Director

AXIO Data Group Limited

Company statement of cash flows

For the period ended 31 December 2013

	Note	2013 £000
Cash flows from investing activities		
Acquisition of interests in subsidiaries, net of cash acquired	2	(2,467)
Net cash from investing activities		(2,467)
 Cash flows from financing activities		
Proceeds from issuance of ordinary share capital	3	2,467
Net cash from financing activities		2,467
 Net change in cash and cash equivalents		-
Cash and cash equivalents on incorporation		-
Cash and cash equivalents at 31 December 2013		-

AXIO Data Group Limited

Company statement of changes in equity

as at 31 December 2013

	Note	Total £000
On incorporation		2,210
Transactions with owners, recorded directly in equity		
Contributions by and distributions to owners		
Issue of shares	2	264
Total contributions by and distributions to owners		264
Total transactions with owners		264
Balance at 31 December 2013		2,474

AXIO Data Group Limited

Notes to the company financial statements

1 Accounting policies

AXIO Data Group Limited (the "Company"), incorporated on 20 December 2012, is a limited liability company registered in England, United Kingdom

The Company operates a portfolio of market-leading information businesses. It serves customers in a range of sectors including healthcare, aviation, forest products, intellectual property licensing, containerised trade and breakbulk services.

These financial statements are presented in pound sterling, which is the functional and reporting currency. All amounts are rounded to the nearest £000 unless otherwise indicated.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The Company has taken the exemption under Section 408 CA 2006 to not prepare a Company statement of profit and loss and other comprehensive income as the company prepares consolidated accounts.

The financial statements have been authorised for issue by the directors on 3 June 2014.

Measurement convention

These financial statements are prepared on the historical cost basis.

Basis of preparation

The board has reviewed the liquidity position of the Company, in particular forecasts up until 31 December 2016 for EBITDA, cash flows and the headroom after servicing the significant financial liabilities. As a result of this review, the board is of the view that the going concern assumption is appropriate and as such the Company financial statements have been prepared on this basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Investments

Investments in subsidiaries are stated at cost less any provision for impairment. The Company reviews investments for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company assesses whether such indicators exist at each reporting date.

If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised immediately in the profit and loss account.

Classification of financial instruments issued by the Company

In compliance with IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (c) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- (d) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

AXIO Data Group Limited

Notes to the company financial statements (continued)

Share capital

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs

IFRS in issue but not applied in the company financial statements

The following IFRS and IFRIC Interpretations have been issued but have not been applied by the Company in preparing these financial statements as they are not as yet effective. The Company intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early

- IFRS 9 Financial Instruments
- IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32
- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Company's activities and which have not therefore been adopted in preparing these financial statements

2 Investments in subsidiaries

	£000
Cost	
On incorporation	2,210
Additions	264
At 31 December 2013	2,474
Impairment	
On incorporation	-
Charge for the period	-
At 31 December 2013	-
Carrying value	
On incorporation	2,210
At 31 December 2013	2,474

The investment in subsidiary is in AXIO Data Group MIDCO Limited, which is 100% owned and domiciled and incorporated in the United Kingdom

AXIO Data Group Limited

Notes to the company financial statements (continued)

3 Share capital and premium

			2013
	Subscription price (£ per share)	Number of Ordinary shares	£000
Issued and fully paid			
- Class 'A'	0.01	2,210,961	22
- Class 'B1'	0.50	28,533	14
- Class 'B2'	0.50	212,500	106
- Class 'C'	1.00	12,500	13
- Class 'G'	0.01	10,000	0
		2,474,494	155

Class 'A', 'B1', 'B2' and 'C', Ordinary Shares

These ordinary shares carry no voting rights and no right of redemption for the shareholders. These ordinary shares do carry the right to participate in dividends and the right to participate in distributions (including on a wind up), as more particularly set out in the articles of association of the company.

Class 'G' Ordinary Shares

These ordinary shares carry full voting rights, the right to participate in dividends, the right to participate in distributions (including on a wind up), and no right of redemption for the shareholders as more particularly set out in the articles of association of the company.

On incorporation, 2,203,809 Class A ordinary shares and 8,000 Class G ordinary shares were issued for a total consideration of £2.2m. During the period, the Company issued an additional 262,685 shares for a consideration of £0.1m.

Share Premium

	2013
	£000
On incorporation	2,188
Increase due to issue of shares throughout the period	
- Settled in cash during period	124
- Settled in cash post reporting date	7
Balance at 31 December 2013	2,319

AXIO Data Group Limited

Notes to the company financial statements (continued)

4 Capital management

For the purposes of the Company's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

Management assess the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	2013 £000
Net debt	-
Capital	2,474
Capital and net debt	-
Gearing ratio	0%

5 Related parties

Subsidiaries

Name	Principal Activities	Country of Incorporation	% Equity Interest
AXIO Data Group MIDCO Limited	Holding company	United Kingdom	100%

Other related parties

	Relationship
Electra Private Equity PLC	Ultimate Parent
Electra Private Equity Partners 2006 Scottish LP	Shareholder
Electra Partners Club 2007	Minority Shareholder
Electra Partners LLP	Immediate Controlling Party
International Private Equity Fund II LP	Minority Shareholder

Ultimate parent company

The immediate controlling party is Electra Partners LLP as investment manager on behalf of the ultimate parent, Electra Private Equity PLC, which was incorporated in the United Kingdom on 15th July 1935 and is listed on the London Stock Exchange. It has a registered address is Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB. For more information, refer to <http://www.electraequity.com>

Transactions with key management personnel

Key management personnel is comprised of the directors of the Company. Key management personnel holds 255,533 shares in AXIO with a value of £0.3m. There have been no other transactions with key management personnel.

Other related party transactions

There are no other related party transactions.