

# Dealogic (Holdings) plc **2010** Annual Report and Accounts



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Dealogic provides investment banks globally with a management platform comprising sophisticated technology, unique content and professional support. The platform helps optimize performance by improving strategy, competitiveness, productivity and execution. Dealogic works in partnership with every major investment bank in the world to help them better understand their clients and the competitive landscape so they can allocate resources and execute deals more effectively. Dealogic has over 25 years experience and a particular focus in capital markets origination, syndication, investment banking coverage, and strategy with every one of the top 50 banks in the world utilizing the management platform.

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# Highlights

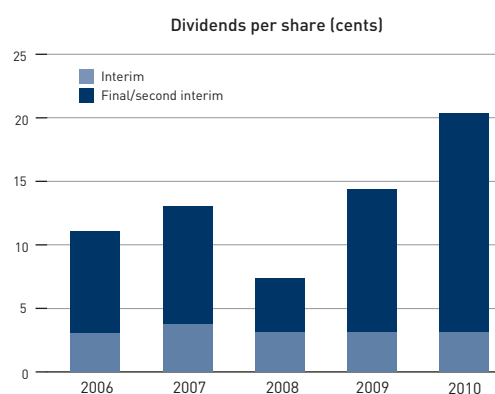
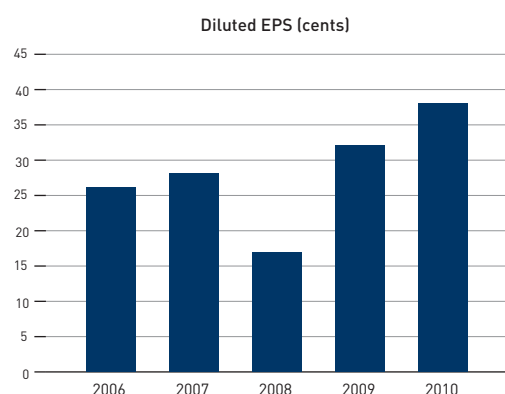
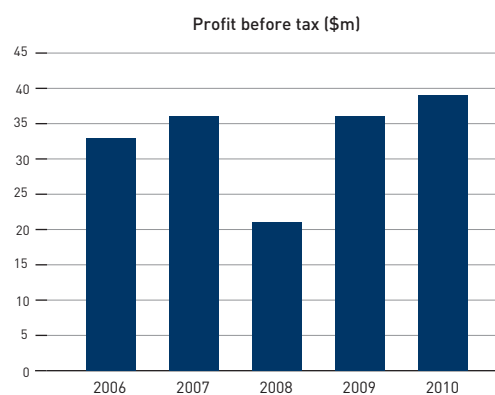
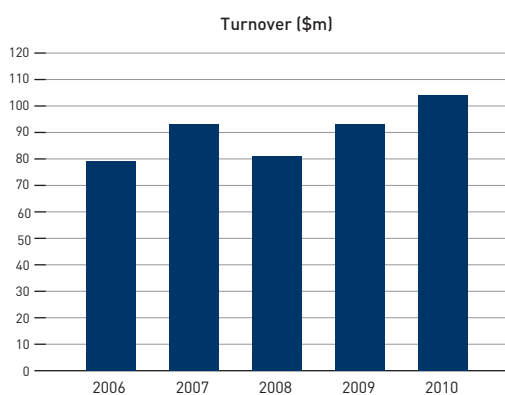
- Revenue growth of 11.6% to US\$103.6 million (2009: US\$92.8 million) supported by stronger global market activity
- Significant further investment in the technology platform, people and global footprint
- Operating margin of 36.0% (2009: 37.8%); with profit before tax of US\$38.6 million; and diluted earnings per share of 38.1 cents per share
- Tender offer on 21 June 2010 reduced shares in issue by 26.4% at a cost of US\$68.8 million, funded by existing resources and new bank debt of US\$34.1 million
- Free cash flow<sup>(1)</sup> of US\$26.6 million for the period, with a net cash surplus of US\$0.1 million at the end of the year
- Final dividend of 10.7 pence (equivalent to 17.3 cents at \$1.61) will be payable on 11 May 2011, bringing total dividends in respect of 2010 to 12.7 pence (2009: 9.4 pence)

		2010	2009	% Change	% Change – constant currency
Revenue	US\$000	<b>103,552</b>	92,775	+11.6	+11.8
Operating profit	US\$000	<b>37,230</b>	35,097	+6.1	+6.0
Profit before tax	US\$000	<b>38,586</b>	36,270	+6.4	+6.4
Profit for the year	US\$000	<b>25,257</b>	24,588	+2.7	+2.6
Basic earnings per share	cents	<b>38.9</b>	32.3	+20.4	+20.3
Diluted earnings per share	cents	<b>38.1</b>	32.1	+18.7	+18.5
Final dividend per share (2009: Second interim)	pence	<b>10.7<sup>(2)</sup></b>	7.5	+42.7	
	cents	<b>17.3</b>	11.3	+53.1	

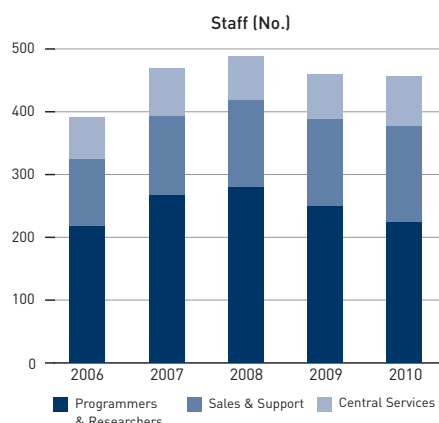
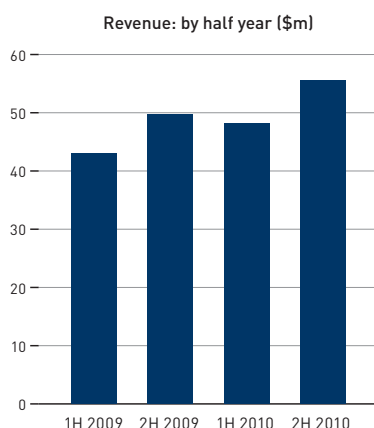
## Notes

(1) Operating cash flow before interest less capital expenditure and capitalised development costs

(2) Translated at an exchange rate of \$1.61



# Chairman's Statement



Dealogic produced record revenues and operating profits in 2010. Diluted earnings per share increased 19% year on year reflecting the increased profits and the lower number of shares in issue following the tender offer in June. Revenue growth resulted from increased utilisation by our clients of the Dealogic platform combined with continuing positive sentiment in global capital markets. We achieved revenue growth in each of the Americas, Europe and Asia regions.

Revenue for 2010 of US\$103.6m was up 12% on the US\$92.8m in 2009 while our operating costs, as a result of continuing to invest constructively in our people, technology platform and global footprint, rose by 15% to US\$66.3m (2009: US\$57.7m). Profit before tax increased by 6% to US\$38.6m (2009: US\$36.3m) and diluted earnings per share by 19% to 38.1 cents (2009: 32.1 cents). As a result, we are proposing paying a final dividend of 17.3 cents which will bring the total dividends for the year to 20.4 cents, an increase of 42% on the 14.4 cents paid in respect of 2009.

Our clients, the leading players in the global capital markets, continue to demand our sophisticated solutions comprising software, content and professional support as they seek to optimize their investment banking performance. We are a people business. Key to our success is the ability to attract, recruit and retain staff of the highest calibre and to equip them with the qualifications and experience to match our clients' needs. The Board would, once again, wish to record its appreciation and extend its thanks to every staff member for contributing to another successful year for Dealogic.

Our business successfully weathered the downturn in market activity during the financial crisis and we have seen a steady improvement in the business environment since the second quarter of 2009. The markets today are fast paced and volatile and there may be further shocks to the capital markets as a result of global unrest and rising oil prices. We have a proven track record of effectively managing through short term market disruptions and the long term prospects for our business remain strong.

**Peter J Ogden**  
Chairman

14 March 2011

# Operating and Financial Review

US\$ million	2010			2009		
	Revenue	Operating profit	Net assets	Revenue	Operating profit	Net assets
EMEA	33.0	17.0	13.4	31.0	16.8	57.5
Americas	54.9	16.3	25.7	51.3	15.3	36.7
Asia	15.7	3.9	3.6	10.5	3.0	2.0
	<b>103.6</b>	<b>37.2</b>	<b>42.7</b>	92.8	35.1	96.2

In 2010 Dealogic generated operating profit of US\$37.2m (2009: US\$35.1m) and free cash flow (operating cash flow before interest less capital expenditure and capitalised development costs) of US\$26.6m (2009: US\$20.6m). The group increased revenues across all three main operating regions, US, EMEA and Asia Pacific. Activity in the global capital markets continued to improve, with a marked increase in volumes in quarter four, contributing to higher levels of transaction revenue. This supplemented the steady growth in subscriptions revenue and together increased total revenue by 11.6% to US\$103.6m (2009: US\$92.8m).

Operating cash flow before movements in working capital amounted to US\$41.2m (2009: US\$39.1m), with the net reduction in trade and other receivables and payables providing a further US\$0.7m (2009: absorption of US\$5.7m), generating cash from operations of US\$41.9m (2009: US\$33.4m). Prior to the purchase and sale of financial assets and the tender offer for ordinary shares and related bank loans, a net increase in cash and cash equivalents of US\$18.1m (2009: US\$13.3m) was achieved.

In June 2010 the Company repurchased for immediate cancellation, by way of a tender offer, 26.4% of the ordinary shares in issue and shares to be issued in terms of the Exchange Rights Agreement ("ERA") at a cost of US\$68.8m. To fund the share repurchase a bank loan facility of £23m was entered into, of which £9m had been repaid by the end of the year.

The geographic spread of customers and operations means that results are affected by movements in exchange rates between the USD and the other currencies in which we operate. The average exchange rates between 2009 and 2010 are very similar and so there is little difference between the results as reported and when calculated on a constant currency basis.

Revenue from the three regions, EMEA, Americas and Asia grew by 6.6%, 7.0% and 48.4% respectively during 2010. The Americas accounted for 53.0% of revenues followed by EMEA with 31.9% and Asia with 15.1%.

The trend in improving global capital market activity levels that started in Q2 of 2009 continued in 2010 with a noticeable

strengthening in the final quarter of the year. As in 2009, revenues from market volume related transactions in the second half of the year were greater than in the first half, while recurring revenues increased progressively over both years.

In 2010 the group continued its investment in development, product management and IT infrastructure. As a result staff costs increased by 12.7% from US\$41.9m in 2009 to US\$47.2m in 2010, and capital expenditure increased from US\$0.8m to US\$2.5m. In addition to full time employees, contractor development staff were hired at a cost of US\$3.0m for the year. Staff costs represent 71.2% of total operating expenses (2009: 72.7%).

Other operating expenses increased by 25.2% compared to 2009 for the following reasons: the costs associated with the tender offer and related bank facility, additional investment in infrastructure, with two new property leases being signed during the year in Hong Kong and Hungary; expensed IT hardware and software to support additional clients and staff; travel related costs as we have expanded our customer base and the global reach of our platform.

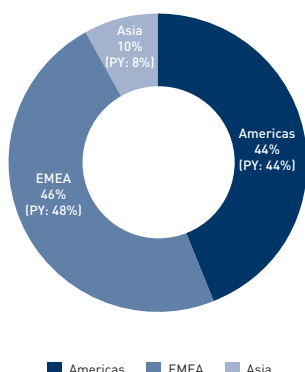
Depreciation remained constant during the year whereas amortisation increased by 28.2% as a result of the full year charge for the amortisation of the information databases acquired during 2009.

Total operating costs increased by US\$8.6m to US\$66.3m (2009: US\$57.7m), an increase of 15.0% which, combined with the 11.6% increase in revenue led to a decrease in the operating margin from 37.8% to 36.0%.

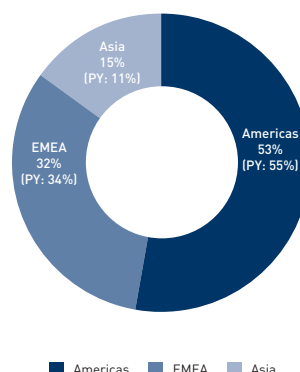
Finance income increased during 2010 as gains on the disposal of available-for-sale financial assets of US\$0.4m and foreign exchange gains of US\$0.7m more than offset the decline in interest due to the reduction in bank balances and the reduced holdings of available-for-sale financial assets. Finance expenses increased due to the interest charged on the new loan facilities (at LIBOR plus 1.5%) and the unrealised loss recognised on the interest rate hedge taken out to fix the future interest rates payable for a portion of the bank loans.

# Operating and Financial Review continued

Operating profit by Geographic Location (%)  
2010



Sales by Geographic Location (%)  
2010



## Taxation

The group's tax charge, including ERA tax appropriations, amounted to US\$13.3m (2009: US\$11.7m), representing 34.9% (2009: 32.6%) of profit before tax (excluding the post-tax share of profit from associates). In accordance with IFRS requirements, the contribution from associates is reported on an after-tax basis and reflected a tax charge of US\$0.3m. The underlying rate for 2010 was 36.0% (2009: 35.9%) before the benefit of reducing provisions in respect of prior years by US\$0.4m (2009: US\$1.2m). Income tax payments of US\$12.0m (2009: US\$10.1m) were made during the year.

## Earnings and Dividends

Profit for the year increased by 2.7% to US\$25.3m (2009: US\$24.6m). The net effect of the tender offer, plus additional share buy-backs and issues to satisfy the exercise of share options again reduced the weighted average number of shares in issue – from 76.1m in 2009 to 64.9m in 2010. As a result, basic earnings per share of 38.9 cents (2009: 32.3 cents) and diluted earnings per share of 38.1 cents (2009: 32.1 cents) have increased on 2009 by 20.4% and 18.7% respectively.

The Board has recommended a final dividend of 10.7 pence (17.3 cents) to be paid on 11 May 2011 to shareholders on the register on 15 April 2011. This is an increase of 42.7% on the second interim dividend of 7.5 pence (11.3 cents) paid in respect of 2009. This dividend, together with the first interim dividend of 2.0 pence (3.1 cents), brings the total dividends in respect of 2010 to 12.7 pence; 20.4 cents (2009: 9.4 pence; 14.4 cents) per share. Total dividends for 2010 are covered 2.2 times (2009: 2.3 times) by profit after tax.

## Tender offer

On 2 June 2010 the Company announced the launch of a tender offer to repurchase up to 26.4% of the Ordinary Shares and the shares to be issued in terms of the ERA, at a price of 220 pence per share. The tender offer price represented a premium of 15.8% on the closing price on 1 June 2010.

A circular was sent to shareholders on 2 June 2010 setting out the detailed terms of the tender offer. The tender offer was accepted in full and became effective on 21 June 2010, with 17.6 million shares being repurchased for immediate

cancellation and a reduction of 3.3 million in the number of shares to be issued in terms of the ERA, at a total cost of US\$68.8 million. This reduced the number of allotted shares from 71,391,140 to 53,745,145; with a corresponding reduction in the number of shares to be issued under the terms of the ERA from 12,346,842 to 9,083,748.

The tender offer was funded in part by existing resources and in part by a new bank loan facility for £23.0m, consisting of a medium term loan of £16.0m and a revolving credit facility of £7.0m. During the course of the year the company has repaid the entire revolving credit loan and the scheduled £2.0m of the medium term loan, leaving £14.0m (US\$21.6m) outstanding at the end of the year.

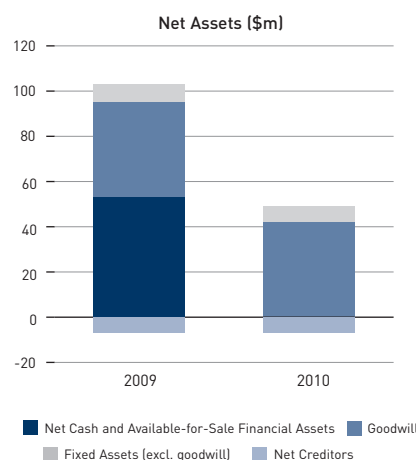
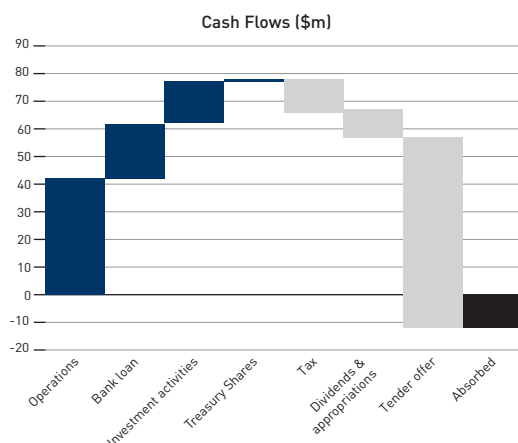
With the introduction of the loan facilities the group has for the first time incurred bank debt. The group has agreed financial covenants with the lender relating to interest cover, leverage and cash flow and has comfortably met all conditions.

## Statement of Financial Position

Shareholders' funds decreased by US\$53.5m to US\$42.7m at the end of 2010, primarily as a result of the tender offer referred to above and profit retained after the payment of dividends. In addition there were further purchases of 0.1m shares into treasury at a cost of US\$0.3m and the issue of 0.6m (US\$1.4m) shares from treasury to satisfy the exercise of share options. Total comprehensive income for the year of US\$22.6m comfortably exceeded the reserves utilised to pay dividends and appropriations of US\$10.3m.

Non-current assets decreased by US\$17.4 million due to the sale of the government securities valued at US\$18.7m at the end of 2009. Deferred tax assets have increased by US\$1.8m as a result of the potential tax credits on employee gains on the exercise of share options following an increase in the share price from 165.0 pence at the end of 2009 to 252.5 pence at the end of 2010.

At the end of the year the group owed US\$21.6m (2009: US\$nil) of the bank loan referred to in the tender offer section above, and held cash at bank of US\$21.7m. Over the coming 12 months the group is scheduled to repay a further US\$6.2m of the bank loan and this amount is therefore classified as a current liability. The remaining balance of US\$15.4m is



repayable in equal quarterly instalments of US\$1.5m, with a final payment of US\$7.7m in June 2013, and is therefore classified as a non-current liability.

Net current assets decreased by US\$20.9m to US\$9.2m due to the change in cash and bank loans; an increase in deferred subscription income of US\$2.1m; an increase in corporation tax liabilities of US\$1.6m; partially offset by an increase of US\$3.8m in trade receivables due to the strong revenues in the final quarter.

### Sources and usage of funds

The group continues to generate strong cash-flows from operating activities: US\$29.6m (2009: US\$23.3m), with increased profitability and a slight reduction in working capital levels despite the enhanced activity levels. After paying taxes of US\$12.0m, investing in infrastructure (US\$2.2m), software development (US\$0.7m) and externally acquired software (US\$0.3m), the group generated cash flow before financing and sales of government securities (available-for-sale financial assets) of US\$27.3m compared to US\$21.6m in 2009.

The group sold all remaining UK government securities for US\$17.6m and after the payment of dividends and related appropriations of US\$10.3m (2009: US\$5.6m), and the purchase and issue of treasury shares, the group generated US\$35.7m (2009: US\$13.3m) prior to the tender offer and bank loans.

The cost of the tender offer absorbed US\$68.8m which was partially offset by net new bank loan inflows of US\$20.2m during the period, leaving the group with cash at the end of the year of US\$21.7m (2009: US\$34.3m) and debt of US\$21.6m (2009: US\$nil).

### Treasury and exchange rates

The group maintains adequate liquidity in the currencies in which it operates and aims to optimise returns on invested funds. In addition to USD, the main currency in which the group trades is GBP, where, to a significant degree, revenues and operating costs are in balance, with a modest excess of costs in GBP at the operating profit level.

The group monitors risk closely especially in times of economic uncertainty. As a result of entering into the bank facilities the group is exposed to the risk of future rises in LIBOR interest rates as the loans attract a rate of LIBOR plus 1.5%. As a result, the group has taken out an interest rate swap to mitigate this risk. For further information on financial instruments please refer to note 31 in the consolidated financial statements.

The group only enters into hedging agreements when it has a quantified underlying exposure requiring the hedge. Other than the interest rate hedge referred to there were no such agreements outstanding at the end of the year. The group does not hedge the translation risk that exists when non-USD balance sheets are consolidated and takes these changes directly to equity.

The results of subsidiaries are translated at the average exchange rates applicable to the period being reported upon, while their net assets are translated at year end rates. The monthly average exchange rate used in 2010 to translate GBP transactions into USD was \$1.5470 (2009: \$1.5547); with the year end exchange rate at \$1.5655 (2009: \$1.6148).

### Forward-looking statements

Certain statements in this annual report are forward-looking. Although the group believes that the expectations reflected in these statements are reasonable, it can give no assurance that these expectations will prove to have been correct. As these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

The group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

# Directors

## **Peter J Ogden (63) — Chairman (Non-Executive)**

Member of the Nomination Committee and Special Advisor to the Remuneration Committee.

Peter co-founded Dealogic with Simon Hessel and Philip Hulme in 1983. He also co-founded Computacenter plc with Philip Hulme in 1981 where he remains a non-executive director. Peter was a managing director of Morgan Stanley & Co and is currently a director of Fly Exalt (Holdings) Ltd, MSV Motorsport and Deltec Bank and Trust Company.

## **Thomas A Fleming (52) — Chief Executive Officer**

Tom joined Dealogic in 1991 as Managing Director of the US operations. From 1982 until 1991 he worked at Graphic Scanning Corp., a wireless communications company, where he served in various roles of increasing responsibility. Tom holds an MBA degree and is a Certified Public Accountant.

## **Jonathan O Drulard (39) — Managing Director**

Jody joined Dealogic in 1994 and in 2001 took charge of overseeing the Dealogic global investment banking suite comprising content, consultative services and technology. Jody has been instrumental in expanding the breadth of the Dealogic platform and its usage around the world. In addition to serving as Managing Director, Jody sits on the boards of two companies jointly owned by Dealogic and Euromoney Institutional Investor PLC. Jody joined the board in 2009.

## **Toby Haddon (43) — Chief Operating Officer**

Toby joined Dealogic in 1986 as a programmer and took charge of the development of the Dealogic communication systems in 1989. He has headed the two companies jointly owned by Dealogic and Euromoney Institutional Investor plc since 1996 and sits on the boards of these companies. Toby joined the Board in 1999.

## **Frederick McHattie (54) — Chief Financial Officer**

Rick qualified as a chartered accountant with Ernst & Young and then held a number of senior finance positions with public companies, most recently as Group Finance Director of the Guiton Group, the AIM quoted publishing and IT services company. Rick joined the Board in 2005.

## **Carl J Anderson (58) — Independent Non-Executive**

Member of the Audit, Remuneration and Nomination Committees.

Carl qualified as a Certified Public Accountant with Deloitte Haskins & Sells before moving to BBDO in finance/business planning in 1979. He joined Doremus & Company in 1985 as their Chief Financial Officer, becoming Chief Executive Officer in 1992, a position he still holds today. Carl joined the Board in 2004.

## **Joan Beck (64) — Independent Non-Executive**

Senior Independent Director. Chairman of the Audit, Remuneration and Nomination Committees.

Joan has a distinguished career in investment banking. He ran the new issues business at Merrill Lynch Europe and Morgan Stanley International, following which he worked for CSFB Ltd from 1984 to 1995, achieving the position of Deputy Chairman. Joan was Vice Chairman of HSBC Investment Bank until 1999 and Director General at Cazenove & Co. Suisse S.A. from 2000 to 2001. Joan joined the Board in 2004.

## **Philip W Hulme (62) — Non-Executive**

Member of the Nomination Committee.

Philip co-founded Dealogic with Peter Ogden and Simon Hessel in 1983. He also co-founded Computacenter plc with Peter Ogden in 1981 where he remains a non-executive director. Philip was previously a Vice President and Director of the Boston Consulting Group.

# Officers and Advisers

<b>Company Secretary</b>	Helen Vincent
<b>Registered Office</b>	Thanet House 231-232 Strand London WC2R 1DA
<b>Registered Number</b>	04275038
<b>Nominated AIM Adviser &amp; Broker</b>	J.P. Morgan Securities Ltd 10 Aldermanbury London EC2V 7RF
<b>Auditors</b>	KPMG Audit Plc 15 Canada Square Canary Wharf London E14 5GL
<b>Principal Bankers</b>	HSBC Bank plc City Corporate Banking Centre 60 Queen Victoria Street London EC4N 4TR
<b>Legal Advisers</b>	Nabarro LLP Lacon House 84 Theobald's Road London WC1X 8RW
<b>Registrars</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ

# Directors' Report

The directors present their annual report on the affairs of the group and the audited financial statements for the year ended 31 December 2010.

## Principal activities

Dealogic provides investment banks globally with a management platform comprising sophisticated technology, unique content and professional support. The platform helps optimize performance by improving strategy, competitiveness, productivity and execution.

Dealogic works in partnership with every major investment bank in the world to help them better understand their clients and the competitive landscape so they can allocate resources and execute deals more effectively.

Dealogic has over 25 years experience and a particular focus in capital markets origination, syndication, investment banking coverage, and strategy with every one of the top 50 banks in the world utilizing the management platform.

## Subsidiaries

The subsidiary and associated undertakings principally affecting the profits and net assets of the group in the year are listed in note 16 to the financial statements.

## Business review

A review of the group's business during the financial year ended 31 December 2010 and the position of the group at the end of the financial year are contained in the Chairman's Statement and the Operating & Financial Review.

As of 31 December 2010, the group includes subsidiaries in Australia, Hong Kong, Hungary, India, and USA with branches registered in Hong Kong and Japan.

## Results and transfers to equity

The audited financial statements and the related notes for the year ended 31 December 2010 are set out on pages 20 to 52. The profit for the year, after taxation, was US\$25,257,000 (2009: US\$24,588,000). After deducting ordinary dividends and the dividend element of the Exchange Rights Agreement paid during the year, the retained profit for the year was US\$14,952,000 (2009: US\$18,948,000).

## Dividends

The directors propose a final dividend of 10.7 pence (17.3 cents) per ordinary share which will be paid on 11 May 2011 to ordinary shareholders on the register at the close of business on 15 April 2011. The shares will be quoted ex dividend from 13 April 2011. Together with the interim dividend of 2.0 pence (3.1 cents) paid on 1 November 2010, this makes a total of 12.7 pence (20.4 cents) per ordinary share for the year (2009: 9.4 pence (14.4 cents)). An equivalent payment in respect of the dividend element of the Exchange Rights Agreement (note 28) will also be made. The Dealogic Employee Share Trust ('EST'), which was established on 25 January 2008, has waived its rights to receive dividends on the 2,931,609 shares it holds.

## Capital structure

Details of the authorised and issued share capital together with details of the movements in the Company's issued share capital, including treasury shares, are shown in note 25. The Exchange Rights Agreement, which may lead to the issue of additional ordinary shares, is explained in note 28.

The Company has no specific restrictions on the size of a holding nor on the transfer of shares, which are governed by the general provisions of the Articles of Association and prevailing regulations and legislation. The directors are not aware of any agreements between holders of the company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the company's share capital and all issued shares are fully paid.

## Directors and directors' interests

The directors who held office during the year and up until the date of this report were:

<u>Non-Executive</u>	<u>Executive</u>
PJ Ogden (Chairman)	JO Drulard
CJ Anderson (Independent)	TA Fleming
PJ Beck (Senior Independent)	T Haddon
PW Hulme	F McHattie

Brief particulars of all the directors can be found on page 6.

With regard to the appointment and replacement of directors, the company is governed by its Articles of Association, the Companies Act 2006 and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

In accordance with the Articles of Association of the Company, Mr Ogden, Mr Hulme and Mr Haddon retire by rotation at the next Annual General Meeting and, being eligible, offer themselves for re-election. The Board has considered the requirements of the UK Corporate Governance Code in respect of these matters and believes that these members continue to be effective and demonstrate their commitment to their roles, the Board and the group.

Details of the directors' interests in the ordinary shares of the Company are contained in the Remuneration Report on page 16.

The Company maintains insurance cover for all directors and officers of group companies against liabilities which may be incurred by them while acting as directors or officers of group companies.

The directors, along with other employees, have been granted options in the ordinary shares of the Company. Details of their interests in options are disclosed in the Remuneration Report on page 15 to 17.

## Substantial shareholdings

As at 3 March 2011 the Company had been notified of the following interests in 3% or more of the issued ordinary share capital of the Company, excluding treasury shares.

	<b>No. of ordinary shares</b>	<b>% of issued capital excluding treasury</b>
PJ Ogden	<b>14,758,429</b>	30.0%
PW Hulme	<b>14,714,286</b>	29.9%
SW Hessel	<b>6,903,899</b>	14.0%
Dealogic EST	<b>2,931,609</b>	6.0%
T Haddon	<b>1,765,715</b>	3.6%

## Purchase of own shares

On 21 June 2010 the Company repurchased 17.6m shares for immediate cancellation by way of a tender offer. For full details of the tender offer please refer to note 25 of the consolidated financial statements.

Pursuant to the authority given at the Annual General Meetings of the Company held on 10 May 2010 and in previous years, during 2010 the Company purchased 92,377 shares (2009: 1,575,469 shares) of the Company's called up ordinary share capital, for a consideration of US\$321,000, representing 0.2% of the Company's called up share capital (2009: US\$3,273,000:2.4%), which are held as Treasury shares. During 2010, 241,161 (2009: 786,791) of these shares were issued to satisfy the exercise of share options by employees. The EST holds 2,931,609 shares (2009: 3,281,609) of the Company's called up ordinary share capital, representing 6% of the total voting rights. Since 1 January 2011, the Company and the EST have not purchased any further shares. The existing authority for the Company to make purchases of its own shares is due to expire on 10 August 2011 or at the conclusion of the Annual General Meeting of the Company in 2011, whichever is earlier. A resolution to renew the authority will be proposed to shareholders at the 2011 Annual General Meeting.

## Corporate Governance

The Company's Corporate Governance Statement is on pages 13 to 14 of the financial statements.

## Research and development

The group has continued to invest significantly in the development of new and existing products with considerable effort applied by the technical and software development teams. US\$736,000 of development expenditure has been capitalised during the year (2009: US\$874,000).

## Corporate responsibility

### Employees

People are at the heart of our business and the contribution of talented and motivated individuals is vital to the continued success of the group.

The group has a policy of keeping employees informed of, and engaged in, its business strategy through the Company Intranet, regular briefings and team meetings. Employee involvement at all levels is encouraged and incentive plans have been established in which employees are able to participate.

It is a policy of the group to recruit, develop and promote people on merit and to treat everyone equally regardless of their race, ethnic origin or nationality, age, gender, sexual orientation, disability, religion or belief.

The group gives every consideration to applications for employment from disabled persons where the requirements of the position may be adequately covered by the aptitudes of the applicant concerned.

In the event of members of staff becoming disabled, ways are examined to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group to ensure that the training, career development and promotion of disabled employees should, as far as possible, be the same as that of other employees.

### Health and safety

The health and safety of the group's employees, customers and visitors is of primary importance. The group is committed to creating and maintaining a safe and healthy working environment. Health and safety audits and risk assessments, including fire risk assessments, are carried out regularly.

### Clients

The group values each and every client and is proud of the long standing nature of its client relationships. Being highly connected with our clients, learning from them, and working in partnership with them is fundamental to the continued growth of the business.

### The environment

The group recognises the importance of environmental responsibility and believes that its activities have a low impact on the environment. Greater use of email and electronic documentation rather than paper-based correspondence is encouraged and efforts are made to recycle waste such as paper and IT hardware where appropriate.

### Suppliers

The group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the group at 31 December 2010 were equivalent to 52 days' purchases (2009: 25 days), based upon the average daily amount invoiced by suppliers during the fourth quarter.

### Donations

During the year the group made no political contributions. Charitable donations of US\$7,000 (2009: US\$2,000) were made during the year.

# Directors' Report continued

## Key performance indicators (KPIs)

The KPIs for the business are referred to in the Operating & Financial Review, Chairman's Statement and Highlights sections of the annual report and are concentrated around revenue, operating margins, earnings per share, dividends, investment, cash flow and staffing levels.

## Principal risks and uncertainties

Dealogic is a provider of business critical software, communications and information products to the global investment banking industry and, in common with similar businesses, is exposed to a number of risks and uncertainties which could have a material impact on the group's long-term performance and could cause actual results to differ materially from historical and expected results. In addition to the matters noted below, these issues are also referred to in the Chairman's Statement, the Operating & Financial Review and the Corporate Governance Statement.

### Market risk

The group's financial performance is tied very closely to the business activity within the investment banking industry. Consolidation and commercial viability of customers within the industry is identified as being a key market risk. The group has a broad product offering and has established licensing models based upon both subscriptions and transactions which, together with an increasing focus on performance management tools, cost effective workflow and business management solutions, provides some protection against changes in the industry's activity levels.

### Operational risk

The group is acutely aware of the particular business and regulatory risks that apply to the environment in which its investment banking clients operate and has strived to embed the management of risk in the culture of the organisation and the services that it provides.

The group aims to sustain operations and client service with minimum disruption, with a combination of business continuity planning, duplicated infrastructure and strong supplier relations.

All systems are subject to rigorous testing and a programme of continuous improvement. Our quality assurance process is benchmarked against industry best practice and Tier 4 datacenters are used for hosting our products. The group has implemented security measures to protect our IT assets from attacks or failures that could impact the confidentiality, availability or integrity of our systems.

### Competitive risk

The group operates in a highly competitive and innovative environment. Consolidation amongst competitors together with the emergence of new market players are key risk factors

and contribute to an increasing pressure on price. The group concentrates on the provision of extremely relevant quality products and services. In addition to technological innovation and a focus on building new product ranges, the group has dedicated teams of support staff who work closely with our clients. Excellent relationships with the premium financial media help to strengthen the Company's profile and reputation in the market.

### Intellectual property risk

As a software and information provider, infringement of the group's intellectual property rights by third parties or a failure to defend infringement claims could cause damage to the business and could involve significant costs. The group has taken all reasonable steps to ensure that its intellectual property rights are appropriately protected by law.

### People risk

Attraction and retention of key staff is essential to the continued health and growth of the business. The Board recognises that the future success of the group will depend to a substantial extent not only on the ability and experience of its senior management but also on individuals and teams who create our products and support our clients. For this reason there is a particular focus by the Board on remuneration strategies with an appropriate allocation of cash and share based schemes together with structured performance-based staff evaluations. Employees are encouraged to develop their skills and where appropriate are promoted in line with their potential.

### International risk

As the group operates internationally it is subject to the tax laws and regulations of several countries. In addition, doing business in emerging markets presents new logistical and management challenges whether related to local standards, business cultures, languages, compliance or restrictions on repatriation of earnings. The group takes careful steps to comply with all applicable tax and other legislation.

### Financial risk

The group operates globally and so has exposure to movements in exchange rates; in particular between the US Dollar and GB Pound. Funds are held in both currencies to manage gains and losses on currencies. Where more general exposure is identified, hedging instruments with approved banks are used to protect identified material exposures. The group holds large cash balances to mitigate any limitations on the availability of funding or adverse movements in interest rates.

Financial risk is still prevalent in the global economy. The group minimises these risks by holding cash in the form of a series of short-term deposits whilst maintaining sufficient cash at bank levels to meet the working capital requirements

of the group. When deemed appropriate, the group has invested in government securities to both spread the financial risk and to earn interest on the surplus cash reserves held. The investments were sold during the course of the year. The investments are classified as available-for-sale financial assets, details of the movements during the course of the year can be found in note 17. For further discussion on financial risk refer to note 31.

#### **Disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Auditors**

KPMG Audit Plc acted as auditors throughout the year and have expressed their willingness to continue in office. Therefore, in accordance with s489 of the Companies Act 2006, a resolution to re-appoint them as auditors for the ensuing year will be put to the members at the forthcoming Annual General Meeting.

By order of the Board

**Helen Vincent**  
Secretary

14 March 2011

Thanet House  
231-232 Strand  
London  
WC2R 1DA

# Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Corporate Governance Statement

Dealogic is committed to maintaining a high standard of corporate governance. Although not required by the AIM rules, the Company fully endorses both the spirit and principles of the UK Corporate Governance Code ('the Code') and seeks to comply, to the extent that the Board considers it appropriate, whilst taking into account the Company's size and resources.

The Company has complied with the principal provisions set out in the Code throughout the year. Key features of how the Company has applied these principles are set out in the following statement.

## Board of directors

The Company is committed to maintaining a balance of executive and non-executive directors. The Board currently consists of eight members, comprising four executive directors, two non-executive directors including the chairman and two independent non-executive directors. Mr Ogden continues as Chairman of the Board.

The Board is scheduled to meet at normally no less than six times per year, in addition to which, meetings will also be convened on an ad hoc basis if there is urgent or delegated business which cannot wait until the next scheduled meeting. The following table sets out details of the number of meetings of the Board (excluding ad hoc meetings) and its committees during the year and the attendance of the members at those meetings:

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings held during the year	6	3	2	1
CJ Anderson	6	3	2	1
PJ Beck	6	3	2	1
JO Drulard	6	-	-	-
TA Fleming	6	-	-	-
T Haddon	6	-	-	-
PW Hulme	6	-	-	1
F McHattie	6	-	-	-
PJ Ogden	6	-	-	1

The above table details attendance at scheduled meetings only. In addition, several ad hoc Board meetings were held during 2010.

The Board considers the overall strategic direction, development and control of the group and reviews trading performance, investment and divestment opportunities and any other matters of significance to the group. Various major decisions require Board approval, including the approval of the annual budget, larger capital expenditure proposals, acquisitions and disposals. Board papers, which are distributed to all directors in advance of each meeting, follow a set agenda although further subjects are added for discussion as the need arises.

The Executive Committee (see below) meets formally as a management team at regular intervals to monitor and review the strategic direction of the business.

The independent non-executive directors are members of the Audit, Remuneration and Nomination Committees. Their biographies on page 6 illustrate their relevant corporate and industry experience to bring judgement on issues of strategy, performance, resources and standards of conduct which are vital to the success of the group. Mr Beck continues as the senior independent non-executive director.

The Articles of Association of the Company require the directors to submit themselves for re-election at the first Annual General Meeting following appointment and then every three years.

## Audit Committee

The Audit Committee comprising the two independent non-executive directors (Mr Beck (Chairman) and Mr Anderson), meets at least three times a year. The Chief Financial Officer is generally in attendance in a non-voting capacity to provide detailed reports and deal with any queries which may arise. The remaining Board members are also invited to attend but are not entitled to vote.

An invitation is also extended to the auditors to attend meetings of the Committee in order to discuss issues relating to the audit and financial control of the group. The auditors also have direct access, should they so require, to the Committee. The Committee has responsibility within its agreed terms of reference for, among other things, the planning and review of the group's annual and interim financial statements, the supervision of its auditors in the review of such financial statements and the review and monitoring of their independence. The Audit Committee focuses particularly on the group's compliance with legal requirements and accounting standards, and on ensuring that effective systems for internal financial control and for reporting non financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and interim statements remains with the Board.

## Remuneration Committee

The Remuneration Committee comprises the two independent non-executive directors (Mr Beck (Chairman) and Mr Anderson). Mr Ogden acts as special advisor to the Committee. The remaining Board members are invited to the meetings but only the Committee members may vote. The Committee meets at least twice a year and is responsible for determining, within its agreed terms of reference, the Company's policy on the remuneration of senior executives and specific remuneration packages for executive directors, including pension rights and compensation payments. It is also responsible for making recommendations for grants of options under the Company's share option plans.

## Nomination Committee

The Nomination Committee consists of all non-executive Board members and is chaired by Mr Beck. The Committee identifies, evaluates and selects candidates for Board positions, ensures appropriate succession planning and reviews annually the composition and size of the Board. In considering the appointment of a new director, the Committee

# Corporate Governance Statement continued

considers and defines the characteristics, qualities, skills and experience that it considers would complement the overall balance and composition of the Board. The Committee may appoint an external consultant to help in the identification and recruitment of an individual who satisfies the Committee's criteria, if and when required.

## Executive Committee

The Executive Committee, which is chaired by the Chief Executive, Mr Fleming, deals with all executive business of the group not specifically reserved to the Board or its other committees. It meets regularly to discuss the implementation of business strategy and day to day operational matters. It comprises the executive directors together with the senior management team.

## Internal control

The Board has overall responsibility for the group's system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Board's policy is to encourage a focus by senior management on the long-term sustainable success of the business. This includes robust corporate governance and continuously evolving control standards as well as healthy challenge by the board on the group's strategic direction and execution of strategy.

Management is responsible for the identification and evaluation of significant risks applicable to their areas of the business together with the design and operation of suitable internal controls. There is sufficient segregation of duties and authorisation controls on approval of customer and supplier contracts, recruitment of staff, approval of purchases and payment of invoices. The Board reviews reports from management identifying and evaluating significant risks and monitors the actions taken to manage and control these risks on a regular basis, as well as undertaking its own assessment of risk.

The Executive Committee members have regular meetings to discuss all aspects of the business and review financial performance against budget. The group has a comprehensive system of financial reporting and forecasting covering profits, assets, liabilities, cash flow and capital expenditure. There are procedures in place to ensure that the system of internal controls is operating correctly. These include the use of software to ensure that all purchases are approved by senior management before commitments are made. The process of

control includes regular monitoring of cash, monthly reporting of financial results, reviews of forecasts and comparisons with budgets.

The Board has considered the need for an Internal Auditor and concluded that taking into account the size of the group, such an appointment is not currently necessary.

A comprehensive budgetary process is completed once a year and is reviewed and approved by the Board. The operating results are reported at Board meetings and compared to the budget and latest forecast. Capital expenditure is controlled via approval limits and major items of capital expenditure are approved at Board meetings. The Company presents financial statements to its shareholders twice a year.

## Going Concern

Having reviewed the future plans and projections for the business and its current financial position, the directors are satisfied that the Company has adequate financial resources to continue to manage its business risks successfully and to remain in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and accounts.

## Communications with shareholders

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance. The Board endeavours to maintain good relationships with its institutional shareholders by holding regular meetings following the announcement of interim and preliminary results and at other times as requested.

The Company's Annual General Meeting ('AGM') will be held on 9 May 2011 at the Company's registered office. The notice of the meeting is sent to shareholders at least 21 days before the AGM. The directors are available for questions both formally during the meeting and informally afterwards. The chairmen of the Audit, Remuneration and Nomination Committees are all available to answer questions at the AGM.

This annual report and financial statements together with the Notice of Annual General Meeting and other information regarding the group may be viewed on the Company's website at [www.dealogic.com](http://www.dealogic.com).

Approved by the Board and signed on behalf of the Board

**Helen Vincent**  
Secretary

14 March 2011

# Remuneration Report

The Remuneration Committee comprises Mr Beck and Mr Anderson, both non-executive directors, with Mr Ogden acting as a special advisor to the Committee. Neither of the members of the Committee have any personal financial interest (other than as shareholders), conflicts of interest arising from cross-directorships or day-to-day involvement in running the business.

The Committee is responsible for determining and agreeing with the Board the remuneration packages of the executive directors, including base salary, annual bonuses, the allocation of share options and other benefits to ensure that such remuneration levels are appropriate and acceptable. Terms and conditions of employment and terms of any service contracts are carefully considered. The Committee has access to external advisors as necessary and periodically reviews its remuneration policies and structures.

## Remuneration policy

In implementing its policy, the Committee has given full consideration to the Principles of Good Governance set out in the UK Corporate Governance Code with reference to directors' remuneration. The key objectives of the remuneration policy are to ensure that pay and benefits packages are sufficiently competitive to attract, develop, motivate and retain high calibre executives. The Remuneration Committee believes that the executive directors should be rewarded fairly, competitively and at a similar level to directors in comparable companies.

Individual remuneration packages are structured to reward excellent performance by ensuring that a significant proportion of the total remuneration package is performance-related and therefore aligns the interests of executives with those of shareholders to create value.

The Committee also recommends and monitors the level and structure of remuneration for senior management.

## Remuneration for executive directors

The principal elements of the executive directors' remuneration package are as follows:

### *Annual base salary*

Base salary reflects the director's responsibility, experience and contribution to the group. The salary of each executive director is reviewed by the Committee annually against comparative companies and against business and personal performance.

### *Performance related bonus*

The executive director bonus plan is designed to incentivise senior executives to achieve demanding financial, strategic and personal targets which are approved annually by the Remuneration Committee.

### *Share options*

The Company operates a discretionary share option plan to reward and incentivise executive directors, senior managers and employees throughout the group. The policy is to review on a regular basis the grant of share options to ensure that employees are retained and incentivised.

### *Pension provision*

Executive directors are eligible to become members of the Company's standard Personal Pension Plans which are defined contribution schemes. There are no special pension arrangements for executive directors.

### *Service contracts*

The executive directors of Dealogic (Holdings) plc all have service contracts which are subject to notice of six months or less by either party. The Committee regards the notice period in these contracts to be appropriate. In the event of termination of an executive director's service contract there are no specific compensation entitlement provisions in the contracts with respect to termination, other than the notice period.

## Remuneration policy for non-executive directors

The remuneration for non-executive directors is subject to a maximum limit agreed by the shareholders and set out in the Articles of Association. Within this limit, the remuneration of the non-executive directors is determined by the executive directors of the Board. The remuneration consists of fees for their services in connection with Board and Committee meetings and where appropriate for devoting additional time and expertise for the benefit of the group. Non-executive directors do not have contracts of service, are not eligible for pension scheme membership and do not participate in any of the group's bonus, share option or other incentive schemes.

# Remuneration Report continued

## Remuneration of directors

The value of the various elements of remuneration received by each director during the year are as follows:

	Salary and Fees US\$000	Benefits US\$000	Bonus US\$000	Pension Contributions US\$000	<b>2010 Total US\$000</b>	2009 Total US\$000
<b>Executive</b>						
TA Fleming	547	9	449	10	<b>1,015</b>	981
T Haddon	348	2	317	31	<b>698</b>	671
F McHattie	255	3	288	22	<b>568</b>	512
JO Drulard	400	10	370	10	<b>790</b>	77*
<b>Non-executive</b>						
PJ Ogden	60	10	-	-	<b>70</b>	70
CJ Anderson	60	-	-	-	<b>60</b>	60
PJ Beck	60	-	-	-	<b>60</b>	60
PW Hulme	50	-	-	-	<b>50</b>	42
	<b>1,780</b>	<b>34</b>	<b>1,424</b>	<b>73</b>	<b>3,311</b>	<b>2,473</b>
2009 Total	1,300	25	1,096	52	2,473	

\*2009: Since appointment to the Board on 25 November 2009.

## Directors' interest in shares

The directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of the Company:

	<b>31 December 2010</b>	31 December 2009
PJ Ogden	<b>14,758,429</b>	20,060,000
PW Hulme	<b>14,714,286</b>	20,000,000
T Haddon	<b>1,765,715</b>	2,400,000
JO Drulard	<b>278,000</b>	278,000
F McHattie	<b>30,000</b>	30,000
CJ Anderson	<b>7,143</b>	7,143

Mr Fleming has a right to receive up to 9,083,748 Ordinary Shares in the Company in exchange for his effective 25% interest in Dealogic LLC under the terms of the Exchange Rights Agreement as described in note 28.

No changes took place in the interests of directors between 31 December 2010 and 14 March 2011.

## Directors' share options

As at 31 December 2010 the directors held share options in the Company as follows:

	Grant Date	At the start of year (or date of appointment if later)	Granted during the year	At the end of year	Exercise Price	Earliest Exercise Date	Latest Exercise Date
TA Fleming	21-Jun-04	100,000	-	100,000	£2.050	21-Jun-07	20-Jun-14
	22-Nov-06	100,000	-	100,000	£1.525	22-Nov-09	21-Nov-16
	27-Apr-09	336,226	-	336,226	£1.225	27-Apr-12	26-Apr-19
		536,226	-	536,226			
JO Drulard	22-Nov-06	271,739	-	271,739	£1.525	22-Nov-09	21-Nov-16
	22-May-08	546,434	-	546,434	£1.425	22-May-11	21-May-18
	27-Apr-09	273,217	-	273,217	£1.225	27-Apr-12	26-Apr-19
		1,091,390	-	1,091,390			
T Haddon	21-Jun-04	50,000	-	50,000	£2.050	21-Jun-07	20-Jun-14
	22-Nov-06	82,500	-	82,500	£1.525	22-Nov-09	21-Nov-16
	27-Apr-09	300,000	-	300,000	£1.225	27-Apr-12	26-Apr-19
		432,500	-	432,500			
F McHattie	10-Oct-05	50,000	-	50,000	£1.600	10-Oct-08	09-Oct-15
	09-Jun-08	410,400	-	410,400	£1.425	09-Jun-11	08-Jun-18
	27-Apr-09	236,652	-	236,652	£1.225	27-Apr-12	26-Apr-19
		697,052	-	697,052			
		2,757,168	-	2,757,168			

There have been no changes between the end of the financial year and the date of this report. The market price of the Company's shares at 31 December 2010 was 252.5 pence and the range during the period from 1 January to 31 December 2010 was 155.0 pence to 252.5 pence.

### Joan Beck

Chairman of the Remuneration Committee

14 March 2011

# Independent Auditor's Report to the Members of Dealogic (Holdings) plc

We have audited the financial statements of Dealogic (Holdings) plc for the year ended 31 December 2010 set out on pages 20 to 52. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 12, 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 APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006;

## Opinion on other matters prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## J Edwards (Senior Statutory Auditor)

14 March 2011

For and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Total (\$m)	# of Deals
279,889.01	95
273,917.22	100
228,730.44	85
227,308.16	82
201,501.88	81
199,127.65	76
189,897.52	61
124,254.03	99
112,442.64	59
102,010.00	48
816,790.42	538
1,178,956.47	6,950

End Date:

at Month

Total (\$m)	# of Deals
208,599.42	85
193,228.65	73
186,442.59	73
148,906.98	78
147,638.08	63
136,183.49	78
106,295.26	47
88,087.26	40
84,598.35	86
76,531.63	25
550,124.82	433
786,130.69	

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2010

	Notes	2010 US\$000	2009 US\$000
<b>Revenue</b>	4	<b>103,552</b>	92,775
Staff costs	7	<b>(47,218)</b>	(41,915)
Depreciation of property, plant & equipment	12	<b>(2,446)</b>	(2,479)
Amortisation of intangible assets	14,15	<b>(1,229)</b>	(959)
Other operating expenses		<b>(15,429)</b>	(12,325)
<b>Operating profit</b>	5	<b>37,230</b>	35,097
Finance income	8	<b>1,368</b>	708
Finance expenses	9	<b>(438)</b>	(3)
Share of post-tax profit of associate	16	<b>426</b>	468
<b>Profit before income tax</b>		<b>38,586</b>	36,270
Income tax expense	10	<b>(13,329)</b>	(11,682)
<b>Profit for the year</b>		<b>25,257</b>	24,588
<b>Other comprehensive income</b>			
Currency translation differences recognised directly in equity		<b>(2,500)</b>	503
Net change in fair value of available-for-sale financial assets	17	<b>(287)</b>	(158)
Income tax on other comprehensive income	10	<b>87</b>	39
<b>Other comprehensive income for the year, net of income tax</b>		<b>(2,700)</b>	384
<b>Total comprehensive income for the year</b>		<b>22,557</b>	24,972

<b>Earnings per share:</b>		<b>Cents</b>	Cents
Basic	27	<b>38.9</b>	32.3
Diluted	27	<b>38.1</b>	32.1
<b>Dividend per share:</b>			
Interim	11	<b>3.1</b>	3.1
Final	11	<b>17.3</b>	11.3
		<b>20.4</b>	14.4

The above results are derived from continuing activities.

# Consolidated Statement of Financial Position

at 31 December 2010

	Notes	2010 US\$000	2009 US\$000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	5,627	5,923
Intangible assets			
Goodwill	13	42,196	42,196
Capitalised development costs	14	1,238	1,105
Other intangible assets	15	590	878
Investment in associate	16	263	339
Deferred tax assets	10	2,789	1,015
Available-for-sale financial assets	17	-	18,683
		<b>52,703</b>	<b>70,139</b>
<b>Current assets</b>			
Trade receivables	18	22,637	18,887
Other receivables	19	2,457	2,843
Current deferred tax assets	10	1,090	905
Cash and bank balances	20	21,684	34,261
		<b>47,868</b>	<b>56,896</b>
<b>Total assets</b>		<b>100,571</b>	<b>127,035</b>
<b>Current liabilities</b>			
Trade and other payables	21	(12,207)	(10,189)
Deferred subscription income		(15,173)	(13,120)
Loans and borrowings	23	(6,164)	-
Current tax liabilities	22	(4,378)	(2,776)
Provisions	24	(790)	(767)
		<b>(38,712)</b>	<b>(26,852)</b>
<b>Net current assets</b>		<b>9,156</b>	<b>30,044</b>
<b>Non-current liabilities</b>			
Loans and borrowings	23	(15,410)	-
Provisions	24	(3,283)	(3,471)
Deferred tax liabilities	10	(436)	(490)
		<b>(19,129)</b>	<b>(3,961)</b>
<b>Total liabilities</b>		<b>(57,841)</b>	<b>(30,813)</b>
<b>Net assets</b>		<b>42,730</b>	<b>96,222</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	25	4,321	5,740
Share premium		1,369	1,369
Shares to be issued		48,597	48,597
Capital redemption reserve		51,928	50,509
Other reserves		(124,465)	(55,658)
Cumulative translation reserve		(5,395)	(2,895)
Retained earnings		66,375	48,560
<b>Total equity</b>		<b>42,730</b>	<b>96,222</b>

These financial statements were approved by the Board of Directors on 14 March 2011 and were signed on its behalf by:

**TA Fleming**  
Director

# Consolidated Statement of Cash Flow

for the year ended 31 December 2010

	Notes	2010 US\$000	2009 US\$000
Profit for the year		25,257	24,588
Adjustments for:			
Income tax expense	10	13,329	11,682
Finance income	8	(919)	(708)
Finance expenses	9	438	3
Depreciation of property, plant & equipment	12	2,446	2,479
Amortisation of intangible assets	14,15	1,229	959
Loss on disposals of fixed assets	12	-	42
Gain on disposals of available-for-sale financial assets		(449)	-
Other operating income		(161)	-
Share based payment charges	7	433	478
Share of post-tax profit of associate	16	(426)	(468)
<b>Operating cash flows before movements in working capital and provisions</b>		<b>41,177</b>	<b>39,055</b>
Increase in trade and other receivables		(3,935)	(6,442)
Increase in trade and other payables		4,860	1,185
Decrease in provisions	24	(216)	(393)
<b>Cash generated by operations</b>		<b>41,886</b>	<b>33,405</b>
Interest paid		(298)	(3)
Income tax paid		(12,004)	(10,091)
<b>Net cash generated by operating activities</b>		<b>29,584</b>	<b>23,311</b>
<b>Cash flows from investing activities</b>			
Interest received		558	562
Purchases of property, plant & equipment and other assets	12,15	(2,549)	(792)
Acquisition		-	(1,000)
Development expenditure	14	(736)	(874)
Dividends received from associate	16	485	387
Purchases of available-for-sale financial assets		-	(15,940)
Redemption of available-for-sale financial assets		17,612	15,951
<b>Net cash generated/(used) in investing activities</b>		<b>15,370</b>	<b>(1,706)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	11	(8,623)	(4,721)
Appropriations under the Exchange Rights Agreement	11	(1,682)	(919)
Purchase of own shares into treasury		(321)	(3,273)
Issue of own shares from treasury		1,352	604
Shares repurchase - tender offer		(68,807)	-
New bank loans raised		20,219	-
<b>Net cash used in financing activities</b>		<b>(57,862)</b>	<b>(8,309)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(12,908)</b>	<b>13,296</b>
Cash and cash equivalents at the beginning of the year		34,261	20,179
Effect of exchange rate fluctuations on cash held in foreign currencies		331	786
<b>Cash and cash equivalents at the end of the year</b>	20	<b>21,684</b>	<b>34,261</b>

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2010

	Share capital US\$000	Share premium US\$000	Shares to be issued US\$000	Capital redemption reserve US\$000	Other reserves US\$000	Cumulative translation reserve US\$000	Retained earnings US\$000	Total US\$000
At 1 January 2010	5,740	1,369	48,597	50,509	(55,658)	(2,895)	48,560	96,222
Total comprehensive income for the year	-	-	-	-	-	(2,500)	25,057	22,557
Transactions with owners								
- Dividends and appropriations	-	-	-	-	-	-	(10,305)	(10,305)
- Employee share options								
charge for the period	-	-	-	-	-	-	433	433
income tax	-	-	-	-	-	-	125	125
deferred tax	-	-	-	-	-	-	1,474	1,474
- Treasury shares								
purchase of shares	-	-	-	-	-	-	(321)	(321)
issue of shares	-	-	-	-	-	-	1,352	1,352
- Tender offer								
purchase and cancellation of ordinary shares	(1,419)	-	-	1,419	(58,125)	-	-	(58,125)
cancellation of shares in terms of the ERA	-	-	-	-	(10,682)	-	-	(10,682)
<b>At 31 December 2010</b>	<b>4,321</b>	<b>1,369</b>	<b>48,597</b>	<b>51,928</b>	<b>(124,465)</b>	<b>(5,395)</b>	<b>66,375</b>	<b>42,730</b>

	Share capital US\$000	Share premium US\$000	Shares to be issued US\$000	Capital redemption reserve US\$000	Other reserves US\$000	Cumulative translation reserve US\$000	Retained earnings US\$000	Total US\$000
At 1 January 2009	5,740	1,369	48,597	50,509	(55,658)	(3,398)	31,430	78,589
Total comprehensive income for the year	-	-	-	-	-	503	24,469	24,972
Transactions with owners								
- Dividends and appropriations	-	-	-	-	-	-	(5,640)	(5,640)
- Employee share options								
charge for the period	-	-	-	-	-	-	478	478
income tax	-	-	-	-	-	-	684	684
deferred tax	-	-	-	-	-	-	(192)	(192)
- Treasury shares								
purchase of shares	-	-	-	-	-	-	(3,273)	(3,273)
issue of shares	-	-	-	-	-	-	604	604
<b>At 31 December 2009</b>	<b>5,740</b>	<b>1,369</b>	<b>48,597</b>	<b>50,509</b>	<b>(55,658)</b>	<b>(2,895)</b>	<b>48,560</b>	<b>96,222</b>

Other Reserves comprise the Merger Reserve which arose from the group restructuring in 2004 and the Other Reserves which arose from the tender offer in June 2010.

# Notes to the Financial Statements

for the year ended 31 December 2010

## 1. Reporting entity

Dealogic (Holdings) plc (the 'Company') is a company domiciled in the United Kingdom. The address of the Company's registered office is Thanet House, 231–232 Strand, London WC2R 1DA. The consolidated financial statements of the Company as at and for the year ended 31 December 2010 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in associates. Dealogic provides investment banks globally with a management platform comprising sophisticated technology, unique content and professional support. The platform helps optimize performance by improving strategy, competitiveness, productivity and execution. Dealogic works in partnership with every major investment bank in the world to help them better understand their clients and the competitive landscape so they can allocate resources and execute deals more effectively. Dealogic has over 25 years experience and a particular focus in capital markets origination, syndication, investment banking coverage, and strategy with every one of the top 50 banks in the world utilizing the management platform.

## 2. Accounting policies

### Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

Dealogic (Holdings) plc's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ('adopted IFRS'), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, except in the case of available-for-sale financial assets which are measured at fair value. The Company has elected to prepare its parent company financial statements in accordance with UK GAAP; these are presented on pages 47 to 52.

The preparation of financial statements with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The Company has considerable financial resources relative to its requirements and has contracts with customers across different geographic areas. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully, despite some uncertainty about the current economic outlook. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they have continued to adopt the going concern basis in preparing these annual financial statements.

All financial information presented in US Dollars has been rounded to the nearest thousand.

### 2.2 Significant accounting policies

#### 2.2.1 Basis of consolidation

The consolidated financial statements include those of Dealogic (Holdings) plc and all of its subsidiary undertakings, and the group's share of post-tax results of associates.

Subsidiary undertakings are those entities controlled directly or indirectly by the Company. The results of subsidiaries acquired or sold are included in the consolidated Statement of Comprehensive Income from the date of acquisition or up to the date of disposal respectively, using the same accounting policies as those of the group. All business combinations are accounted for using the purchase method.

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

Associates are those entities in which the group has significant influence but not control over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power of another entity.

All intra-group balances and transactions, including any unrealised income and expense arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity invested investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### 2.2.2 Intangible assets

All intangible assets, except goodwill, are stated at cost less accumulated amortisation and any accumulated impairment losses. Goodwill is not amortised and is stated at cost less any accumulated impairment losses.

### **Goodwill**

Goodwill arose on the effective acquisition of a non-controlling interest in a subsidiary as a result of entering into the Exchange Rights Agreement (ERA) (see notes 3 and 28) and represents the excess of the cost of the additional investment over the fair value of the non-controlling share of the subsidiary's net assets at the date of the exchange.

Goodwill previously written off directly to equity under UK GAAP prior to 1 July 1998 has not been reinstated nor is it recycled to the Statement of Comprehensive Income on the disposal of the business to which it relates.

### **Development costs**

Capitalised development costs relate to the development of new products once the group has determined that:

- the product is technically and commercially feasible;
- the project is clearly defined and related expenditure is separately identifiable;
- current and future costs are expected to be exceeded by future sales;
- the group has the intention and ability to complete the intangible asset and use or sell it; and
- adequate resources exist for the product to be completed.

The expenditure capitalised includes the cost of materials, direct labour and overheads directly attributable to preparing the asset for its intended use.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised development costs are amortised on a straight line basis over the period that prudently simulates the flow of revenues from a typical product, currently considered to be 3 years. At the close of each fiscal year products are reviewed for any impairment. Where the expected contribution to be made by a product does not exceed the expected total cost of development an impairment provision is made.

### **Other intangible assets**

Intangible assets purchased separately, such as software licences that do not form an integral part of related hardware, are capitalised at cost and amortised over their useful economic life of one to five years. Intangible assets acquired through a business combination are initially measured at fair value and then amortised over their useful economic lives.

## **2.2.3 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset into use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated on a straight-line basis so as to write down the assets to their estimated residual value over their useful economic lives, at the following rates:

Leasehold improvements	-	period of the lease
Computer equipment	-	3 years
Fixtures and fittings	-	3 years

## **2.2.4 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as property, plant and equipment at an amount equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments at the inception of the lease, and then depreciated over their useful economic lives. Lease payments are apportioned between the repayment of capital and interest. The capital element of future lease payments is included in the Statement of Financial Position as a liability. Interest is charged to the Statement of Comprehensive Income so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. Operating lease incentives are recognised as a reduction in the rental expense over the lease term.

## **2.2.5 Impairment of non-financial assets**

Goodwill is allocated to cash-generating units for the purposes of impairment testing. The recoverable amount of the cash-generating unit ('CGU') to which the goodwill relates is tested annually for impairment or when events or changes in circumstances indicate that it might be impaired.

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 2. Accounting policies (continued)

### 2.2.5 Impairment of non-financial assets (continued)

The carrying values of property, plant and equipment, investments and intangible assets other than goodwill are reviewed for impairment only when events indicate the carrying value may be impaired.

In an impairment test the recoverable amount of the cash-generating unit or asset is estimated in order to determine the existence or extent of any impairment loss. The recoverable amount is the higher of fair value less costs to sell and the value in use to the group. An impairment loss is recognised to the extent that the carrying value exceeds the recoverable amount. In determining a cash-generating unit's or asset's value in use, 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 risks specific to the cash-generating unit or asset that have not already been included in the estimate of future cash flows. All impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss in respect of goodwill is not reversed. In the case of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. These impairment losses are reversed if there has been any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent so that the asset's carrying amount does not exceed the carrying value that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.2.6 Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on estimated future cash flows of that asset.

### 2.2.7 Financial instruments

Financial assets and liabilities are recognised in the group's Statement of Financial Position when the group becomes a party to the contracted provision of the instrument. The following policies for financial instruments have been applied in the preparation of the consolidated financial statements.

#### **Cash and cash equivalents**

For the purpose of preparation of the Statement of Cash Flow, cash and cash equivalents include cash at bank and in hand, and short-term deposits with an original maturity period of three months or less.

#### **Bank borrowings**

Interest-bearing bank loans are recorded at the proceeds received. Direct issue costs paid on the establishment of loan facilities are recognised as transactions costs and are charged to the Consolidated Statement of Comprehensive Income.

#### **Interest rate swaps**

The fair value of these financial instruments is recognised in the financial statements. Any gain or loss on the instrument is recognised directly in the Consolidated Statement of Comprehensive Income.

#### **Available for sale financial assets**

Under the general recognition principle in IAS39 all transactions are accounted for on trade date. The assets are measured at fair value and changes in the value of the instrument between trade date and settlement date are recognised directly in equity. When the asset is derecognised the cumulative fair value changes are recycled from equity to the Statement of Comprehensive Income. Foreign currency differences and impairment losses are recognised directly in the Statement of Comprehensive Income.

#### **Trade and other receivables**

Trade and other receivables are stated at amounts receivable less any allowance for the expected future issue of credit notes and for non-recoverability due to credit risk.

#### **Trade payables**

Trade payables are non interest bearing and are stated at their amortised cost.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### **Repurchase of share capital (treasury shares)**

When share capital recognised as equity is repurchased either directly by the company or by an employee benefit trust, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. These repurchased shares are classified as treasury shares and are presented as a deduction from total equity, and excluded from the number of shares in issue when calculating earnings per share. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

### 2.2.8 Taxation

Income tax expense comprises current and deferred tax.

Current tax, which includes appropriations paid to the non-controlling interests in respect of Dealogic LLC's tax, is recognised based on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted by the end of reporting period.

Deferred tax is provided on temporary differences that arise between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding tax values. Liabilities are recorded on all temporary differences except in respect of the initial recognition of goodwill and in respect of investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the group and it is probable that it will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be offset. Deferred tax is measured on an undiscounted basis using the tax rates and laws that have been enacted or substantively enacted by the end of reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, they relate to income taxes levied by the same tax authority and the group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax are recognised in the Statement of Comprehensive Income, except when the tax relates to items charged or credited directly to equity such as deferred tax in respect of share based payments vested before 1 January 2006, in which case the tax is also dealt with directly in equity.

### 2.2.9 Provisions

Provisions are recognised when the group has a present obligation as a result of a past event, it is probable that the group will be required to settle that obligation, and it can be measured reliably. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the date of Statement of Financial Position.

Where the time value of money is material, provisions are measured at the present value of expenditures expected to be paid in settlement.

A provision for the reinstatement and repair of leasehold premises, equal to the estimated eventual cost of these items, is established over the period of the lease when the group, as lessee, is obliged to reinstate the premises to their original condition at the end of the lease term.

### 2.2.10 Earnings per share

The group presents basic and diluted earnings per share (EPS) data for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (being the profit or loss for the period) by the weighted average number of ordinary shares (which includes shares to be issued under the ERA) but excludes shares held in treasury or by an Employee Share Trust. Diluted EPS is determined using the same profit or loss as for basic EPS and adjusting the weighted average number of ordinary shares for the dilutive effects of share options granted to employees.

### 2.2.11 Foreign currencies

The Company's functional and presentational currency is the US dollar. Items included in the separate financial statements of each group entity are measured in the functional currency of that entity. Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rates of exchange prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates of exchange prevailing at the end of the reporting period. Exchange gains and losses arising are charged or credited to the Statement of Comprehensive Income within finance income or expenses. The Statement of Comprehensive Income and Statement of Financial Position of foreign entities are translated into US dollars on consolidation at the average rates for the period and the rates prevailing at the end of the reporting period respectively. Exchange gains and losses arising on the translation of the group's net investment in foreign entities are recognised as a separate component of shareholders' equity. On disposal of a foreign entity, the cumulative translation differences are recycled to the Statement of Comprehensive Income and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rates prevailing at the end of the reporting period. Available-for-sale financial assets are translated at the rate prevailing at the period end date and are included in the equity. Sterling denominated share capital and related share premium and reserve accounts are recorded at the historic exchange rate at the time the shares were issued or the equity created.

### 2.2.12 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the group's activities. Revenue is shown net of discounts, value-added tax, other sales related taxes and after the elimination of sales within the group.

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 2. Accounting policies (continued)

### 2.2.12 Revenue recognition (continued)

Revenue comprises subscriptions and transaction fees, and fees for related services. Revenue from subscription services and software licenses is recognised evenly over the period of the subscription/license. Where transaction fees relate to a customer's investment banking transaction, revenue is recognised when the customer's transaction completes. Other transaction fees are recognised as revenue on delivery of the related service.

### 2.2.13 Segment reporting

The group determines and presents operating segments based on the information that is provided internally to the Board of Directors, which is the group's chief operating decision maker. The accounting policy in respect of segment operating disclosures is presented as follows:

The group considers that it has three reportable segments, Europe, Middle East and Africa (EMEA); Americas; and Asia. These are consistent with the primary segments previously reported under IAS 14 "Segment Reporting".

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's results are reviewed regularly by the Board of Directors to assess its performance and make decisions about resources to be allocated to the segment, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated to a segment on a reasonable basis.

### 2.2.14 Employee benefits

#### **Retirement benefits**

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

#### **Share-based payments**

The share option programme allows employees to acquire shares of the Company. The fair value of options granted after 7 November 2002 and not vested as at 1 January 2006 is recognised as an employee expense, with a corresponding increase in equity, resulting in no net change to equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The cost of shares held by the Employee Share Trust is treated as a deduction from equity.

#### **Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **Short-term compensated absences**

A liability for short-term compensated absences, such as holiday, is recognised for the amount the group may be required to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

### 2.2.15 Dividends and appropriations

Dividends and equivalent appropriations under the Exchange Rights Agreement are recognised in the period in which they are approved by the Company's shareholders. Interim dividends and appropriations are recognised when paid and no longer at the discretion of the Company. Dividends and appropriations that do not meet these criteria are disclosed in the notes to the financial statements but are not recognised as a liability.

## 2.3 New standards, amendments and interpretations not yet adopted

The IASB and IFRIC have issued the following standards and interpretations that have been endorsed by the European Union with an effective date after the date of these financial statements and have not been applied in preparing these consolidated financial statements:

IFRS 9 "Financial instruments" is not applicable until 1 January 2013. This standard is the first step in the process to replace IAS39, "Financial instruments: recognition and measurement". IFRS 9 introduces new requirements for classifying and measuring financial assets and may not have any impact on the Company or consolidated financial statements.

Revised IAS 24 "Related party disclosures" is mandatory for periods beginning on or after 1 January 2011. The revised standard clarifies and simplifies the definition of a related party. The group is currently putting systems in place to capture the necessary information.

Amendment to IAS 32 "Classification of rights issues" is applicable to annual periods beginning on or after 1 February 2010. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. It is not expected to have any impact on the company or consolidated financial statements.

IFRIC 19 "Extinguishing financial liabilities with equity instruments" is effective from 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It is not expected to have any impact on the company or consolidated financial statements.

Amendments to IFRIC 14 "Prepayment of minimum funding requirement" are applicable for annual periods beginning 1 January 2011. The amendments correct an unintended consequence of IFRIC 14, IAS – the limit on defined benefit assets, minimum funding requirements and their interaction. It is not expected to have any impact on the company or consolidated financial statements.

### 3. Critical accounting judgements and estimates

In preparing the consolidated financial statements, the directors are required to make judgements in applying the group's accounting policies and in making estimates and assumptions about the future. These estimates and assumptions could have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the future financial periods. The critical judgements that have been made in arriving at the amounts recognised in the consolidated financial statements are discussed below.

#### ***Critical accounting judgements:***

#### 3.1 Exchange Rights Agreement

Mr T Fleming holds an effective 25% non-controlling interest in Dealogic LLC (the 'LLC'), the principal operating subsidiary of the Company in the USA. The Company, the LLC and Mr Fleming have entered into an Exchange Rights Agreement ('ERA') under which Mr Fleming and the Company can each elect to exchange Mr Fleming's holding in the LLC at any point in the future for 9,083,748 (2009: 12,346,842) Ordinary Shares in the Company. In accordance with IAS 27 (revised) and IAS 32 the ERA arrangements are accounted for as the acquisition of the 25% non-controlling interest in the LLC for a consideration of 9,083,748 (2009: 12,346,842) shares to be issued. Appropriations paid to Mr Fleming in respect of LLC tax are treated as an income tax expense by the group and the shares to be issued are included in the basic average number of shares in issue for the purposes of calculating earnings per share. Dividend-equivalent appropriations are presented in a manner equivalent to dividends of the Company. Further details of the ERA are provided in note 28.

#### 3.2 Capital Data Limited

The group has a 50% equity interest in Capital Data Limited ('CDL') a Company incorporated in 1996. Euromoney Institutional Investor PLC ('Euromoney') owns the other 50% of the ordinary shares in CDL. Both the group and Euromoney are entitled to receive license fees from CDL and the group is solely responsible for and entitled to 100% of CDL's profits or losses after tax. CDL was established for the specific purpose of enabling Dealogic to combine the bond and loan databases owned by Euromoney with the group's software products. CDL's products (and those of Dealogic's successor products which use the CDL databases) are an integral part of Dealogic's platform. CDL is not an operating entity, it is a vehicle through which the revenue and costs of products in which the databases are incorporated are channelled for the narrow purpose of preserving Euromoney's legal title and rights to licence fees. Through its entitlement to 100% of CDL's profits, Dealogic has the right to obtain a majority of the benefits of CDL's activities and is exposed to a majority of the risks. Accordingly, following the guidance of SIC Interpretation 12, CDL is treated as a wholly owned subsidiary of the group.

#### 3.3 Employee Share Trust

In January 2008 an employee benefit trust, the Dealogic Employee Share Trust ('the EST') was established. The EST is independent of the company. The assets of the EST are held on trust for the benefit of all or any one or more of the employees of the group. The EST has independent trustees. In the exercise of any of their powers, the trustees shall consult with the company's remuneration committee and may, in their absolute discretion, implement any recommendations made to them by the remuneration committee as they shall think fit. The EST was established to accomplish the narrow and well defined objective of providing benefits to employees of the group, in particular the provision of ordinary shares in the Company in satisfaction of the exercise of share options. Accordingly, following the guidance of SIC Interpretation 12, the EST is treated as a wholly owned subsidiary of the group.

#### ***Critical estimates:***

#### 3.4 Income taxes

In recognising income tax assets and liabilities, management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the final outcome of such matters is different, or expected to be different, from previous assessments made by management, a change to the carrying

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 3. Critical accounting judgements and estimates (continued)

### 3.4 Income taxes (continued)

value of income tax assets and liabilities will be recorded in the period in which such determination is made. The carrying values of income tax assets and liabilities are disclosed separately in the consolidated Statement of Financial Position.

### 3.5 Share options

Share options are granted on a discretionary basis and vest after a period of service. The fair value of options granted is determined using a Black-Scholes valuation model. The significant inputs into the model are share price at grant date, exercise price, expected option life, dividend yield and the risk free rate. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices.

## 4. Operating segments

The group has adopted the "management approach" in identifying the operating segments as outlined in IFRS 8. Management has analysed the information that the Chief Operating Decision Maker reviews and has concluded that the operating segments should reflect the geographic split of the business.

The group has three reportable segments: Europe, Middle East and Africa (EMEA); Americas; and Asia. The income tax expense for the full year 2009 has been reallocated to reflect the tax expenses associated with the Hong Kong branch.

For the year ended 31 December 2010

	EMEA US\$000	Americas US\$000	Asia US\$000	Total US\$000
<b>Revenue</b>	33,025	54,876	15,651	103,552
Depreciation and amortisation	(1,245)	(2,292)	(138)	(3,675)
Operating costs	(27,850)	(25,161)	(9,636)	(62,647)
Contribution	3,930	27,423	5,877	37,230
Inter-segment revenue/(costs)	13,116	(11,142)	(1,974)	-
<b>Operating profit</b>	17,046	16,281	3,903	37,230
Finance income	1,353	6	9	1,368
Finance expenses	(403)	(31)	(4)	(438)
Share of post-tax profit of associate	426	-	-	426
<b>Profit before income tax</b>	18,422	16,256	3,908	38,586
Income tax expense	(4,707)	(7,444)	(1,178)	(13,329)
<b>Profit for the year</b>	13,715	8,812	2,730	25,257
<b>Reportable segment total assets</b>	51,505	43,587	5,479	100,571
<b>Reportable segment total liabilities</b>	(38,109)	(17,829)	(1,903)	(57,841)

For the year ended 31 December 2009

	EMEA US\$000	Americas US\$000	Asia US\$000	Total US\$000
<b>Revenue</b>	30,968	51,263	10,544	92,775
Depreciation and amortisation	(1,135)	(2,188)	(115)	(3,438)
Operating costs	(22,972)	(23,247)	(8,021)	(54,240)
Contribution	6,861	25,828	2,408	35,097
Inter-segment revenue/(costs)	9,914	(10,471)	557	-
<b>Operating profit</b>	16,775	15,357	2,965	35,097
Finance income	700	16	(8)	708
Finance expenses	-	-	(3)	(3)
Share of post-tax profit of associate	468	-	-	468
<b>Profit before income tax</b>	17,943	15,373	2,954	36,270
Income tax expense	(4,250)	(6,553)	(879)	(11,682)
<b>Profit for the year</b>	13,693	8,820	2,075	24,588
<b>Reportable segment total assets</b>	80,530	44,077	2,428	127,035
<b>Reportable segment total liabilities</b>	(23,064)	(7,363)	(386)	(30,813)

Group revenue includes all of the top 10 global investment banks, none of which represent more than 10% of total revenue (2009: 1). There are no reconciling items between figures presented above and the primary financial statements.

## 5. Operating profit

	2010 US\$000	2009 US\$000
Operating profit is stated after charging:		
Amortisation of developed software	603	359
Amortisation of software and databases	626	600
Depreciation of property, plant and equipment	2,446	2,479
Losses on disposal of fixed assets	–	42
Tender offer and bank fees	1,135	–
Acquisition costs	–	1,000
Operating lease costs – land & buildings	3,997	3,813
Share based payments	433	478

## 6. Auditor's remuneration

	2010 US\$000	2009 US\$000
Audit of these financial statements	217	199
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	39	40
Additional services in respect of prior year	12	11
Other services relating to taxation	245	217
All other services	21	37

## 7. Staff numbers and costs

The average number of employees (including directors) during the year was:

	2010 No.	2009 No.
Programmers & Researchers	223	249
Sales & Support	154	139
Central Services & Management	80	72
	457	460

Their aggregate remuneration costs comprised:

	2010 US\$000	2009 US\$000
Salaries, wages and incentives	42,720	37,591
Social security costs	2,964	2,786
Pension contributions	1,171	1,152
Share-based payments	433	478
Short-term compensated absences	(70)	(92)
	47,218	41,915

An amount of US\$3,020,000 relating to temporary staff contractors is included within salaries, wages and incentives.

Directors' emoluments were US\$3,238,000 (2009: US\$2,421,000), of which the highest paid director received US\$1,005,000 (2009: US\$971,000). Contributions of US\$73,000 (2009: US\$52,000) were paid on behalf of the directors to money purchase pension schemes, including US\$10,000 (2009: US\$10,000) in respect of the highest paid director. No options (2009: no options) were exercised by the directors, therefore no gains (2009: no gains) on exercise were made. Details of directors' remuneration are set out in the Remuneration Report on pages 15 to 17.

Key management remuneration (including directors) was:

	2010 US\$000	2009 US\$000
Salaries, wages and incentives	5,937	5,025
Pension contributions	149	137
Share-based payments	248	294
Short-term compensated absences	5	6
	6,339	5,462

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 7. Staff numbers and costs (continued)

There are 16 employees (including directors) defined as being key management for 2010 (2009: 13). Key management are defined as being members of the executive committee and other staff with a significant cross-group role.

## 8. Finance income

	2010 US\$000	2009 US\$000
Interest on short-term bank deposits	168	285
Interest on available-for-sale financial assets	55	344
Gains on disposal of available-for-sale financial assets	449	-
Exchange gains	696	79
	<b>1,368</b>	<b>708</b>

## 9. Finance expenses

	2010 US\$000	2009 US\$000
Bank interest payable	(35)	(3)
Bank loan interest payable	(343)	-
Unrealised loss on interest rate swap	(60)	-
	<b>(438)</b>	<b>(3)</b>

## 10. Income tax expenses

### 10.1 The tax charge comprises:

	2010 US\$000	2009 US\$000
<b>Current tax</b>		
UK Corporation tax	6,588	8,436
Double tax relief	(664)	(2,817)
	<b>5,924</b>	<b>5,619</b>
Foreign tax	8,769	7,904
	<b>14,693</b>	<b>13,523</b>
<b>Adjustments in respect of prior years</b>		
UK tax	(577)	(846)
Foreign tax	(320)	(198)
	<b>(897)</b>	<b>(1,044)</b>
<b>Total current tax</b>	<b>13,796</b>	<b>12,479</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences		
<b>Current year</b>		
UK tax	(233)	(118)
Foreign tax	(723)	(569)
	<b>(956)</b>	<b>(687)</b>
<b>Adjustments in respect of prior years</b>		
UK tax	13	(13)
Foreign tax	476	(97)
	<b>489</b>	<b>(110)</b>
<b>Total deferred tax</b>	<b>(467)</b>	<b>(797)</b>
<b>Total tax on profit on ordinary activities</b>	<b>13,329</b>	<b>11,682</b>

Foreign tax includes US\$2,901,000 (2009: US\$2,654,000) of ERA tax (see note 28).

- 10.2 The difference between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is shown below.

	2010 US\$000	2009 US\$000
<b>Group profit on ordinary activities before tax</b>	<b>38,586</b>	36,270
<b>Less: Share of post-tax profit of associate</b>	<b>(426)</b>	(468)
	<b>38,160</b>	35,802
Tax on group profit on ordinary activities at the standard UK corporation tax rate of 28.0% (2009: 28.0%)	<b>10,685</b>	10,025
Effects of:		
Expenses that are not deductible in determining taxable profits	<b>324</b>	313
Tax rates of subsidiaries operating in other jurisdictions	<b>2,919</b>	2,649
Change in tax rates	<b>1</b>	9
Other timing differences	<b>(192)</b>	(160)
Adjustment to current and deferred tax in respect of prior periods	<b>(408)</b>	(1,154)
<b>Total tax charge for the year recognised in the consolidated statement of comprehensive income</b>	<b>13,329</b>	11,682

10.3 Deferred tax

	2010 US\$000	2009 US\$000
<b>Deferred tax assets</b>		
Deferred tax asset to be recovered in less than 12 months	<b>1,090</b>	905
Deferred tax asset to be recovered after more than 12 months	<b>2,789</b>	1,015
	<b>3,879</b>	1,920
<b>Deferred tax liabilities</b>		
Deferred tax liability to be recovered after more than 12 months	<b>(436)</b>	(490)
<b>Net deferred tax asset</b>	<b>3,443</b>	1,430

This is analysed below:

Asset	Unrealised gains on available-for-sale assets		Employee benefits	Lease incentives	Property, plant & equipment	Accrued expense	Provisions	Total
	US\$000	US\$000						
<b>1 January 2009</b>	(125)	427	1,147	(1,239)	399	314	923	
Transfer (Charged)/credited to statement of comprehensive income	125	-	-	-	-	-	125	
Charged/(credited) to equity	-	275	(54)	674	(34)	116	977	
<b>1 January 2010</b>	-	(171)	-	64	1	1	(105)	
<b>1 January 2010</b>	-	531	1,093	(501)	366	431	1,920	
(Charged)/credited to statement of comprehensive income	-	218	(89)	38	214	133	514	
Charged/(credited) to equity	-	1,437	-	(7)	22	(7)	1,445	
<b>31 December 2010</b>	-	<b>2,186</b>	<b>1,004</b>	<b>(470)</b>	<b>602</b>	<b>557</b>	<b>3,879</b>	

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 10. Income tax expenses (continued)

### 10.3 Deferred tax (continued)

Liability	Capitalised development costs US\$000	Unrealised gains on available- for-sales assets US\$000	Total US\$000
<b>1 January 2009</b>	(209)	-	(209)
Transfer from assets	-	(125)	(125)
Charged to statement of comprehensive income	(180)	-	(180)
Credited to equity	-	24	24
<b>1 January 2010</b>	(389)	(101)	(490)
Charged to statement of comprehensive income	(47)	-	(47)
Credited to equity	-	101	101
<b>31 December 2010</b>	<b>(436)</b>	<b>-</b>	<b>(436)</b>

There are no unrecognised deferred tax assets or liabilities.

## 11. Dividends and appropriations

The payments during the year are detailed below:

	Dividend per share pence	Dividend per share cents	Dividend value US\$000	Appropriation value US\$000
2008 Final dividend paid on 13 May 2009	3.1	4.3	2,766	536
2009 Interim dividend paid on 2 November 2009	1.9	3.1	1,955	383
<b>Recognised in 2009</b>	<b>5.0</b>	<b>7.4</b>	<b>4,721</b>	<b>919</b>
2009 Second interim dividend paid on 1 April 2010	7.5	11.3	7,187	1,401
2010 Interim dividend paid on 1 November 2010	2.0	3.1	1,436	281
<b>Recognised in 2010</b>	<b>9.5</b>	<b>14.4</b>	<b>8,623</b>	<b>1,682</b>

The directors propose a final dividend of 10.7 pence, 17.3 cents (2009 second interim dividend: 7.5 pence, 11.3 cents) in respect of the 2010 financial year be paid on 11 May 2011 to shareholders on the register on 15 April 2011. This dividend has not been included as a liability in these financial statements. At the same date a proportionate payment will be made in respect of the dividend element of the appropriation under the terms of the Exchange Rights Agreement. These payments, amounting to US\$8,008,000 and US\$1,571,000 respectively, will be accounted for when paid.

## 12. Property, plant and equipment

	Leasehold improvements US\$000	Computer equipment US\$000	Fixtures and fittings US\$000	Total US\$000
<b>Cost</b>				
At 1 January 2010	5,140	4,911	3,397	13,448
Additions	690	1,473	47	2,210
Disposals	(227)	(15)	-	(242)
Exchange movements	(63)	(33)	(26)	(122)
<b>At 31 December 2010</b>	<b>5,540</b>	<b>6,336</b>	<b>3,418</b>	<b>15,294</b>
<b>Depreciation</b>				
At 1 January 2010	1,640	3,524	2,361	7,525
Charge for year	555	1,086	805	2,446
Disposals	(227)	(15)	-	(242)
Exchange movements	(33)	(8)	(21)	(62)
<b>At 31 December 2010</b>	<b>1,935</b>	<b>4,587</b>	<b>3,145</b>	<b>9,667</b>
<b>Net book value</b>				
<b>At 31 December 2010</b>	<b>3,605</b>	<b>1,749</b>	<b>273</b>	<b>5,627</b>

	Leasehold improvements US\$000	Computer equipment US\$000	Fixtures and fittings US\$000	Total US\$000
<b>Cost</b>				
At 1 January 2009	4,873	4,364	4,006	13,243
Additions	94	635	6	735
Disposals	(55)	(244)	(773)	(1,072)
Exchange movements	228	156	158	542
At 31 December 2009	5,140	4,911	3,397	13,448
<b>Depreciation</b>				
At 1 January 2009	1,021	2,565	2,165	5,751
Charge for year	533	1,114	832	2,479
Disposals	(23)	(234)	(773)	(1,030)
Exchange movements	109	79	137	325
At 31 December 2009	1,640	3,524	2,361	7,525
<b>Net book value</b>				
At 31 December 2009	3,500	1,387	1,036	5,923
At 1 January 2009	3,852	1,799	1,841	7,492

The group held no assets under finance leases or hire purchase contracts as at 31 December 2010. (2009: none).

### 13. Goodwill

Goodwill arose on 5 May 2004 as a result of a commitment by the Directors to issue shares to the non-controlling shareholder of Dealogic LLC under the Exchange Rights Agreement (see notes 3 and 28).

	2010 US\$000	2009 US\$000
<b>Carrying Value at 1 January and 31 December</b>	<b>42,196</b>	42,196

The carrying amounts of goodwill by CGU are as follows:

	2010 US\$000	2009 US\$000
EMEA	20,393	20,393
Americas	21,803	21,803
<b>Total</b>	<b>42,196</b>	42,196

#### Goodwill impairment tests

The group conducts annual impairment tests on the carrying value of goodwill, based on the recoverable amount of CGUs to which the goodwill has been allocated. The recoverable amounts of CGUs are determined from value in use calculations. The key assumptions in the value in use calculations are the discount rates applied, the long-term operating margin and the long-term growth rate of net operating cash flows.

In all cases, the approved budget for the following financial year formed the basis for the cash flow projections for a CGU. The approved cash flow projections in the two financial years following the budget year reflect management's expectations of the medium-term operating performance of the CGU and growth prospects in the CGU's market.

Each CGU was assessed to have a value in use in excess of their respective carrying value and hence no adjustments to goodwill were considered necessary. Management has performed a sensitivity analysis through downgrading expected profits and increasing the discount rates used in the calculations. The results showed that no adjustments were again considered necessary.

The key assumptions used in the latest value in use calculations were:

- the UK post-tax discount rate was based on the weighted average cost of capital of 7.1% (2009: 9.2%),
- the US post-tax discount rate was based on the weighted average cost of capital of 7.5% (2009: 8.8%),
- the discount rates above represent rates of market participants, relevant for each CGU and adjusted for specific risks,

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 13. Goodwill (continued)

- the pre-tax cash flows were derived from approved budgets for the 2011 financial year and forecasts for 2012 and 2013. Management believes these budgets and forecasts to be reasonably achievable, subject to unforeseen changes in market conditions,
- cash flow growth in subsequent years has been estimated at 0% in perpetuity,
- no sensitivity analysis is disclosed as the Company expects no foreseeable changes in the assumptions that would result in impairment of the goodwill.

## 14. Capitalised development costs

	2010 US\$000	2009 US\$000
<b>Cost</b>		
At 1 January	3,391	2,517
Additions - internally developed	736	874
Disposals	(194)	-
At 31 December	3,933	3,391
<b>Amortisation</b>		
At 1 January	2,286	1,927
Charge for year	603	359
Disposals	(194)	-
At 31 December	2,695	2,286
<b>Net book value</b>		
At 31 December	1,238	1,105
At 1 January	1,105	590

## 15. Other intangible assets

### Computer software and databases

	2010 Databases US\$000	2010 Software US\$000	2010 Total US\$000	2009 Total US\$000
<b>Cost</b>				
At 1 January	495	1,945	2,440	1,318
Additions	-	339	339	67
Acquisition	-	-	-	990
Exchange movements	-	(16)	(16)	65
At 31 December	495	2,268	2,763	2,440
<b>Amortisation</b>				
At 1 January	179	1,383	1,562	929
Charge for year	193	433	626	243
Acquisition	-	-	-	357
Exchange movements	-	(15)	(15)	33
At 31 December	372	1,801	2,173	1,562
<b>Net book value</b>				
At 31 December	123	467	590	878
At 1 January	316	562	878	389

## 16. Investments in subsidiaries and associates

### 16.1 Interests in associate undertakings

	2010 US\$000	2009 US\$000
<b>Cost at beginning and end of year</b>	-	-
<b>Share of post acquisition reserves</b>		
At 1 January	339	216
Dividend received	(485)	(387)
Share of profit	426	468
Exchange movements	(17)	42
<b>At 31 December</b>	<b>263</b>	<b>339</b>

Summary financial information of the associate, not adjusted for the percentage ownership held by the group:

	2010 US\$000	2009 US\$000
Revenue	2,870	3,083
Costs	(1,989)	(2,116)
Net profit	881	967
Current assets	881	938
Current liabilities	(337)	(238)
Net assets	544	700

- 16.2 The principal undertakings in which the group's interest at the year end is more than 20%, all of which have the provision of communications and specialised data as their principle activity, are as follows:

	Country of incorporation	Percentage of ordinary shares held
<b>Subsidiary undertakings</b>		
Dealogic Limited	England & Wales	100%
Dealogic LLC (*)	USA	75%
Capital Data Limited (*)	England & Wales	50%
Capital Markets Data Limited (*)	England & Wales	100%
Investor Profiles, LLC (*)	USA	100%
Dealogic Hungary Kft. (*)	Hungary	100%
<b>Associate undertakings</b>		
Capital Net Limited (*)	England & Wales	48%

Companies marked with a (\*) are held indirectly by the Company.

The group has an effective 100% interest in Dealogic LLC and consolidates that company as a wholly owned subsidiary. Further explanation is given in notes 3 and 28.

The group has a 100% interest in the profits of the Capital Data Limited and consolidates that company as a wholly owned subsidiary. Further explanation is given in note 3.

## 17. Available-for-sale financial assets

	2010 US\$000	2009 US\$000
Non-current assets	-	18,683
Current assets	-	-
	-	18,683

During the year the group has disposed of the two UK government securities held as available-for-sale financial assets. The disposal generated a gain on disposal of US\$456,000 and the unrealised gain held at the end of 2009 of US\$287,000 was recycled through the Statement of Comprehensive Income on disposal.

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 18. Trade receivables

	2010 US\$000	2009 US\$000
Trade and other receivables	24,071	20,535
Less: credit notes provision	(1,434)	(1,648)
	<b>22,637</b>	<b>18,887</b>

The maximum exposure to credit risk for trade receivables by geographic region was:

	2010 US\$000	2009 US\$000
EMEA and Asia	13,679	8,757
Americas	8,958	10,130
	<b>22,637</b>	<b>18,887</b>

The ageing of trade receivables, net of provisions, is:

	2010 US\$000	2009 US\$000
0 – 90 days	22,146	17,549
Greater than 90 days	491	1,338
	<b>22,637</b>	<b>18,887</b>

Trade receivables of the group at 31 December 2010 were equivalent to 54 days (2009: 55 days), based upon the sales invoiced to customers during the fourth quarter. For further discussion on credit risk refer to note 31.

## 19. Other current assets

	2010 US\$000	2009 US\$000
Other receivables	855	647
Prepayments and accrued income	1,602	2,196
	<b>2,457</b>	<b>2,843</b>

## 20. Cash and cash equivalents

	2010 US\$000	2009 US\$000
Cash at bank and in hand	13,526	5,439
Cash deposits	8,158	28,822
	<b>21,684</b>	<b>34,261</b>

Of the total cash balance, US\$323,000 (2009: US\$323,000) is deemed to be restricted cash by way of a security deposit to the landlord of the New York property.

The credit ratings of the counterparties with which cash equivalents were held are detailed in the table below. All cash deposits are of a short-term nature, therefore, short-term ratings are only applicable.

### S&P Credit Rating

	2010 US\$000	2009 US\$000
A-1+	1,387	4,671
A-1	6,771	24,151
	<b>8,158</b>	<b>28,822</b>

## 21. Trade and Other Payables

	2010 US\$000	2009 US\$000
Trade payables	3,808	1,635
Accruals	6,504	6,161
Other payables	1,895	2,393
	<b>12,207</b>	<b>10,189</b>

## 22. Current income tax assets and liabilities

	2010 US\$000	2009 US\$000
Current income tax assets	-	-
Current income tax liabilities	(4,378)	(2,776)
Net income tax liabilities	(4,378)	(2,776)

## 23. Loans and borrowings

	2010 US\$000	2009 US\$000
<b>Current liabilities</b>		
Bank loan	6,164	-
<b>Non-current liabilities</b>		
Bank loan	15,410	-
<b>Total</b>	<b>21,574</b>	-

During the year the group entered into new bank loan facilities with a value of £23,000,000, comprising a mixture of medium term and revolving credit loans, which will expire on 10 June 2013. The facilities were initially denominated in GBP but later redenominated in USD.

The repayment terms of the facility require quarterly repayments of US\$1,541,000 plus a final payment of US\$7,705,000 at the end of the term.

The following loans are held and outstanding at the end of the year:

Dealogic (Holdings) plc – US\$13,074,000

Dealogic LLC – US\$8,500,000

Over the course of the next 12 months the Company is scheduled to repay US\$6,164,000 of the medium term loan facility.

The rates of interest charged on each facility are at LIBOR plus a margin of 1.5%.

## 24. Provisions

	Leasehold dilapidations US\$000	Lease incentives US\$000	2010 Total US\$000	Leasehold dilapidations US\$000	Lease incentives US\$000	2009 Total US\$000
Balance at 1 January	766	3,472	4,238	704	3,715	4,419
Additional provisions recognised	150	119	269	53	-	53
Released	-	-	-	(59)	-	(59)
Utilised	(23)	(356)	(379)	(22)	(365)	(387)
Exchange differences	(23)	(32)	(55)	90	122	212
Balance at 31 December	870	3,203	4,073	766	3,472	4,238
Current liabilities	391	399	790	404	363	767
Non-current liabilities	479	2,804	3,283	362	3,109	3,471
	870	3,203	4,073	766	3,472	4,238

The leasehold dilapidations relate to obligations to re-instate leasehold premises to their original condition at the end of their leases.

The lease incentives relate to the recognition, over the lease term, of incentives received in respect of 3 properties: London, with a lease term of 13 years expiring in March 2016; Hong Kong, with a lease term of 4 years expiring in 2014; and New York, with a lease of 10 years expiring in April 2018.

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 25. Called Up Share Capital

	2010	2009	
<b>Authorised</b>			
Ordinary shares of £0.05 each as at 1 January and 31 December	<b>£7,000,000</b>	£7,000,000	
<b>Allotted, called up and fully paid</b>			
Ordinary shares of £0.05 each as at 1 January and 31 December	<b>£2,687,257</b>	£3,569,557	
Ordinary shares of £0.05 each as at 1 January and 31 December	<b>US\$4,321,544</b>	US\$5,740,424	
<b>Number allotted</b>			
Ordinary shares of £0.05 each	<b>53,745,145</b>	71,391,140	
	<b>Shares in issue</b>	<b>Treasury shares</b>	
	<b>'000</b>	<b>'000</b>	
	<b>Allotted shares</b>	<b>'000</b>	
<b>At 1 January 2009</b>	64,219	7,172	71,391
Re-purchase of own shares	(1,575)	1,575	–
Re-issue of own shares	786	(786)	–
<b>At 31 December 2009</b>	63,430	7,961	71,391
Re-purchase of own shares	(92)	92	–
Re-issue of own shares	591	(591)	–
Re-purchased and cancelled - tender offer	(17,646)	–	(17,646)
<b>At 31 December 2010</b>	<b>46,283</b>	<b>7,462</b>	<b>53,745</b>

### Treasury shares – Company and EST

	No. of shares	Effect on retained earnings
	'000	US\$000
<b>At 1 January 2009</b>	7,172	26,373
Re-purchase of own shares	1,575	3,273
Re-issue of own shares	(786)	(604)
<b>At 31 December 2009</b>	7,961	29,042
Re-purchase of own shares	92	321
Re-issue of own shares	(591)	(1,352)
<b>At 31 December 2010</b>	<b>7,462</b>	<b>28,011</b>

### Tender offer

During the year the Company repurchased 17,645,995 ordinary shares for immediate cancellation, by way of a tender offer at a cost of US\$58,125,000; and also reduced the number of shares to be issued in terms of the Exchange Rights Agreement by 3,263,094 at a cost of US\$10,682,000. The par value of the cancelled shares of US\$1,419,000 was transferred from share capital to the capital redemption reserve, and the total of the tender payments of US\$58,125,000 was debited against other reserves. The effective date of the transaction was 21 June 2010.

In addition, the following transactions were made:

The Company issued nil £0.05 ordinary shares during the year (2009: nil).

The Company purchased 92,377 (2009: 1,575,469) of its own ordinary shares at a total cost of US\$321,000 (2009: US\$3,273,000). The Company issued 241,161 (2009: 786,791) shares to satisfy the exercise of share options by employees. Since 1 January 2011, the Company has not purchased any further shares.

The EST purchased nil (2009: nil) shares at a total cost of US\$nil (2009: US\$nil). The EST issued 350,000 (2009: nil) shares to satisfy the exercise of share options by employees. Since 1 January 2011, the EST has not purchased any further shares.

Both the shares purchased by the Company and those held by the EST are held as Treasury Shares and excluded from the calculation of earnings per share.

Shares purchased up to 31 December 2010 are excluded from the calculation of earnings per share from the date they were purchased by the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The EST has waived its rights to receive a dividend on the 2,931,609 (2009: 3,281,609) shares it holds.

## 26. Share Option Plans

26.1 The group operated two equity-settled share option plans during the year. Options to acquire ordinary shares in the Company may be granted in any year at a price not less than the greater of the market value of the shares placed under option on the business day immediately preceding the date of grant or the nominal value of the share. No consideration is payable for the grant of an option and all options are settled by physical delivery of shares.

The plans allow for the grant of options in several categories: UK Revenue approved options, UK Revenue unapproved options, Incentive Stock Options, Stock Appreciation Rights and as options to be granted in exchange for options over shares in subsidiaries ('Exchange Options'). Options may be granted to directors and employees of the group.

Options are not transferable. An option is normally exercisable between the 3rd and 10th anniversaries of the date of grant. If an option holder ceases to be employed by the group, their options will either lapse or become exercisable up to 42 months from the date of grant.

26.2 At 31 December 2010, the following options granted to directors and employees to acquire ordinary shares in the Company were outstanding:

Date of Grant	Exercise price	Options at 01/01/10	Granted	Exercised	Lapsed	Options at 31/12/10	Exercisable between
<b>1997 Plan</b>							
28/07/2000	£1.690	32,160	-	32,160	-	-	28/07/03 – 27/07/10
		32,160	-	32,160	-	-	
<b>2002 Plan</b>							
19/06/2000	£2.445	37,060	-	-	37,060	-	19/06/03 – 18/06/10
21/06/2004	£2.050	252,400	-	-	14,400	238,000	21/06/07 – 20/06/14
10/10/2005	£1.600	50,000	-	-	-	50,000	10/10/08 – 09/10/15
03/04/2006	£1.540	100,000	-	100,000	-	-	03/04/09 – 02/04/16
22/11/2006	£1.525	1,020,771	-	108,994	40,717	871,060	22/11/09 – 21/11/16
22/05/2008	£1.425	1,946,434	-	350,000	250,000	1,346,434	22/05/11 – 21/05/18
09/06/2008	£1.425	410,400	-	-	-	410,400	09/06/11 – 08/06/18
29/09/2008	£1.425	50,000	-	-	-	50,000	29/09/11 – 28/09/18
27/04/2009	£1.225	1,346,095	-	-	-	1,346,095	27/04/12 – 26/04/19
13/10/2009	£1.400	50,000	-	-	-	50,000	13/10/12 – 12/10/19
02/11/2010	£2.195	-	850,000	-	-	850,000	02/11/13 – 01/11/20
		5,263,160	850,000	558,994	342,177	5,211,989	
		5,295,320	850,000	591,154	342,177	5,211,989	

The weighted average share price at the date of exercise of share options exercised during the year was £2.10 (2009: £1.64). The options outstanding at the end of the year have exercise prices in the range £1.225 to £2.195 and a weighted average contractual life of 7.6 years.

Options issued under the Exchange Rights Agreement are described in note 28.

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 26. Share Option Plans (continued)

26.3 The number and weighted average exercise prices of outstanding share options are as follows:

	2010		2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
<b>Prior to 7 November 2002</b>				
At the beginning of year	69,220	£2.09	844,959	£0.60
Exercised during the year	(32,160)	£1.69	(747,757)	£0.44
Lapsed during the year	(37,060)	£2.45	(27,982)	£1.00
Cancelled during the year	-	-	-	-
At the end of year	-	-	69,220	£2.09
Exercisable at the end of the year	-	-	69,220	£2.09
<b>After 7 November 2002</b>				
At the beginning of year	5,226,100	£1.43	3,989,041	£1.49
Granted during the year	850,000	£2.20	1,426,095	£1.23
Exercised during the year	(558,994)	£1.47	(39,034)	£1.17
Lapsed during the year	(305,117)	£1.47	(150,002)	£1.40
At the end of year	5,211,989	£1.55	5,226,100	£1.43
Exercisable at the end of the year	1,159,060	£1.64	1,423,171	£1.62
<b>Total</b>				
At the end of year	5,211,989	£1.55	5,295,320	£1.44
Exercisable at the end of the year	1,159,060	£1.64	1,492,391	£1.64

26.4 In 2010, options were granted on 2 November 2010.

The aggregate of the estimated fair values of the options granted on that date is US\$367,000 with a weighted average fair value of 220 pence. The fair value of services received in return for share options granted are measured by reference to the fair value of the share options granted, calculated using a Black-Scholes model. The main assumptions used in calculating these values are set out in the table below:

	2010	2009
<b>Weighted average</b>		
No. of options	850,000	1,426,095
Fair value	£0.313	£0.143
Share price – at grant	£2.195	£1.231
Exercise price	£2.195	£1.231
Expected volatility	25.0%	21.9%
Option life (years)	5.5	5.7
Dividend yield	4.32%	5.08%
Risk free interest rate	1.85%	2.63%

The expected volatility was based upon the historic volatility of the Dealogic shares. There are no market conditions associated with the share option grants.

26.5 Expenses and liabilities arising from share-based payments recognised in the financial statements for the year are as follows:

	2010	2009
	US\$000	US\$000
Income statement – equity settled share-based payments	(433)	(478)
Deferred tax asset – movement in statement of comprehensive income	218	294
Deferred tax asset – movement in equity	1,474	(192)

## 27. Earnings per share

The earnings and weighted average numbers of ordinary shares used in the calculation of earnings per share are as follows:

	2010 US\$000	2009 US\$000
<b>Profit for the year</b>	<b>25,257</b>	24,588
	<b>Number 000's</b>	Number 000's
Weighted average number of shares in issue (excluding Treasury Shares, which include shares held by employee share trusts)	<b>54,304</b>	63,703
Shares to be issued under the Exchange Rights Agreement	<b>10,622</b>	12,347
<b>Basic weighted average number of shares</b>	<b>64,926</b>	76,050
Dilutive effect of share options	<b>1,404</b>	446
<b>Diluted weighted average number of shares</b>	<b>66,330</b>	76,496
<b>Number of potentially dilutive share options (weighted average)</b>	<b>394</b>	2,454
	<b>Cents</b>	Cents
Basic earnings per ordinary share	<b>38.9</b>	32.3
Diluted earnings per ordinary share	<b>38.1</b>	32.1

## 28. Exchange Rights Agreement

28.1 Mr T Fleming holds an effective 25 per cent non-controlling interest in Dealogic LLC ('the LLC'), the principal operating subsidiary of Dealogic (Holdings) plc (the 'Company') in the USA.

The Company, the LLC and Mr Fleming have entered into an Exchange Rights Agreement ('ERA') under which Mr Fleming and the Company can each elect to exchange Mr Fleming's holding in the LLC at any point in the future for 9,083,748 (2009: 12,346,842) Ordinary Shares in the Company (representing 15 per cent of the total issued share capital of the Company at 5 May 2004, the date the agreement became unconditional, as enlarged to take into account the maximum number of Ordinary Shares Mr Fleming is entitled to under the ERA).

During the year the Company repurchased 26.4% of the ordinary shares and the shares to be issued by way of a tender offer. The shares to be issued under the ERA were subsequently reduced by 3,263,094 to 9,083,748, at a cost of US\$10,682,000.

To put the Company in the same position with regard to Mr Fleming's effective interest in the LLC as it would be following the exercise of the ERA (with Mr Fleming as a shareholder of the Company), Mr Fleming is entitled to two cash payments from the LLC:

- an amount equal to the tax a corporate member would pay on Mr Fleming's allocation of LLC pre-tax profits; and
- an amount equivalent to 15/85ths (adjusted for any shares issued or cancelled after 5 May 2004 or for any partial exercise of the option) of any dividend paid by the Company, which is equal to the dividend he would have received had the option under the ERA been exercised in full.

## 28.2 Accounting treatment

In accordance with IAS 27 (revised) and IAS 32 the ERA arrangements are accounted for as the acquisition of the 25% non-controlling interest in the LLC on 5 May 2004 for a consideration of 9,083,748 (2009: 12,346,842) shares to be issued. The shares to be issued are considered to be ordinary shares for the purpose of calculating earnings per share. Tax appropriations are presented as an income tax expense of the group. Deferred tax is recognised on temporary differences attributed to ERA tax. Dividend equivalent appropriations are presented in a manner equivalent to dividends of the parent company.

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 29. Operating Lease Commitments

29.1 Total commitments under non-cancellable operating leases were as follows:

	<b>2010</b>	2009
	<b>Property</b>	Property
	<b>US\$000</b>	US\$000
Within one year	<b>4,119</b>	4,368
Later than one year and less than five years	<b>14,408</b>	13,417
After five years	<b>4,420</b>	7,610

The group leases a number of building and office facilities. The terms of the building leases vary from country to country. The two main leases in London and New York run for periods of 16 years and 10 years respectively with rent reviews every 5 years. The leases are due to expire in 2016 and 2018 respectively. A new lease has been signed in Hong Kong with an expiry period of 2014.

## 30. Pensions

The group's principle pension plans comprise a defined contribution pension scheme in the UK and a section 401(k) plan in the US. The pension charge for the year represents contributions payable by the group which amounted to US\$794,000 (2009: US\$776,000) in respect of the UK scheme and US\$377,000 (2009: US\$376,000) in respect of the US scheme.

There were US\$295,000 (2009: US\$458,000) outstanding contributions at the end of the financial year.

## 31. Financial instruments

### 31.1 Financial risk management

The group's principal financial instruments are bank balances, cash, medium term loans and revolving credit facilities. The main purpose of these financial instruments is to manage the group's funding and liquidity requirements. The group also has other financial instruments such as trade receivables and trade payables which arise directly from its operations.

The group is exposed through its operations to the following financial risks:

- Foreign currency risk
- Interest rate risk
- Liquidity risk
- Credit risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. Policy for managing these risks is set by the Chief Financial Officer and is implemented by the group's finance department. Certain risks are managed centrally while others are managed locally following guidelines from group finance. The group also takes steps to appropriately manage its capital.

### 31.2 Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk on sales and purchases that are denominated in currencies other than the respective functional currencies of the group entities to which they relate, primarily with respect to GBP and USD. Foreign exchange risks also arise from recognised assets and liabilities. To the extent possible, the group manages its exposure to currency movements by holding equivalent values of non-functional currency pairs (GBP and USD) thereby matching gains in one currency with losses in the other. The impact on profit for the year due to foreign exchange movements is shown in notes 8 and 9. The group's investments in overseas subsidiaries are not hedged as those currency positions are either USD denominated and/or considered to be long-term in nature.

### 31.3 Interest rate risk

The group is exposed to interest rate risk on the medium term and revolving credit facilities but also cash flow and fair value risk due its interest bearing assets.

During the year the group entered into a medium term and revolving credit facility to help fund the tender offer. The interest is charged at LIBOR plus a margin of 1.50%. The medium term loan is repayable over a three year period with quarterly repayments of US\$1.5m plus a final payment of US\$7.7m. The group is therefore exposed to interest rate risk on the movement of LIBOR. The group has looked to mitigate that risk by entering into an interest rate swap to protect itself against any future increases in LIBOR. The start date of the interest rate swap is 1 July 2011 and the value of the swap covers the full extent of both loan facilities amortising down as the loan is repaid. The fair value of the instrument is recognised in the financial statements, a loss on the fair value at the year end of US\$60,348 has been taken to the Statement of Comprehensive Income.

The group seeks to reduce volatility by placing a significant proportion of the assets on fixed rate deposits. At 31 December 2010 the group has US\$21.7m (2009: US\$34.2m) interest-bearing assets of which 0% (2009: 80%) were at fixed rates. During the year the group sold the investments in government securities realising a gain on disposal of US\$0.5m. At the end of 2009 US\$18.7m was invested in government securities. Assets at variable rates expose the group to cash flow interest risks; interest bearing assets at fixed rates expose the group to fair value interest risk.

The table below shows the extent to which the group holds monetary assets in various currencies and the proportions of fixed and floating interest rates.

	2010				2009			
	Weighted average Interest Rate	Cash at Bank & in Hand US\$000	Cash Deposits US\$000	Total US\$000	Weighted average Interest Rate	Cash at Bank & in Hand US\$000	Cash Deposits US\$000	Total US\$000
Sterling		3,077	6,769	9,846		753	10,709	11,462
US Dollars		9,173	1,360	10,533		4,292	18,087	22,379
Euros		52	-	52		9	-	9
HK Dollars		154	29	183		194	26	220
Yen		527	-	527		143	-	143
Australian Dollars		83	-	83		20	-	20
Indian Rupees		123	-	123		28	-	28
Hungarian Forint		337	-	337		-	-	-
		13,526	8,158	21,684		5,439	28,822	34,261
Floating Rate	0.7%	13,526	8,158	21,684	0.5%	5,439	1,343	6,782
Fixed Rate	-	-	-	-	0.4%	-	27,479	27,479

All monetary assets mature within one year.

#### 31.4 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group considers that it has no significant liquidity risk, although, the addition of the bank loan facilities has tightened liquidity.

The group has financial covenants on the bank facilities relating to interest cover, leverage and cash flow and has met all conditions of the covenants.

The group held cash, and cash equivalents US\$21.7m (2009: US\$52.9m) and had US\$21.6m (2009: US\$nil) of term debt at the year end. The ratio of current assets to current liabilities is 1.2:1 (2009: 2.1:1). Each major group company is mainly financed by self-generated cash flows. In addition, group finance ensures that there are sufficient available cash resources for each group company to operate effectively.

#### 31.5 Credit risk

The primary risk arises from the group's receivables from customers. The majority of the group's customers are investment banks or financial institutions who have been transacting with the group for many years. Losses from this category of customer have occurred infrequently. The group is mainly exposed to credit risks from credit sales but the group has no significant concentrations of credit risk and keeps the credit status of customers under review. Credit risks of new customers are assessed before entering into contracts. The overall group debtor exposure is monitored by group finance and local entities report their exposure on a monthly basis.

The group does not consider the exposure to the above risks to be significant and has therefore not presented a sensitivity analysis on the identified risks.

The group has reviewed trade receivables at the end of the reporting period for both current and past due debtors. The review was undertaken on a customer by customer basis. During the process risks associated with each customer were considered and where those risks warranted it a provision was made. The Company is satisfied that sufficient provision has been made in relation to credit risk and that the maximum credit risk exposure does not exceed the amount of this provision.

The group makes an allowance for the future issue of credit notes in respect of period end trade receivables based on management's expectation. There is no significant allowance for impairment in respect of trade receivables.

The credit quality of debtors neither past due nor impaired is good.

Refer back to note 18 for further analysis on trade receivables.

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 31. Financial instruments (continued)

### 31.6 Market risk

Market risk is recognised with changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the group's income or the value of its holdings of financial instruments. The group's objectives in using financial instruments are to manage the foreign exchange risk and to maximise returns from financial assets.

The group reviews its foreign exchange exposure on a regular basis and, if there is a material exposure to exchange rate fluctuations and the Board considers it appropriate, the group will reduce the risk by currency hedging on the net balances. Currency deposits are made or forward contracts entered into so as to match their maturity with currency receipt or requirement.

The group aims to maximise returns from funds held on deposit and uses mainly money market deposits with major clearing banks for this purpose.

### 31.7 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the group defines profit before tax divided by net assets excluding income tax-related balances. The Board of Directors also monitors the level of dividends paid to shareholders.

The Board keeps under consideration the balance between the higher returns that might be possible with borrowings and the advantages and security afforded by limited or no gearing.

The group entered into a credit facility agreement under which the group is subject to certain financial covenants relating to leverage, cash flow and interest cover.

From time to time the group purchases its own shares on the market; the timing of these purchases depends on market prices. The shares are primarily intended to be used for issuing shares under the group's share option plans. Buy and sell decisions are made on a specific transaction basis by the Board; the group does not have a defined share buy-back plan.

### 31.8 Financial instruments held for trading purposes

The group does not trade in financial instruments.

### 31.9 Fair values of financial instruments

The carrying value of Cash and Cash Deposits approximates their fair value due to the short maturity of these instruments. The fair value of available-for-sale financial instruments is based upon the open market value of these instruments. There is no difference between the fair value of the financial assets and liabilities of the group and the carrying value in the accounts.

## 32. Related party transactions

Two of the Company's directors are directors of Biomni Limited and Computacenter plc. The group paid software maintenance of US\$10,000 (2009: US\$20,000) to Biomni Limited. The group received services income of US\$5,000 (2009: US\$5,000) from Computacenter plc.

Total (\$m)	# of Deals
279,889.01	95
273,917.22	100
228,730.44	85
227,308.16	82
201,501.88	81
199,127.65	76
189,897.52	61
124,254.03	99
112,442.64	59
102,010.00	48
816,790.42	538
1,178,956.47	6,950

End Date:

at Month

Total (\$m)	# of Deals
208,599.42	85
193,228.65	73
186,442.59	73
148,906.98	78
147,638.08	63
136,183.49	78
106,295.26	47
88,087.26	40
84,598.35	86
76,531.63	25
550,124.82	433
786,130.69	

# Financial statements for the Parent Company Dealogic (Holdings) plc, the Company Under UK GAAP

## Company Balance Sheet

as at 31 December 2010

	Notes	2010 US\$000	2009 US\$000
<b>Fixed assets</b>			
Investments	3	251,896	260,459
Financial assets	5	–	5,973
		<b>251,896</b>	<b>266,432</b>
<b>Current assets</b>			
Debtors	4	22	90
Cash at bank		3,651	4,618
		<b>3,673</b>	<b>4,708</b>
<b>Creditors due within one year</b>			
Net current (liabilities)/assets	6	(13,975)	(606)
		<b>(10,302)</b>	<b>4,102</b>
<b>Creditors due more than one year</b>			
	7	(6,910)	(101)
<b>Net assets</b>		<b>234,684</b>	<b>270,433</b>
<b>Capital and reserves</b>			
Share capital	10	4,321	5,740
Share premium	11	1,369	1,369
Shares to be issued	11	48,597	48,597
Capital redemption reserve	11	51,928	50,509
Other reserves	11	86,469	144,594
Revaluation reserve	11	–	259
Profit and loss account	11	42,000	19,365
Shareholders' funds		<b>234,684</b>	<b>270,433</b>

These financial statements were approved by the Board on 14 March 2011 and signed on its behalf by:

**TA Fleming**  
Director

# Notes to the Financial Statements

for the year ended 31 December 2010

## 1. Basis of Preparation

These financial statements are prepared under the historical cost convention in accordance with applicable UK accounting standards.

As allowed by s408 Companies Act 2006, no profit and loss account is presented in respect of the parent company.

## 2. Accounting Policies

### *(a) Foreign exchange*

The Company's functional and presentational currency is the US Dollar. Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rates prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the balance sheet date. Exchange gains and losses arising are charged or credited to the profit and loss.

### *(b) Taxation*

Deferred taxation is provided in full for material timing differences except where recoverability of a deferred tax asset is considered to be remote in the foreseeable future. Deferred tax balances are not discounted unless the effects are considered to be material to the Company's results.

### *(c) Investments*

Investments held as fixed assets are shown at cost less provision for impairment.

### *(d) Financial assets*

The assets are measured at fair value and changes in the value of the instrument between trade date and settlement date are recorded in the revaluation reserve. When the asset is derecognised the cumulative fair value changes are recycled from the revaluation reserve to profit or loss.

### *(e) Loans and borrowings*

Loans and borrowings are recognised initially at fair value, fees paid on the establishment of loan facilities are recognised as transactions costs of the loan and charged to Profit and Loss account.

### *(f) Related party transactions*

The Company has elected not to disclose intra-group transactions where the subsidiaries are 100% owned by the terms of Financial Reporting Standard 8.

### *(g) Dividend distribution*

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders and in the period in which interim dividends are paid.

### *(h) Financial instruments*

The Company is exempt from the requirement of FRS 29 Financial Instruments: Disclosures, as the disclosures that comply with this standard are included in the Consolidated Financial Statements of Dealogic (Holdings) plc in which the Company is consolidated.

### *(i) Employee Share Trust*

In January 2008 an employee benefit trust, the Dealogic Employee Share Trust ('the EST') was established. The assets of the EST are held on trust for the benefit of all or any one or more of the employees of the company and its subsidiaries. Accordingly, following the guidance of UITF Abstract 32 and 38, the EST's assets and liabilities are recognised as assets and liabilities of the company.

### *(j) Share based payments*

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its subsidiary's financial statements with the corresponding credit being recognised directly in equity.

## 3. Investments

	2010 US\$000	2009 US\$000
<b>Shares in group undertakings</b>		
At 1 January	<b>260,459</b>	259,981
Share-based payments on behalf of subsidiaries	<b>433</b>	478
Revised accounting treatment of EST treasury shares	<b>(9,351)</b>	-
Investment in Dealogic Hungary Kft.	<b>355</b>	-
At 31 December	<b>251,896</b>	260,459

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 3. Investments (continued)

Treasury shares held by The EST were previously shown as investments. These are now shown as a reduction in shareholders' funds.

### *Principal Subsidiaries and Associates*

The details of the principal undertakings in which the group's interest at the year end was more than 20%, all of which have the provision of communications and specialised data as their principal activity, referred to note 16 in the consolidated accounts.

## 4. Debtors

	2010 US\$000	2009 US\$000
<b>Amounts falling due within one year:</b>		
Corporation tax due	1	-
Prepayments and accrued income	21	90
	<b>22</b>	<b>90</b>

## 5. Financial Assets

	2010 US\$000	2009 US\$000
Non-current assets	-	5,973
Current assets	-	-
	<b>-</b>	<b>5,973</b>

## 6. Creditors: Amounts Falling Due Within One Year

	2010 US\$000	2009 US\$000
Amount due to group undertakings	7,593	339
Loans and borrowings (see note 9)	6,164	-
Corporate taxes	-	229
Accruals and deferred income	218	38
	<b>13,975</b>	<b>606</b>

## 7. Creditors: Amounts Falling Due More Than One Year

	2010 US\$000	2009 US\$000
Loans and borrowings (see note 9)	6,910	-
Deferred tax (see note 8)	-	101
	<b>6,910</b>	<b>101</b>

## 8. Deferred Tax

	2010 US\$000	2009 US\$000
Deferred tax on unrealised gains of financial assets	-	101
At 1 January	101	-
Charge to reserve	(101)	101
At 31 December	<b>-</b>	<b>101</b>

## 9. Loans and borrowings

	2010 US\$000	2009 US\$000
<b>Current liabilities</b>		
Bank loan	6,164	-
<b>Non-current liabilities</b>		
Bank loan	6,910	-
<b>Total</b>	<b>13,074</b>	<b>-</b>

During the year the Company entered into new bank loan facilities with a value of £23,000,000, comprising a mixture of medium term and revolving credit loans, which will expire on 10 June 2013. The facilities were initially denominated in GBP but were later re-denominated in USD. During the year some of the debt was repaid and an amount of US\$8,500,000 was assigned to US Subsidiary, Dealogic LLC.

At the end of the year the Company had outstanding loans of US\$13,074,000. The total group loan facilities have quarterly repayment terms of \$1,541,000 plus a final payment of \$7,705,000 at the end of the term.

The rate of interest charged on the loan is LIBOR plus 1.5%.

## 10. Share Capital

	2010	2009
<b>Authorised</b>		
Ordinary shares of £0.05 each as at 1 January and 31 December	<b>£7,000,000</b>	£7,000,000
<b>Number allotted</b>		
Ordinary shares of £0.05 each	<b>53,745,145</b>	71,391,140
<b>Treasury shares</b>	<b>7,462,090</b>	7,960,874
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £0.05 each as at 1 January and 31 December	<b>£2,687,257</b>	£3,569,557
	<b>US\$4,321,544</b>	US\$5,740,424

On 21 June 2010 the Company repurchased 17,645,995 ordinary shares for immediate cancellation, by way of a tender offer at a cost of US\$58,125,000; and also reduced the number of shares to be issued in terms of the Exchange Rights Agreement by 3,263,094 at a cost of US\$10,682,000. The par value of the cancelled shares was transferred from share capital to the capital redemption reserve, and the total of the tender payments was debited against other reserves. The effective date of the transaction was 21 June 2010.

The Company issued nil £0.05 ordinary shares during the year (2009: nil).

During the year the Company purchased 92,377 (2009: 1,575,469) of its own ordinary shares at a total cost of US\$321,000 (2009: US\$3,273,000). The Company issued 241,161 (2009: 786,791) shares to satisfy the exercise of share options by employees. Since 1 January 2011, the Company has not purchased any further shares.

The EST purchased nil (2009: nil) shares at a total cost of US\$nil (2009: US\$nil). The EST issued 350,000 (2009: nil) shares to satisfy the exercise of share options by employees.

Since 1 January 2011, the EST has not purchased any further shares.

Both the shares purchased by the Company and those held by the EST are held as Treasury Shares and excluded from the calculation of earnings per share.

Shares purchased up to 31 December 2010 are excluded from the calculation of earnings per share from the date they were purchased by the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The EST has waived its rights to receive a dividend on the 2,931,609 (2009: 3,281,609) shares it holds.

For information on dividends and appropriations please refer to note 11 on page 34 in the consolidated financial statements.

# Notes to the Financial Statements continued

for the year ended 31 December 2010

## 11. Reserves

	Share capital US\$000	Share premium US\$000	Shares to be issued US\$000	Capital redemption reserve US\$000	Other reserves US\$000	Revaluation reserve US\$000	Profit & loss account US\$000	Total US\$000
<b>At 1 January 2010</b>	5,740	1,369	48,597	50,509	144,594	259	19,365	270,433
Profit for the year	-	-	-	-	-	-	39,145	39,145
Payments of dividends and appropriations	-	-	-	-	-	-	(8,623)	(8,623)
Employees share option of subsidiary companies charge for the period	-	-	-	-	-	-	433	433
Current asset investments								
unrealised gain	-	-	-	-	-	(360)	-	(360)
deferred tax	-	-	-	-	-	101	-	101
Treasury shares								
purchase of shares – Company	-	-	-	-	-	-	(321)	(321)
issue of shares – Company	-	-	-	-	-	-	576	576
issue of shares – EST	-	-	-	-	-	-	776	776
reclassification	-	-	-	-	-	-	(9,351)	(9,351)
Tender offer								
purchase and cancellation of ordinary shares	(1,419)	-	-	1,419	(58,125)	-	-	(58,125)
Foreign exchange	-	-	-	-	-	-	-	-
<b>At 31 December 2010</b>	<b>4,321</b>	<b>1,369</b>	<b>48,597</b>	<b>51,928</b>	<b>86,469</b>	<b>-</b>	<b>42,000</b>	<b>234,684</b>

	Share capital US\$000	Share premium US\$000	Shares to be issued US\$000	Capital redemption reserve US\$000	Other reserves US\$000	Revaluation reserve US\$000	Profit & loss account US\$000	Total US\$000
At 1 January 2009	5,740	1,369	48,597	50,509	144,594	-	11,975	262,784
Profit for the year	-	-	-	-	-	-	14,342	14,342
Payments of dividends and appropriations	-	-	-	-	-	-	(4,721)	(4,721)
Employees share option of subsidiary companies charge for the period	-	-	-	-	-	-	478	478
Current asset investments								
unrealised gain	-	-	-	-	-	360	-	360
deferred tax	-	-	-	-	-	(101)	-	(101)
Treasury shares								
purchase of shares – Company	-	-	-	-	-	-	(3,273)	(3,273)
issue of shares – Company	-	-	-	-	-	-	604	604
Foreign exchange	-	-	-	-	-	-	(40)	(40)
<b>At 31 December 2009</b>	<b>5,740</b>	<b>1,369</b>	<b>48,597</b>	<b>50,509</b>	<b>144,594</b>	<b>259</b>	<b>19,365</b>	<b>270,433</b>

Treasury shares held by the EST were previously shown as investments. These are now shown as a reduction in shareholders' funds. Total value of treasury shares at cost is US\$28,011,000 (2009: US\$29,042,000), of which the EST has 2,931,609 shares with a cost of US\$8,576,000 (2009: 3,281,609 shares cost US\$9,351,000). The market value of the EST shares as at 31 December 2010 is US\$11,588,000 (2009: US\$8,744,000). All shares in the EST are held to satisfy the Company's obligation of employee share options.

Other reserves include the reserve which originally arose from the cancellation of share premium and the reserve arising from the increase in investment in subsidiaries as a result of the Company making share based payments in terms of FRS 20 to employees of subsidiary companies. The movement in 2010 arose from the consideration paid for the repurchase and immediate cancellation of 17,645,995 shares in relation to the tender offer.

**12. Profit Attributed to the Parent Company**

The profit for the year ended 31 December 2010 in the financial statements of Dealogic (Holdings) plc, the Company, was US\$39,145,000 (2009: US\$14,342,000). As allowed by s408 Companies Act 2006, no profit and loss account is presented in respect of the parent company.

**13. Employees and Directors**

The Company employed one staff member in the year (2009: one), other than directors. Amounts paid by Dealogic (Holdings) plc, the Company, in respect of directors in the year was US\$nil (2009: US\$nil).

See note 7 in Dealogic (Holdings) plc consolidated financial statements for details of the directors' remuneration within the group.

# Five year summary

	2010 US\$m	2009 US\$m	2008 US\$m	2007 US\$m	2006 US\$m
<b>Consolidated Statement of Comprehensive Income</b>					
Revenue	103.6	92.8	81.4	92.8	78.8
Operating profit	37.2	35.1	18.5	33.6	32.1
Profit before income tax	38.6	36.3	21.1	36.3	33.2
Profit for the year	25.3	24.6	13.3	23.3	22.2
<b>Earnings per share</b>					
Basic	38.9c	32.3c	17.1c	28.6c	26.6c
Diluted	38.1c	32.1c	17.0c	28.1c	26.1c
<b>Dividends per share</b>					
	20.4c	14.4c	7.4c	13.0c	11.1c

	US\$m	US\$m	US\$m	US\$m	US\$m
<b>Consolidated Statement of Financial Position</b>					
Intangible assets	44.0	44.2	43.2	43.1	42.7
Tangible assets	5.6	5.9	7.5	3.5	3.1
Non-current assets	3.1	20.0	6.5	3.1	3.7
Current assets	47.9	56.9	47.2	71.5	69.0
<b>Total assets</b>	<b>100.6</b>	<b>127.0</b>	<b>104.4</b>	<b>121.2</b>	<b>118.5</b>
Current liabilities	(38.7)	(26.8)	(21.9)	(28.7)	(23.9)
Non-current liabilities	(19.1)	(4.0)	(3.9)	(1.9)	(2.7)
<b>Total liabilities</b>	<b>(57.8)</b>	<b>(30.8)</b>	<b>(25.8)</b>	<b>(30.6)</b>	<b>(26.6)</b>
<b>Net assets</b>	<b>42.7</b>	<b>96.3</b>	<b>78.6</b>	<b>90.6</b>	<b>91.9</b>
Net cash including available-for-sale financial assets	0.1	52.9	38.3	46.9	43.7

Note: The group adopted IFRS in 2007 and has restated the 2006 financial statements, therefore, all the above are in accordance with IFRS.

# Deal Value \$ at Announcement (m)

288,789.40

251,219.01

240,844.59

189,171.11

1501.88

1082.88

189,897.5

134,392

174,89

102

'05

Source: Dealogic

MergerMap MarketMatrix LookUp MyReports MyD

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1996

2000

'05

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fleets and  
sweetener

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halted govern-  
ment money  
were originally planned  
for some participants

Much is riding on the initiative known as TAF for Term Asset-Backed Securities Loan Facility. At the height of the credit boom, Wall Street issued more than \$1 trillion a year of securities that were backed by consumer credit, and trillions more backed by mortgages. These markets—sometimes called “the shadow banking system” because they op-

# Agenda for the 2011 Annual General Meeting

To be held at the registered office of the Company at Thanet House, 231-232 Strand, London WC2R 1DA on Monday, 9 May 2011 at 2.00 pm, to consider, and if thought fit, to pass the following Resolutions, which will be proposed, as to Resolutions numbered 1 through to 9 as Ordinary Resolutions and Resolutions numbered 10 and 11 as Special Resolutions:

1. To receive and consider the financial statements for the year ended 31 December 2010, together with the Directors' Report and the Auditors' Report thereon.
2. To re-appoint KPMG Audit Plc as Auditors of the Company to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company.
3. To authorise the directors to determine the remuneration of the Auditors.
4. To declare and approve a final dividend for the year ended 31 December 2010.
5. To re-appoint Mr Peter Ogden as a director of the Company.
6. To re-appoint Mr Philip Hulme as a director of the Company.
7. To re-appoint Mr Toby Haddon as a director of the Company.
8. To authorise the directors to allot relevant securities in accordance with section 551 of the Companies Act 2006.
9. To authorise the Company and its subsidiaries to make political donations and incur political expenditure.
10. To authorise the directors to allot equity securities wholly for cash as if section 561(1) of the Companies Act 2006 did not apply to such allotment.
11. To authorise the Company to make market purchases of ordinary shares in the capital of the Company in accordance with section 701 of the Companies Act 2006.

By order of the Board

**Helen Vincent**  
Secretary

Dated: 31 March 2011

# Information for Shareholders

## Registered office

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Email: [investorrelations@dealogic.com](mailto:investorrelations@dealogic.com)  
Web: [www.dealogic.com](http://www.dealogic.com)

## Registered number

Dealogic (Holdings) plc is registered in England and Wales. Registered number: 04275038

## Shareholder enquiries

Computershare Investor Services plc maintains the Company's register of members. If any of your details change, or you have any queries regarding your shareholding, please contact:

## The Registrar

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Fax: +44 (0) 870 703 6101  
Web: [www.investorcentre.co.uk](http://www.investorcentre.co.uk)

## London Stock Exchange

EPIC/TIDM:	DL
SEDOL:	B00P3M7
ISIN number:	GB00B00P3M73

## Financial calendar

2010 Preliminary Results announced	15 March 2011
Annual General Meeting	09 May 2011
Half-year end	30 June 2011
Preliminary announcement of 2011 interim results	September 2011

## 2010 Final dividend payment timetable

Declared at Annual General Meeting	09 May 2011
Ex-dividend date	13 April 2011
Record date for final dividend	15 April 2011
Payment date for final dividend	11 May 2011

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