Regulus Midco Limited

Registered number 9467813

Report and group financial statements

For the period ended 31 July 2015

Directors
S Z H Bilgrami
A C G Brown
R P Bijtjes

Company Number
9467813

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Financial Research Centre
Haddenham Business Park
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Haddenham
Buckinghamshire
HP17 8LJ

Bankers
HSBC Bank Plc
26 Broad Street
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RG1 2BU

Solicitors
Matthew Arnold & Baldwin LLP
21 Station Road
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Hertfordshire
WD17 1HT

Auditor
RSM UK Audit LLP
The Pinnacle
170 Midsummer Boulevard
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Contents

Strategic report

The directors present their strategic report for the period ended 31 July 2015.

Review of the business and future developments

A summary of the Group's trading during the period is shown in the consolidated statement of comprehensive income on page 7.

The Company was incorporated on 3 March 2015 and acquired Regulus Bidco Limited on the same day. Regulus Bidco Limited acquired the entire share capital of Defaqto Group Limited on 30 March 2015 and subsequently, through a group reorganisation, acquired Defaqto Group Limited's main trading subsidiary Defaqto Limited.

The newly formed Group is an independent researcher of financial products, focused on providing intelligence to support better decision-making. In order to do so, the Group:

- collects data from across the whole of the market for products in the following areas: banking, general insurance, life and protection, wealth and funds;
- uses its expertise and insight to analyse the data, and to make it comparable;
- creates a range of products and services to deliver information in a meaningful way to its customers and stakeholders; and
- helps consumers to make better financial decisions, and helps the financial services sector create, manage and distribute products.

The Group does this by providing timely and accurate information to all levels of the financial sector including financial intermediaries, banks, insurers, life companies, asset managers, government departments, comparison websites and directly to consumers. Such services are generally supplied through digital delivery mechanisms thereby ensuring that the data used by decision makers is of the best quality available in the market.

Financial advisers use the Group's range of products to research the right products to suit their clients' needs. This service is predominantly offered in the life and protection, wealth and funds product areas.

The Group has and continues to focus its efforts on assisting financial intermediaries in delivering appropriate services to their client base. The Group's customers, both financial intermediaries and financial product providers, benefit from the continued expansion of the product and service suite and the Group is focussed on delivering best in class solutions to fit such demand.

The Group continues to provide services to providers of financial products that enable them to research, launch, distribute and manage quality products. Additionally, the Group rates financial products based on quality using the Defaqto Ratings process.

The Group offers services on either a hosted or an unhosted basis for integration with a number of consumer web-portals.

During the period ended 31 July 2015, the Group recorded turnover of £3,275,338 and EBITDA* (calculated by adding back depreciation and amortisation to operating profit) of £600,742.

The subsidiaries acquired have enjoyed growth across all revenue streams and the investment made by the Company will assist the Group in seizing the opportunities that exist in the market due to the technological and regulatory changes in the United Kingdom retail finance industry and the drive for increased transparency therein. The Defaqto brand continues to gain traction as the trusted provider of product, platform and fund intelligence and ratings.

Strategic report *(continued)*

Liquidity

The Group raised £67,508 through the issuance of share capital and £22,734,984 through new debt financing during the period. The Group acquired Defaqto Group Limited for £23,012,509 (net of cash acquired of £4,791,026 and including £181,483 in acquisition related costs). The consideration for this acquisition was settled with £21,196,271 in cash and £1,816,238 of new loan notes. The Group generated EBITDA* of £600,742 in the period to 31 July 2015. Operating activities (excluding the interest payments made on the aforementioned debt) consumed £34,083 of cash outflows driven by the seasonality of the working capital of the Group. The Group incurred capital expenditure of £23,538.

Regulatory Issues

Various regulatory changes and thematic reviews have provided the Group with a number of opportunities and the directors believe that the existing product lines will enjoy success in the continuing evolution of the UK financial services industry which demands a deeper understanding of product and service features and new distribution models.

Environmental Impact

The Group works to reduce its carbon footprint by promoting paperless processes and recycling.

Principal risks

The principal risks facing the business continue to be economic in nature. The Group relies on the financial services sector in the United Kingdom for 100% of turnover. The directors maintain strong relationships with the customer base and the regulator and take appropriate action where risks arise that need mitigation.

The Company is part financed through variable rate bank loans and shareholder loan notes and therefore faces interest rate and liquidity risks. In order to manage this risk, an interest rate cap instrument has been entered into to hedge against the situation where LIBOR exceeds 2%. The bank loans are repayable partly in instalments and partly on maturity (see note 17 for further information). The shareholder loan notes carry fixed rates of interest and are repayable in 2022.

Key performance indicators

The directors consider turnover and EBITDA* to be the key performance indicators. These indicators are monitored at least monthly. The directors are very pleased with the performance of the Group as follows:

	Period ended 31 July 2015 £
Turnover	**3,275,338**
EBITDA*	**600,742**

*EBITDA is calculated by adding back depreciation and amortisation to operating profit.

Research and development

The Group is constantly developing new software and databases to improve the clarity and breadth of information available to customers. Costs arising in carrying out this work are expensed as incurred.

On behalf of the board

A C G Brown
17 December 2015

Directors' report

The directors present their directors' report and the audited consolidated financial statements for the period ended 31 July 2015.

Principal activity

The Company was incorporated on 3 March 2015 to provide management and financing services to other members of the Group.

The Group's principal activity is to provide research data and associated tools to enable informed decision making in the financial services industry.

Dividends

No dividends were paid or payable in the period.

Directors

The directors who held office during the period were as follows:

S Z H Bilgrami	appointed 30 March 2015	
A C G Brown	appointed 30 March 2015	
R P Bijtjes	appointed 30 March 2015	
P S Shapiro	appointed 11 March 2015	resigned 30 March 2015
T J W Ashlin	appointed 11 March 2015	resigned 30 March 2015
AG Secretarial Limited	appointed 3 March 2015	resigned 11 March 2015
R Hart	appointed 3 March 2015	resigned 11 March 2015
Inhoco Formations Limited	appointed 3 March 2015	resigned 11 March 2015

Third party indemnity provision for directors

Defaqto Group Limited, an indirect subsidiary of the Company, maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against the Directors of that company, the ultimate parent undertaking Regulus Topco Limited and all of that parent undertakings subsidiaries including the Company. The Directors of the Company are covered by this insurance.

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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) were appointed during the period and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Matters of Strategic Importance

The Company has chosen in accordance with Companies Act 2006, s414c(11) to set out in the Company's Strategic Report information required by Large and Medium Sized Companies and Group (Accounts and Reports) Regulations 2008, sch 7 to be contained in the Directors' report. It has been done so in respect of future developments, the use of the financial instruments and research and development.

On behalf of the board

A C G Brown
17 December 2015

Directors' responsibilities in the preparation of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

Independent auditor's report to the members of Regulus Midco Limited

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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 http://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 parent company's affairs as at 31 July 2015 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Regulus Midco Limited *(continued)*

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.

RSM UK Audit LLP

GRAHAM RICKETTS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Bucks
MK9 1BP

Date 18 December 2015

Consolidated statement of comprehensive income
for the period ended 31 July 2015

	Note	Period ended 31 July 2015 £
Turnover	*3*	**3,275,338**
Staff costs	*8*	(2,024,886)
Other operating charges		(649,710)
Depreciation of tangible fixed assets		(9,219)
Amortisation of intangible fixed assets		(1,222,087)
Operating loss	*4*	**(630,564)**
Interest receivable and similar income	*5*	5,616
Interest payable and similar charges	*6*	(828,390)
Interest payable on loans due to parent undertaking	*6*	(36,576)
Loss on ordinary activities before taxation		**(1,489,914)**
Tax credit on loss on ordinary activities	*9*	21,671
Loss on ordinary activities after taxation and loss for the financial period		**(1,468,243)**
Total comprehensive loss for the period		**(1,468,243)**

The operating result relates to continuing activities.

Consolidated statement of financial position
as at 31 July 2015

	Note		31 July 2015 £
Fixed assets			
Goodwill	*10*		13,559,744
Other intangible assets	*11*		13,832,524
Total intangible assets			27,392,268
Tangible assets	*12*		45,825
Total fixed assets			**27,438,093**
Current assets			
Debtors	*14*	1,254,951	
Cash at bank and in hand		1,405,603	
		2,660,554	
Current liabilities			
Creditors: amounts falling due within one year	*15*	(4,665,870)	
Net current liabilities			**(2,005,316)**
Total assets less current liabilities			**25,432,777**
Creditors: amounts falling due after more than one year	*16*		(24,080,393)
Provision for liabilities: deferred tax	*19*		(2,753,119)
Net liabilities			**(1,400,735)**
Capital and reserves			
Called up share capital	*20*		675
Share premium account	*20*		66,833
Retained earnings	*20*		(1,468,243)
Total equity			**(1,400,735)**

The financial statements on pages 7 to 34 were approved by the board of directors and authorised for issue on 17 December 2015 and are signed on its behalf by:

A C G Brown
Director

Company statement of financial position
as at 31 July 2015

	Note		31 July 2015 £
Fixed assets			
Investments	*13*		13,683,762
Current assets			
Debtors: due within one year	*14*	74,006	
Debtors: due in greater than one year	*14*	1,816,238	
		1,890,244	
Current liabilities			
Creditors: amounts falling due within one year	*15*	(638,072)	
Net current assets			**1,252,172**
Total assets less current liabilities			**14,935,934**
Creditors: amounts falling due after more than one year	*16*		(15,432,492)
Net liabilities			**(496,558)**
Capital and reserves			
Called up share capital	*20*		675
Share premium account	*20*		66,833
Retained earnings	*20*		(564,066)
Total equity			**(496,558)**

The financial statements on pages 7 to 34 were approved by the board of directors and authorised for issue on 17 December 2015 and are signed on its behalf by:

A C G Brown
Director

Consolidated statement of changes in equity
for the period ended 31 July 2015

	Note	Share capital £	Share premium £	Retained earnings £	Total £
Balance at 3 March 2015		-	-	-	-
Loss for the period		-	-	(1,468,243)	(1,468,243)
Total comprehensive loss for the period		**-**	**-**	**(1,468,243)**	**(1,468,243)**
Transactions with owners in their capacity as owners:					
Issue of shares	*20*	675	66,833	-	67,508
Total transactions with owners in their capacity as owners		**675**	**66,833**	**-**	**67,508**
Balance at 31 July 2015		**675**	**66,833**	**(1,468,243)**	**(1,400,735)**

Company statement of changes in equity
for the period ended 31 July 2015

	Note	Share capital £	Share premium £	Retained earnings £	Total £
Balance at 3 March 2015		-	-	-	-
Loss for the period		-	-	(564,066)	(564,066)
Total comprehensive loss for the period		**-**	**-**	**(564,066)**	**(564,066)**
Transactions with owners in their capacity as owners:					
Issue of shares	*20*	675	66,833	-	67,508
Total transactions with owners in their capacity as owners		**675**	**66,833**	**-**	**67,508**
Balance at 31 July 2015		**675**	**66,833**	**(564,066)**	**(496,558)**

Consolidated statement of cash flows

For the period ended 31 July 2015

	Note	Period ended 31 July 2015 £
Operating activities		
Cash used in operations	*21*	(34,083)
Interest paid		(148,613)
Net cash used in operating activities		**(182,696)**
Investing activities		
Acquisition of subsidiaries (net of cash acquired)		(21,196,271)
Purchase of intangible assets		(19,983)
Purchase of tangible fixed assets		(3,555)
Interest received		5,616
Net cash used in investing activities		**(21,214,193)**
Financing activities		
Proceeds from issuance of ordinary shares		67,508
Proceeds of new borrowings (net of costs amounting to £881,270)		22,734,984
Net cash from financing activities		**22,802,492**
Net increase in cash and cash equivalents		**1,405,603**
Cash and cash equivalents at beginning of period		**-**
Cash and cash equivalents at end of period		**1,405,603**
Relating to:		
Bank balances and short term deposits included in cash at bank and in hand		1,405,603

Notes

(forming part of the financial statements)

1 Accounting policies

General information

Regulus Midco Limited ("the Company") is a limited company domiciled and incorporated in England. The registered office is Financial Research Centre, Haddenham Business Park, Pegasus Way, Haddenham, Buckinghamshire, HP17 8LJ. The Company changed its name from Aghoco 1286 Limited during 2015.

The Company's and the Group's principal activities and the nature of the Company's and Group's operations are described in the Directors' Report and the Strategic Report.

Basis of accounting

These financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' and the Companies Act 2006.

The Company was incorporated on 3 March 2015 and therefore this set of financial statements is for the 5 month period to 31 July 2015.

Monetary amounts in these financial statements are rounded to the nearest £1 except where otherwise indicated.

The financial statements of the Company are consolidated in the financial statements of Regulus Topco Limited. The consolidated financial statements of Regulus Topco Limited are available from the registered office address shown in general information.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation of key management personnel
- Section 11- 'Basic Financial Instruments' and section 12- 'Other Financial Instrument Issues'- carrying amounts, interest income/ expense and net gains/ losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

Company statement of comprehensive income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the period and total comprehensive loss for the period were both £564,066.

Basis of consolidation

The consolidated financial statements incorporate those of Regulus Midco Limited and all of its subsidiaries (i.e. entities that the Company controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the period are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 July 2015.

Notes *(continued)*

(forming part of the financial statements)

1 Accounting policies (continued)

Basis of consolidation (continued)

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Provisional fair values

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

The financial statements have been prepared on the going concern basis. Financial projections prepared by the directors demonstrate that the Group will generate sufficient cash from profitable operations to enable the Company and the Group to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The Group has net current liabilities of £2,005,316, which includes £1,967,125 of deferred income that will be settled through the provision of services rather than cash over the period of 12 months from the balance sheet date. The cash inflows from operating activities projected by the directors in the 12 months from the balance sheet date greatly exceed the remaining net current liabilities of £38,191. The directors have considered the outstanding borrowings of the Group and Company in establishing their opinion that it is appropriate to prepare the financial statements on a going concern basis. In making this assessment, the directors have considered a period of at least 12 months from the date of authorising these financial statements. The directors acknowledge that there can be no certainty over future events, although at the date of approval of these financial statements, they have no reason to believe that the Group will not perform as expected.

Turnover

Turnover is the amount derived from the provision of services falling within the Group's ordinary activities and is stated net of Value Added Tax. Consideration received in advance of performance is recognised as deferred income. When performance occurs, the deferred income is released and simultaneously reported as turnover. Consideration received in arrears is recognised as accrued income upon performance and simultaneously reported as turnover. The accrued income is released when invoicing occurs.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

Intangible fixed assets – goodwill

Goodwill is capitalised and written off evenly over 10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits

Notes *(continued)*
(forming part of the financial statements)

1. Accounting policies (continued)

Other intangible assets

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights and there is no evidence of exchange transactions for the same or similar assets and estimating fair value would depend on immeasurable variables.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Internally developed software	5 years
Brand	5 years
Purchased computer software	3 years
Database and customer relationships	10 years

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Notes *(continued)*

(forming part of the financial statements)

1 Accounting policies (continued)

Related party transactions

As the Company is a wholly owned subsidiary within the group headed by Regulus Topco Limited, the Company has taken advantage of the exemption contained under section 33 of FRS 102 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group.

Other income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. Employees are entitled to carry forward any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The Group operates a defined contribution pension scheme. The amount charged to profit or loss is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either other creditors or other debtors.

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition. Provision for depreciation is made so as to write off the cost of tangible fixed assets over their expected useful lives on a straight line basis. The principal rates used for this purpose are as follows:

Office furniture, fixtures and fittings	-	20% to 33⅓% per annum
Office equipment	-	33⅓% per annum

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected end of its useful life.

Research and development

Research and development expenditure in collating and verifying new databases and developing associated software is written off as the costs are incurred.

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies (continued)

Leased assets

Operating lease rentals are charged to profit or loss on a straight line basis over the period of the lease.

Financial instruments

The Group has elected to apply the provisions of Sections 11 and 12 of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group and Company becomes a party to the contractual provisions of the instrument.

Financial assets

Trade debtors

Trade debtors are measured at the transaction price, less any impairment.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Amounts owed by group undertakings

Amounts due from group undertakings are measured at the transaction price, less any impairment.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group and Company after deducting all of their liabilities.

Equity instruments

Equity instruments are recorded at the net proceeds of issue after deducting directly attributable transaction costs.

Trade creditors

Trade creditors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Other creditors

Other creditors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled

Notes *(continued)*
(forming part of the financial statements)

1 Accounting policies (continued)

Borrowings

Borrowings including loan notes and bank loans are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

2 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Impairment of debtors: the Group makes an estimate of the recoverable value of trade and other debtors. Credit rating, ageing profile and prior experience are all considered in establishing such impairment. The carrying value of trade and other debtors are shown in note 14.

- Fair values on acquisition of Defaqto Group Limited (note 22): the fair values of the assets acquired have been established using valuation techniques including assumptions regarding the future cashflows of the acquired business. This includes assumptions regarding revenue growth, sales mix and profit margins. In addition, the use of discount rates requires judgement. The fair value of the assets acquired are shown in note 22.

- Impairment of intangible assets and goodwill: where an indication of impairment is identified, the calculation of recoverable value uses estimated future cash flows and discount rates. The carrying values of goodwill and intangible assets are shown in notes 10 and 11.

Critical areas of judgement

The critical area in which the directors have applied their judgement are the valuation and useful lives of the intangible assets and goodwill.

3 Turnover

The Group's entire turnover is derived from the sale of research data and associated tools within the United Kingdom.

Notes *(continued)*

4 Operating loss

	Period ended 31 July 2015 £
Operating loss is stated after charging:	
Depreciation and amortisation	1,231,306
Hire of land and buildings – rentals payable under operating leases	26,132
Hire of plant and equipment – rentals payable under operating leases	89,156
Research and development expenditure	181,605
Amounts receivable by auditors and their associates in respect of:	
- Audit of these financial statements	4,000
- Audit of the financial statements of subsidiaries pursuant to legislation	32,000
- Tax advisory services	13,450
- All other non-audit services	6,000

5 Interest receivable and similar income

	Period ended 31 July 2015 £
Bank deposit interest	5,616
	5,616

6 Interest payable and similar charges

	Period ended 31 July 2015 £
Bank loans and overdrafts	236,144
Other loans	592,246
Loans due to parent undertaking	36,576
	864,966

Notes *(continued)*

7 Directors' remuneration

In respect of the directors of Regulus Midco Limited:

	Period ended 31 July 2015 £
Directors' emoluments	293,829
Contributions to money purchase pension scheme	23,634
	317,463

The number of directors to whom retirement benefits are accruing under defined contribution scheme was 3.

The highest paid director earned total remuneration of £135,335 in the period to 31 July 2015, including £7,018 in pension contributions.

8 Staff numbers and costs

The average monthly number of persons employed by the Group (excluding executive directors) during the period, analysed by category, was as follows:

	Period ended 31 July 2015 Number
Research	50
Administration (including product development)	36
Sales and marketing	27
	113

The aggregate payroll costs of these persons were as follows:

	Period ended 31 July 2015 £
Wages and salaries	1,608,472
Social security costs	197,211
Pension costs	219,203
	2,024,886

Notes *(continued)*

9 Taxation

	Period ended 31 July 2015 £
UK corporation tax	
Current tax charge on loss for the period	-
Total current tax	-
Deferred tax (see note 19)	
Origination and reversal of timing differences	(21,671)
Total deferred tax	**(21,671)**
Tax credit on loss on ordinary activities	**(21,671)**

Factors affecting the tax credit for the current period:

The tax credit for the period is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	Period ended 31 July 2015 £
Tax	
Loss on ordinary activities before taxation	**(1,489,914)**
Tax at 20%	**(297,983)**
Expenses not deductible for tax purposes	**131,904**
Goodwill amortisation not deductible for tax purposes	**93,516**
Utilisation of tax losses not previously recognised	**(19,030)**
Tax losses arising not utilised and not recognised as a deferred tax asset	**38,601**
Timing differences between tax and accounting bases of tax calculation	**25,206**
Group tax relief received	**6,115**
Total tax credit (see above)	**(21,671)**

Notes *(continued)*

10 Intangible fixed assets - goodwill

GROUP	Goodwill £
Cost	
3 March 2015	-
Addition on acquisition of subsidiary	14,027,322
31 July 2015	**14,027,322**
Amortisation and impairment	
3 March 2015	-
Amortisation and other amounts recognised in profit or loss	467,578
31 July 2015	**467,578**
Carrying amount	
31 July 2015	**13,559,744**
3 March 2015	-

The Goodwill arose entirely on the acquisition of Defaqto Group Limited and represents the excess of the consideration paid over the fair value of the assets acquired as per note 22.

Notes *(continued)*

11 Other intangible assets

GROUP	Internally developed software £	Brand £	Purchased computer software £	Database and customer relationships £	Total £
Cost					
3 March 2015					
Additions	-	-	51,183	-	51,183
Business combinations	4,150,729	3,664,598	26,083	6,694,440	14,535,850
31 July 2015	**4,150,729**	**3,664,598**	**77,266**	**6,694,440**	**14,587,033**
Amortisation and impairment					
3 March 2015	-	-	-	-	-
Amortisation charged in the period	276,715	244,307	10,339	223,148	754,509
31 July 2015	**276,715**	**244,307**	**10,339**	**223,148**	**754,509**
Carrying amount					
31 July 2015	**3,874,014**	**3,420,291**	**66,927**	**6,471,292**	**13,832,524**
3 March 2015	-	-	-	-	-
Remaining amortisation period (nearest year):	5 years	5 years	3 years	10 years	

There are no contractual commitments to acquire intangible assets.

Notes *(continued)*

12 Tangible fixed assets

GROUP	Office furniture, fixtures and fittings £	Office equipment £	Total £
Cost			
3 March 2015	-	-	-
Additions	-	3,555	3,555
Business combinations	1,444	50,045	51,489
31 July 2015	1,444	53,600	55,044
Depreciation			
3 March 2015	-	-	-
Charge for period	170	9,049	9,219
31 July 2015	170	9,049	9,219
Net book value			
31 July 2015	**1,274**	**44,551**	**45,825**
3 March 2015	-	-	-

There are no contractual commitments to acquire intangible assets.

13 Fixed asset investments

COMPANY	Shares in group undertakings £
Cost	
3 March 2015	-
Additions	13,683,762
31 July 2015	**13,683,762**
Provisions	
3 March 2015	-
31 July 2015	-
Carrying amount	
31 July 2015	**13,683,762**
3 March 2015	-

Notes *(continued)*

13 Fixed asset investments *(continued)*

The following information relates to the Company's subsidiary undertakings:

Name	Country of incorporation	Class of share held	Percentage held	Nature of business
Direct subsidiaries:				
Regulus Bidco Limited	England and Wales	Ordinary	100%	Provision of management and finance services
Indirect subsidiaries:				
Defaqto Limited	England and Wales	Ordinary	100%	Financial research provider
Defaqto Group Limited	England and Wales	Ordinary	100%	Provision of management and finance services
DefaqtoMedia Limited	England and Wales	Ordinary	100%	Website administration
Defaqto Europe Limited	England and Wales	Ordinary	100%	Dormant
Find Limited	England and Wales	Ordinary	100%	Dormant

14 Debtors

	Group 31 July 2015 £	Company 31 July 2015 £
Trade debtors	671,372	-
Amounts owed by group undertakings (£74,006 due within one year; £1,816,238 due in greater than one year)	-	1,890,244
Other debtors	3,801	-
Deferred tax asset (note 19)	223,733	-
Prepayments and accrued income	356,045	-
	1,254,951	**1,890,244**

The amounts owed by group undertakings consist of a loan of £1,816,238 due from Regulus Bidco Limited that is repayable on 30 March 2022, and interest due thereon totalling £74,006. This loan bears interest at 12%, is unsecured, and is payable quarterly although such payments may be deferred subject to compounding.

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group 31 July 2015 £	Company 31 July 2015 £
Amounts owed to group undertakings	36,576	36,576
Bank loans (note 17) net of transaction costs of £146,878	519,789	-
Trade creditors	162,648	-
Other taxation and social security	290,853	-
Corporation tax	120,451	-
Other creditors	110,457	-
Accruals and deferred income	3,425,096	601,496
	4,665,870	**638,072**

16 Creditors: amounts falling due after more than one year

	Group 31 July 2015 £	Company 31 July 2015 £
Bank loans (note 17) net of transaction costs of £685,432	8,647,901	-
Other loans – loan notes (note 17)	14,534,839	14,534,839
Amounts owed to group undertakings	897,653	897,653
	24,080,393	**15,432,492**

	Group 31 July 2015 £	Company 31 July 2015 £
Included in creditors are:		
Amounts repayable other than by instalments falling due after more than five years	21,432,492	15,432,492
Amounts repayable by instalments falling due after more than five years	666,667	-
	22,099,159	**15,432,492**

Notes *(continued)*

17 Borrowings

	Group 31 July 2015 £	Company 31 July 2015 £
Creditors: amounts falling due within one year (gross of transaction costs):		
Bank loans	666,667	-
	666,667	**-**
Creditors: amounts falling due after more than one year (gross of transaction costs):		
Bank loans	9,333,333	-
Other loans – loan notes	14,534,839	14,534,839
Amounts due to group undertakings – loan notes	897,653	897,653
	24,765,825	**15,432,492**

The bank loans consist of an A Facility (£4,000,000 outstanding at 31 July 2015) and a B Facility (£6,000,000 outstanding at 31 July 2015) (the "Facilities"). The A Facility is due for repayment in annual instalments of equal amounts over 6 years, the first payment falling due on 30 March 2016 and full settlement arising on 30 March 2021. The B Facility is due for repayment on 30 March 2022. Subject to sufficient cashflows arising, early repayment of both facilities may arise.

The lender of the Facilities holds a charge over the assets and shares of the Company and those of its subsidiary undertakings.

The A and B Facilities bear interest at 3.75% and 4.25% above the London Inter-Bank Offer Rate ("LIBOR") respectively. Interest is payable quarterly and is included within accruals to the extent it remains unpaid at the reporting date.

The Other loans owing by the Group that fall due after more than 12 months, including those due to the parent undertaking, are unsecured, bear interest at 12% and are repayable on 30 March 2022. Interest is payable quarterly although such payments may be deferred subject to compounding. Accrued interest is included within accruals.

Notes *(continued)*

18 Financial instruments

The Group has the following financial instruments at 31 July 2015:

	Group 31 July 2015 £	Company 31 July 2015 £
Financial assets:		
Debt instruments carried at amortised cost:		
- Trade debtors	671,372	-
- Accrued income	107,918	-
- Other debtors	3,801	-
- Amounts owed by group undertakings	-	1,890,244
Total	**783,091**	**1,890,244**
Financial liabilities:		
Measured at amortised cost:		
- Trade creditors	162,648	-
- Accruals	1,457,972	11,120
- Other creditors	110,457	-
- Bank loans	10,000,000	-
- Other loans – loan notes	14,534,839	14,534,839
- Amounts owed to group undertakings	934,229	934,229
	27,200,145	**15,480,188**

The Group uses an interest rate cap to manage its exposure to interest rate movements on its bank borrowings. Contracts with nominal values of £29,583 cap interest payments on the A and B Facilities at no more than 2% plus 3.75% and 2% plus 4.25% respectively for periods up until 30 March 2018. The fair value of the instrument was immaterial at 31 July 2015 and therefore it has not been recognised in the statement of financial position.

Notes *(continued)*

19 Deferred taxation

	Group deferred tax asset/(liability) £	Company deferred tax asset/(liability) £
3 March 2015	-	-
Book value on acquisition	122,616	-
Fair value adjustments arising on business combination	(2,673,673)	-
Charge to profit or loss for the period	21,671	-
31 July 2015	**(2,529,386)**	-

The elements of these balances are as follows:

	Group 31 July 2015 £	Company 31 July 2015 £
Depreciation in advance of capital allowances	51,259	-
Other timing differences	10,317	-
Tax losses	162,157	-
Fair value adjustment in respect of acquired intangibles on business combination	(2,753,119)	-
Net deferred tax liability	**(2,529,386)**	-

The net deferred tax liability has been separated on the balance sheet into a deferred tax asset of £223,733 and a deferred tax liability of £2,753,119. The deferred tax liability is expected to reduce by £446,501 in the 12 months from the reporting date as the fair value of the acquired intangibles is amortised. The entire deferred tax asset is expected to reverse within 12 months of the reporting date.

All losses may be carried forward indefinitely.

Deferred tax of £38,601 is not recognised in respect of losses as it is not probable that they will be recovered against future taxable profits.

20 Share capital and reserves

Share capital

GROUP AND COMPANY	Ordinary shares of £0.01 each Number	Ordinary shares of £0.01 each £
Allotted, issued and fully paid:		
3 March 2015	-	-
Fully paid during the period	67,508	675
31 July 2015	**67,508**	**675**

Notes *(continued)*

20. Share capital and reserves (continued)

Ordinary share rights
The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

Share issues
On 3 March 2015, the Company issued 1 share of £1. On 30 March 2015, the Company split each share into 100 shares of £0.01 before issuing 67,408 additional shares for £674.

Reserves
Reserves of the Company and Group represent the following:

Share premium
Consideration received for shares issued above their nominal value net of transaction costs.

Retained earnings
Cumulative profit and loss net of distributions to owners.

21 Reconciliation of loss after tax to net cash used in operations

	31 July 2015 £
Loss after tax	(1,468,243)
Adjustments for:	
Depreciation of tangible fixed assets	9,219
Amortisation of intangible assets	1,222,087
Interest receivable	(5,616)
Interest payable	864,966
Taxation	(21,671)
Operating cash flows before movements in working capital	600,742
Decrease in trade and other debtors	745,258
Decrease in trade and other creditors	(1,380,083)
Cash used in operations	(34,083)

The only significant non-cash transaction arising in the period was the issuance debt for £1,816,238 of loan notes. This issuance arose on the investment rollover by the key management personnel upon the acquisition of Defaqto Group Limited.

Notes (continued)

22 Acquisitions

Business combinations

On 3 March 2015, the Company bought one ordinary share of £1 of Regulus Bidco Limited for £1, representing the entire share capital of that company at the time. On 30 March 2015, Regulus Bidco sub-divided each £1 ordinary share into 100 £0.01 ordinary shares prior to issuing an additional 13,683,662 £0.01 ordinary shares, all of which the Company acquired at a total cost of £13,683,761. The Company therefore purchased and continues to hold 100% of the shares in Regulus Bidco Limited. All of these share acquisitions were paid for by the Company in cash that was raised through the issuance of debt and share capital.

Regulus Bidco Limited acquired the entire share capital of Defaqto Group Limited from its prior owners for £10,815,693, including £181,483 in acquisition costs, on 30 March 2015 and financed the repayment of £16,987,842 of loan notes due from Defaqto Group Limited to its prior owners.

Since acquiring Regulus Bidco Limited, it and its subsidiaries have contributed £3,275,338 of turnover and £45,795 of profit to these consolidated financial statements.

The following represents the fair value of the assets and liabilities acquired, including goodwill.

	Initial book value	Fair value adjustments	Fair value at date of acquisition
	£	£	£
Intangible fixed assets	26,083	14,509,767	14,535,850
Tangible fixed assets	51,489	-	51,489
Debtors	1,899,093	228,280	2,127,373
Cash at bank	4,791,026	-	4,791,026
Total assets	**6,767,691**	**14,738,047**	**21,505,738**
Trade creditors	(166,388)	-	(166,388)
Other creditors	(38,881)	-	(38,881)
Corporation tax	(372,492)	252,041	(120,451)
Other tax and social security	(912,418)	-	(912,418)
Deferred tax liability	-	(2,901,953)	(2,901,953)
Accruals and deferred income	(3,589,434)	-	(3,589,434)
Total liabilities	**(5,079,613)**	**(2,649,912)**	**(7,729,525)**
Net assets	**1,688,078**	**12,088,135**	**13,776,213**
Goodwill			14,027,322
Total consideration			27,803,535
Satisfied by:			
- Cash			25,805,814
- Loan notes			1,816,238
- Acquisition costs			181,483
			27,803,535

Notes *(continued)*

22 Acquisitions (continued)

The fair value adjustments reflect the recognition of the fair value of the internally developed software, brand and database and customer relationships as shown in note 11 and a corresponding deferred tax liability that arises thereon. Additionally, the newly formed group considered there to be an understated deferred tax asset and an overstated corporation tax creditor at the time of acquisition as the repayment of interest on the then settled loan notes provided access to losses that could be utilised.

23 Pension scheme

Defined contribution pension scheme

The Group operates a defined contribution plan which is open to all employees of the Group that have completed three months' service. The Group doubles the contributions made by employees up to a maximum company contribution of 10% of salary. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £219,203. Included in creditors due within one year is £51,585 in respect of contributions due in relation to this pension scheme.

24 Parent and controlling party

The directors consider the ultimate and immediate parent undertaking to be Regulus Topco Limited, a company incorporated in the United Kingdom.

The directors consider that the ultimate parent and controlling party is Synova Capital LLP.

Regulus Topco Limited is the parent undertaking of the largest group for which consolidated accounts including Regulus Midco Limited are prepared. The consolidated accounts of Regulus Topco Limited are available to the public and may be obtained from:

Financial Research Centre
Haddenham Business Park
Pegasus Way
Haddenham
Buckinghamshire
HP17 8LJ

25 Commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015 Group		2015 Company	
	Land and buildings	**Other**	**Land and buildings**	**Other**
	£	**£**	**£**	**£**
Due within one year	79,500	125,998	-	-
Due 2-5 years inclusive	225,250	56,863	-	-
Due in greater than 5 years	-	490	-	-
	304,750	183,351	-	-

Notes *(continued)*

26 Remuneration of key management personnel

The directors of the Company are considered the key management personnel of the Group and their remuneration is disclosed in note 7.

27 Contingent liabilities

The Company is registered with HMRC as a member of a group for VAT purposes, and as a result is jointly and severally liable on a continuing basis for amounts owing by any other members of that group in respect of unpaid VAT. At the reporting date, the outstanding VAT balance of the other group companies in the VAT group, of which the Company is a member, was a payable amount of £156,062.

The Company has provided a charge over its assets to HSBC Bank Plc in relation to a loan provided by HSBC Bank Plc to Regulus Bidco Limited, a group undertaking.

28 Related party transactions

The following related party loan notes, transactions and balances have arisen and exist at the reporting date:

		At 31 July 2015		Period ended 31 July 2015	
	Loan Maturity Date	Loan principal £	Interest outstanding £	Interest accrued and unpaid £	Interest accrued and paid £
Synova Capital Fund II LP	30 March 2022	13,616,254	554,816	554,816	-
Key management personnel	30 March 2022	918,585	37,429	37,429	-
		14,534,839	592,245	592,245	-

Synova Capital Fund II LP has provided a guarantee to the key management personnel that the Company will perform its obligations in accordance with the provisions of the loan notes maturing on 30 March 2016.