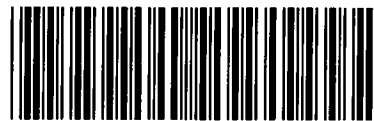


ALPHASIGHTS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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COMPANIES HOUSE

ALPHASIGHTS LTD

COMPANY INFORMATION

Directors

Andrew Heath
Max Cartellieri
Sebastian Wossagk

Registered number

06534480

Registered office

Thames Court 3rd Floor
1 Queenhithe
London
EC4V 3DX

Independent auditors

Gerald Edelman
73 Cornhill
London
EC3V 3QQ

ALPHASIGHTS LTD

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ALPHASIGHTS LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report for the year ended 31 December 2018.

Principal activity

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

Business review

The group saw continued growth for the year to 31 December 2018. The results of the group for the year, as set out on page 7, show a 35% increase in turnover year on year, owing to growth of existing clients as well as acquisition of new clients. The 53% increase year on year in profit before tax reflects the group's accelerating revenue growth, improved utilisation of infrastructure, as well as exchange gains of £1.93m (2017: loss £0.55m).

During the year, the group opened an office in Tokyo, Japan and continued its sustained investment programme in infrastructure in Europe, the Americas, the Middle East and Asia.

The company purchased 673,589 Ordinary shares of £0.05 each for a consideration of £38.32 per share. On 19 September 2018, AlphaSights Holdings Ltd acquired the entire share capital of the company.

Principal risks and uncertainties

Commercial risk

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

Foreign exchange risk

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

Credit risk

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

Financial key performance indicators

The group's key financial performance indicators are turnover and profit which are set out on page 7.

Future developments

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

This report was approved by the board on 18 April 2019 and signed on its behalf.



Andrew Heath
Director



Max Cartellieri
Director

ALPHASIGHTS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £24,466,968 (2017: £16,874,737).

Directors

The directors who served during the year were:

Andrew Heath
Max Cartellieri
Sebastian Wossagk

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

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

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

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

ALPHASIGHTS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Going concern

The financial statements show growing profitability for both the company and the group. Based on financial forecasts and associated expected future cash flows, the directors reasonably expect the group to remain in a position to continue operations over the foreseeable future. Accordingly, the financial statements for the year ended 31 December 2018 have been prepared on a going concern basis, notwithstanding the fact that, upon consolidation only, total liabilities for the group exceed total assets.

Total assets exceed total liabilities for the company.

Auditors


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

Disclosure of information to auditors

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

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

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



Andrew Heath
Director

Date: 18 April 2019



Max Cartellieri
Director

Date: 18 April 2019

ALPHASIGHTS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHASIGHTS LTD

Opinion

We have audited the financial statements of AlphaSights Ltd (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2018, which comprise the Group Statement of Comprehensive Income, the Group and company Statements of Financial Position, the Group Statement of Cash Flows, the Group and company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

ALPHASIGHTS LTD

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


Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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



Stephen Coleman ACA (Senior Statutory Auditor)

for and on behalf of
Gerald Edelman

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

18 April 2019

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover		108,467,381	80,433,968
Cost of sales		(60,312,997)	(43,239,598)
Gross profit		48,154,384	37,194,370
Administrative expenses		(17,099,972)	(16,395,536)
Operating profit	4	31,054,412	20,798,834
Interest receivable and similar income	8	23,710	15,282
Interest payable and expenses	9	(726,355)	(944,965)
Profit before taxation		30,351,767	19,869,151
Tax on profit	10	(5,884,799)	(2,994,414)
Profit for the financial year		24,466,968	16,874,737
Currency translation differences		(46,743)	(312,646)
Movement in share options reserve		363,143	29,521
Release of deferred tax on excess depreciation charge		269,073	368,205
Other comprehensive income for the year		585,473	85,080
Total comprehensive income for the year		25,052,441	16,959,817

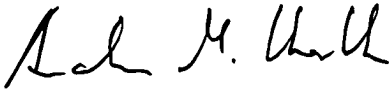
ALPHASIGHTS LTD
REGISTERED NUMBER: 06534480

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	11,258,722	11,872,072
Tangible assets	12	7,940,949	9,041,964
		<u>19,199,671</u>	<u>20,914,036</u>
Current assets			
Debtors: amounts falling due within one year	14	20,051,659	12,845,284
Cash at bank and in hand	15	12,934,991	8,569,844
		<u>32,986,650</u>	<u>21,415,128</u>
Creditors: amounts falling due within one year	16	(60,900,863)	(25,378,502)
Net current liabilities		<u>(27,914,213)</u>	<u>(3,963,374)</u>
Total assets less current liabilities		<u>(8,714,542)</u>	<u>16,950,662</u>
Creditors: amounts falling due after more than one year	17	(3,623,569)	(28,065,235)
Provisions for liabilities			
Deferred taxation	20	(860,593)	(1,185,175)
		<u>(860,593)</u>	<u>(1,185,175)</u>
Net liabilities		<u>(13,198,704)</u>	<u>(12,299,748)</u>
Capital and reserves			
Called up share capital	21	331,199	364,892
Capital redemption reserve	22	209,660	175,967
Foreign exchange reserve	22	(172,613)	(125,870)
Share option reserve	22	1,104,579	741,436
Profit and loss account	22	(14,671,529)	(13,456,173)
		<u>(13,198,704)</u>	<u>(12,299,748)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 April 2019.



Andrew Heath
Director



Max Cartellieri
Director

ALPHASIGHTS LTD
REGISTERED NUMBER: 06534480

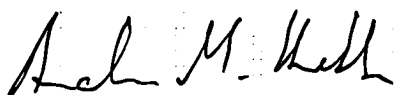
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	11,258,722	11,872,072
Tangible assets	12	1,341,816	1,425,694
Investments	13	26,388,228	26,388,228
		<u>38,988,766</u>	<u>39,685,994</u>
Current assets			
Debtors: amounts falling due within one year	14	24,627,392	14,790,561
Cash at bank and in hand	15	11,859,751	7,867,641
		<u>36,487,143</u>	<u>22,658,202</u>
Creditors: amounts falling due within one year	16	(58,372,675)	(23,579,225)
Net current liabilities		<u>(21,885,532)</u>	<u>(921,023)</u>
Total assets less current liabilities		<u>17,103,234</u>	<u>38,764,971</u>
Creditors: amounts falling due after more than one year	17	(519,402)	(24,208,511)
Provisions for liabilities			
Deferred taxation	20	(860,594)	(1,185,175)
		<u>(860,594)</u>	<u>(1,185,175)</u>
Net assets		<u>15,723,238</u>	<u>13,371,285</u>
Capital and reserves			
Called up share capital	21	331,199	364,892
Capital redemption reserve	22	209,660	175,967
Share option reserve	22	1,104,579	741,436
Profit and loss account	22	14,077,800	12,088,990
		<u>15,723,238</u>	<u>13,371,285</u>

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the company for the year was £27,671,134 (2017: £18,226,696).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 April 2019.



Andrew Heath
Director



Max Cartellieri
Director

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Capital redemption reserve	Foreign exchange reserve	Share options reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2018	364,892	175,967	(125,870)	741,436	(13,456,173)	(12,299,748)
Profit for the year	-	-	-	-	24,466,968	24,466,968
Currency translation differences	-	-	(46,743)	-	-	(46,743)
Movement in share options reserve	-	-	-	363,143	-	363,143
Transfer of deferred tax on excess depreciation	-	-	-	-	269,073	269,073
Purchase of own shares	-	33,693	-	-	(25,951,397)	(25,917,704)
Shares cancelled during the year	(33,693)	-	-	-	-	(33,693)
At 31 December 2018	331,199	209,660	(172,613)	1,104,579	(14,671,529)	(13,198,704)

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital redemption reserve	Foreign exchange reserve	Share options reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2017	382,030	158,829	186,776	711,915	(17,499,145)	(16,059,595)
Profit for the year	-	-	-	-	16,874,737	16,874,737
Currency translation differences	-	-	(312,646)	-	-	(312,646)
Movement in share options reserve	-	-	-	29,521	-	29,521
Transfer of deferred tax on excess depreciation	-	-	-	-	368,205	368,205
Purchase of own shares	-	17,138	-	-	(13,199,970)	(13,182,832)
Shares cancelled during the year	(17,138)	-	-	-	-	(17,138)
At 31 December 2017	364,892	175,967	(125,870)	741,436	(13,456,173)	(12,299,748)

ALPHASIGHTS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Capital redemption reserve	Share options reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2018	364,892	175,967	741,436	12,088,990	13,371,285
Profit for the year	-	-	-	27,671,134	27,671,134
Movement in share options reserve	-	-	363,143	-	363,143
Transfer of deferred tax on excess depreciation	-	-	-	269,073	269,073
Purchase of own shares	-	33,693	-	(25,951,397)	(25,917,704)
Shares cancelled during the year	(33,693)	-	-	-	(33,693)
At 31 December 2018	331,199	209,660	1,104,579	14,077,800	15,723,238

ALPHASIGHTS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital redemption reserve	Share options reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	382,030	158,829	711,915	6,694,059	7,946,833
Profit for the year	-	-	-	18,226,696	18,226,696
Movement in share options reserve	-	-	29,521	-	29,521
Transfer of excess depreciation net of deferred tax	-	-	-	368,205	368,205
Purchase of own shares	-	17,138	-	(13,199,970)	(13,182,832)
Shares cancelled during the year	(17,138)	-	-	-	(17,138)
At 31 December 2017	364,892	175,967	741,436	12,088,990	13,371,285

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	24,466,968	16,874,737
Adjustments for:		
Amortisation of intangible assets	2,125,513	1,883,918
Depreciation of tangible assets	2,462,572	1,374,938
Loss on disposal of tangible assets	(30,262)	(659)
Interest paid	726,355	944,965
Interest received	(23,710)	(15,282)
Taxation charge	5,884,799	2,994,414
(Increase)/decrease in debtors	(7,144,447)	2,804,338
Increase in creditors	3,088,540	8,717,053
Increase in amounts owed to groups	38,221,759	-
Corporation tax (paid)	(4,481,839)	(5,203,290)
Share options charge	363,143	29,521
Net cash generated from operating activities	65,659,391	30,404,653
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,512,163)	(1,376,028)
Purchase of tangible fixed assets	(994,865)	(8,189,674)
Sale of tangible fixed assets	33,486	1,250
Interest received	23,710	15,282
Net cash from investing activities	(2,449,832)	(9,549,170)
Cash flows from financing activities		
Purchase of Ordinary shares	(25,951,397)	(13,199,970)
New secured loans	18,121,517	-
Repayment of loans	(49,871,517)	(8,250,000)
Interest paid	(726,355)	(944,965)
Net effect of foreign exchange differences	(416,660)	(304,140)
Net cash used in financing activities	(58,844,412)	(22,699,075)

ALPHASIGHTS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Net increase/(decrease) in cash and cash equivalents	4,365,147	(1,843,592)
Cash and cash equivalents at beginning of year	8,569,844	10,413,436
Cash and cash equivalents at the end of year	12,934,991	8,569,844
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,934,991	8,569,844
	12,934,991	8,569,844

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies

1.1 General information

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

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

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of subsidiaries and the revaluation of intangible assets which were adopted as deemed cost on transition, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006.

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

1.3 Basis of consolidation

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

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

Being a subsidiary of a company that files publicly available consolidated financial statements, which includes the company, the company is a qualifying entity for the purposes of FRS 102. The company has therefore taken advantage of the exemption from the disclosure requirements of section 7 'Statement of Cash Flows – Presentation of a Statement of Cash Flow and related notes and disclosures'.

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. Turnover is recognised at the point when a unit of service is satisfactorily completed. Any contracted but unused units of service that expire is recognised as turnover when the group has no further performance obligations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.5 Intangible assets

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

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

1.6 Tangible fixed assets

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

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

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

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

Depreciation is provided on the following basis:

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.7 Impairment of fixed assets

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

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

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

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

1.8 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised in the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

1.9 Valuation of investments

Investments in subsidiaries are carried at fair value. Any fair value surplus is recorded through the company's other comprehensive income.

1.10 Debtors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.11 Cash and cash equivalents

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

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

1.12 Financial instruments

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

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

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

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

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

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

1.13 Creditors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

All foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within operating profit.

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

1.15 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.16 Dividends

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

1.17 Share based payments

Where share options subsist over shares in the company, the fair value of options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Such instruments are measured at fair value at the time of grant taking into account the terms and conditions upon which the instruments are granted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.18 Pensions

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

1.19 Interest income

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

1.20 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

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

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

Intangible assets

Critical estimates are made by the directors as regards capitalisation and amortization rates for intangible assets and their residual values.

Tangible assets

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

Debtors

Critical estimates are made by the directors as regards the recoverable amount of impaired receivables.

Applying the company's accounting policies

In the process of applying the company's accounting policies, management has made judgements as regards the impairment of assets.

3. Analysis of turnover

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

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Exchange differences	(1,929,652)	554,409
Other operating lease rentals	3,894,916	4,608,049
	<u>1,965,264</u>	<u>5,162,458</u>

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	20,000	17,500
	<u>20,000</u>	<u>17,500</u>

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	30,879,787	21,971,643	8,952,232	7,357,498
Social security costs	2,600,111	1,915,594	996,152	825,164
Share based payment	363,143	29,521	363,143	29,521
Cost of defined contribution scheme	553,685	360,123	133,058	64,976
	<u>34,396,726</u>	<u>24,276,881</u>	<u>10,444,585</u>	<u>8,277,159</u>

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

	2018 No.	2017 No.
Commercial and administration	<u>527</u>	<u>407</u>

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	1,020,412	942,763
Contributions to defined contribution pension schemes	17,400	13,650
	<u>1,037,812</u>	<u>956,413</u>

During the year retirement benefits were accruing to 1 director (2017: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £508,757 (2017: £482,444).

8. Interest receivable

	2018 £	2017 £
Other interest receivable	23,710	15,282
	<u>23,710</u>	<u>15,282</u>

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	726,355	944,965
	<u>726,355</u>	<u>944,965</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	5,523,135	2,325,921
	<u>5,523,135</u>	<u>2,325,921</u>
Foreign tax		
Foreign tax on income for the year	417,173	292,220
	<u>417,173</u>	<u>292,220</u>
Total current tax	<u>5,940,308</u>	<u>2,618,141</u>
Deferred tax		
Origination and reversal of timing differences	(55,509)	376,273
Total deferred tax	<u>(55,509)</u>	<u>376,273</u>
Taxation on profit on ordinary activities	<u>5,884,799</u>	<u>2,994,414</u>

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017: *lower than*) the standard rate of corporation tax in the UK of 19% (2017: 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	30,351,767	19,869,151
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19%)	5,766,836	3,775,139
Effects of:		
Expenses not deductible for tax purposes	109,601	27,392
Depreciation for year in excess of capital allowances	432,902	404,204
Research and development tax credit	(327,928)	(609,128)
Chargeable disposals	-	2,586
Foreign tax charge	417,173	292,220
Origination and reversal of timing differences	(55,509)	376,273
Tax deduction arising from exercise of employee options	(23,902)	(1,530,053)
Other differences leading to an increase (decrease) in the tax charge	564,653	255,781
Group relief	(999,027)	-
Total tax charge for the year	5,884,799	2,994,414

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Intangible assets

Group

Software
development
cost
£

Cost

At 1 January 2018

17,836,341

Additions

1,512,163

At 31 December 2018

19,348,504

Amortisation

At 1 January 2018

5,964,269

Charge for the year

2,125,513

At 31 December 2018

8,089,782

Net book value

At 31 December 2018

11,258,722

At 31 December 2017

11,872,072

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Intangible assets (continued)

Company

	Software development cost £
Cost	
At 1 January 2018	17,836,341
Additions	1,512,163
At 31 December 2018	19,348,504
Amortisation	
At 1 January 2018	5,964,269
Charge for the year	2,125,513
At 31 December 2018	8,089,782
Net book value	
At 31 December 2018	11,258,722
At 31 December 2017	11,872,072

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2018	7,255,963	1,494,239	2,291,562	11,041,764
Additions	190,751	618,864	185,250	994,865
Disposals	-	290,050	(167,470)	122,580
Exchange adjustments	405,748	76,501	54,155	536,404
At 31 December 2018	7,852,462	2,479,654	2,363,497	12,695,613
Depreciation				
At 1 January 2018	679,535	639,613	680,652	1,999,800
Charge for the year on owned assets	1,406,247	501,345	554,980	2,462,572
Disposals	314,766	(21,491)	(167,470)	125,805
Exchange adjustments	92,533	47,469	26,485	166,487
At 31 December 2018	2,493,081	1,166,936	1,094,647	4,754,664
Net book value				
At 31 December 2018	5,359,381	1,312,718	1,268,850	7,940,949
At 31 December 2017	6,576,428	854,626	1,610,910	9,041,964

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2018	423,377	195,044	1,370,594	1,989,015
Additions	71,550	248,228	115,220	434,998
At 31 December 2018	494,927	443,272	1,485,814	2,424,013
Depreciation				
At 1 January 2018	78,627	105,710	378,985	563,322
Charge for the year on owned assets	75,645	92,928	350,302	518,875
At 31 December 2018	154,272	198,638	729,287	1,082,197
Net book value				
At 31 December 2018	340,655	244,634	756,527	1,341,816
At 31 December 2017	344,750	89,335	991,609	1,425,694

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Fixed asset investments**Company**

	Investments in subsidiary companies £
Valuation	
At 1 January 2018	26,388,228
At 31 December 2018	26,388,228
Net book value	
At 31 December 2018	26,388,228
At 31 December 2017	26,388,228

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
AlphaSights Inc.	United States of America	Business information services	Ordinary	100%
AlphaSights Limited	Hong Kong	Business information services	Ordinary	100%
AlphaSights FZ-LLC	United Arab Emirates	Business information services	Ordinary	100%
AlphaSights GmbH	Germany	Business information services	Ordinary	100%

Indirect subsidiary undertaking

The following was an indirect subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
AlphaSights K.K.	Japan	Business information services	Ordinary	100%

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	16,698,764	10,182,993	16,698,764	10,182,993
Amounts owed by group undertakings	-	-	5,726,828	2,898,349
Other debtors	733,020	665,594	7,011	16,200
Prepayments and accrued income	2,619,875	1,996,697	2,194,789	1,693,019
	20,051,659	12,845,284	24,627,392	14,790,561

15. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	12,934,991	8,569,844	11,859,751	7,867,641
	12,934,991	8,569,844	11,859,751	7,867,641

16. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	-	8,250,000	-	8,250,000
Trade creditors	1,946,512	1,478,305	1,659,221	1,221,051
Amounts owed to group undertakings	38,221,759	-	38,347,178	147,994
Corporation tax	2,688,882	1,168,485	2,658,496	1,168,485
Other taxation and social security	1,149,044	643,335	1,114,634	620,886
Other creditors	231,158	133,816	27,556	13,391
Accruals and deferred income	16,663,508	13,704,561	14,565,590	12,157,417
	60,900,863	25,378,502	58,372,675	23,579,224

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	-	23,500,000	-	23,500,000
Other creditors	3,623,569	4,565,235	519,402	708,511
	<u>3,623,569</u>	<u>28,065,235</u>	<u>519,402</u>	<u>24,208,511</u>

18. Loans

Upon the acquisition of the entire share capital of the company by AlphaSights Holdings Ltd, the bank loan in the company, secured by a fixed and floating charge over the assets of the company, was repaid. The bank loan in AlphaSights Holdings Ltd is secured by a fixed and floating charge over the assets of the company.

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts falling due within one year				
Bank loans	-	8,250,000	-	8,250,000
	<u>-</u>	<u>8,250,000</u>	<u>-</u>	<u>8,250,000</u>
Amounts falling due 1-2 years				
Bank loans	-	8,250,000	-	8,250,000
	<u>-</u>	<u>8,250,000</u>	<u>-</u>	<u>8,250,000</u>
Amounts falling due 2-5 years				
Bank loans	-	15,250,000	-	15,250,000
	<u>-</u>	<u>15,250,000</u>	<u>-</u>	<u>15,250,000</u>
	<u>-</u>	<u>31,750,000</u>	<u>-</u>	<u>31,750,000</u>

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	19,204,777	12,093,004	23,757,023	13,955,313
Financial liabilities				
Financial liabilities measured at amortised cost	44,384,635	36,072,014	41,934,484	34,295,185

20. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	(1,185,175)	(1,177,105)
Charged to the comprehensive income	55,509	(376,272)
Charged to other comprehensive income	269,073	368,202
At end of year	(860,593)	(1,185,175)

ALPHASIGHTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

20. Deferred taxation (continued)

Company

	2018 £	2017 £
At beginning of year	(1,185,176)	(1,177,105)
Charged to the comprehensive income	55,509	(376,272)
Charged to other comprehensive income	269,073	368,202
At end of year	(860,594)	(1,185,175)

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Origination and reversal of timing differences	(860,594)	(1,185,175)	(860,594)	(1,185,175)
	(860,594)	(1,185,175)	(860,594)	(1,185,175)

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
6,623,980 (2017: 7,297,839) Ordinary shares of £0.05 each	331,199	364,892

During the year, the company purchased 673,859 Ordinary shares of £0.05 each in the capital of the company for a consideration of £38.32 per share.

22. Reserves

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

ALPHASIGHTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

23. Share based payments

Upon the acquisition of the entire share capital of the company by AlphaSights Holdings Ltd, share options subsisting over shares in the company were replaced with share options over shares in AlphaSights Holdings Ltd. The company continues to recognise the charge in its accounts in line with service provision by the holders of share options.

At the Balance Sheet date, the aggregate of the estimated fair value of vesting share options resulted in a charge of £363,143 (2017: £29,521) in the Consolidated Statement of Comprehensive Income.

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

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £133,058 (2017: £64,976).

Contributions totalling £59,824 (2017: £34,797) were payable to the fund at the reporting date.

25. Commitments under operating leases

At 31 December 2018 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Not later than 1 year	4,944,221	4,412,092	1,135,497	1,135,497
Later than 1 year and not later than 5 years	17,754,348	14,611,935	3,126,166	4,261,663
Later than 5 years	3,759,441	-	-	-
	<u>26,458,010</u>	<u>19,024,027</u>	<u>4,261,663</u>	<u>5,397,160</u>

26. Related party transactions

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

27. Controlling party

The ultimate parent company and controlling party is AlphaSights Holdings Ltd, a company registered in England and Wales. AlphaSights Holdings Ltd is the parent company of the largest and smallest group of which AlphaSights Ltd is a member, and for which group financial statements are drawn up. Copies of the consolidated financial statements are available from the Registrar of Companies.