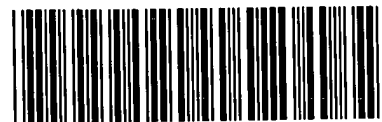


Company Registration No. 04456744 (England and Wales)

**PREQIN LTD**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

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# PREQIN LTD

## COMPANY INFORMATION

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<b>Directors</b>	A L M O'Hare C C Ferguson C Knaack
<b>Secretary</b>	C J N Hawkins
<b>Company number</b>	04456744
<b>Registered office</b>	1st Floor Verde 10 Bressenden Place London SW1E 5DH
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Third Floor Priory Place New London Road Chelmsford CM2 0PP

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# PREQIN LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors of Preqin Ltd present their strategic report and the audited financial statements for the year ended 31 December 2021. The directors, in preparing the accounts and this strategic report, have complied with s414C of the Companies Act 2006.

#### **Strategy and Business Model**

Preqin Limited is the UK operating company for the Preqin group; details of the group's structure appears elsewhere in these financial statements.

The Preqin group serves clients across the entire private market investment lifecycle — from fundraising to due diligence to deal execution and portfolio monitoring. Within our data products we also serve hedge funds, rounding out our coverage of alternative assets.

Our core data products assist three broad customer groups: investors and advisors with their asset allocation and manager selection decisions; fund managers, placement agents and third-party marketers with their investor relations and asset gathering tasks; and service providers with their market intelligence and business development activities. With the launch of Company Intelligence and the expansion of our datasets into private companies, we are now also serving investors and fund managers with their deal origination and execution workflows.

On 5 August 2021, Preqin acquired a controlling stake in Colmore, the leading provider of fund administration, portfolio monitoring and fee validation services to LP and allocator clients. The acquisition is expected to significantly strengthen our product offering.

The group has subscribers in more than 90 countries worldwide, and many tens of thousands of investment professionals also have access to Preqin's extensive free research and data, both online and through printed reports. 96% of Preqin's revenue is for data or software licensed through an annual subscription model, with the remainder earned from publications, advertising or professional services.

In the simplest terms, Preqin's strategy is to provide the most timely, comprehensive, and highest quality data and insight on the alternative assets industry.

#### **Review of Performance**

Revenue for the year ended 31 December 2021 was £86m, an increase of 23% on 2020. Operating profit fell from £6.2m to £0.04m, and profit before tax decreased from £6.7m to a loss of £3.1m. This decrease was largely due to investments into the company intelligence product, and interest and fees associated with the Colmore acquisition.

The net assets position moved from £10.6m to a net liability position of £0.6m due to the £9.5m in dividends paid and financing costs from the Colmore acquisition. Cash reserves decreased from £16m to £12.5m. Working capital remains well managed, trade debtors and deferred revenue have moved in line with higher revenues, with collections and bad debt write offs in line with historic trends.

#### *Preqin Pro*

We continue to make sizeable software engineering investment in our customer platform (Preqin Pro), improving the usability and features available to customers so they can derive maximum benefit from our market leading data.

#### *Data Coverage*

We are always investing heavily in the quality and coverage of our datasets. Data coverage grew significantly across core datasets and with new datasets in Company Intelligence and ESG Solutions.

#### *Company Intelligence Launch*

In June 2021 we launched our Company Intelligence product, which allows customers to make more informed capital deployment decisions by supporting their investment sourcing workflows.

# PREQIN LTD

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### *ESG Solutions Expansion*

In October 2021 we significantly expanded our ESG product suite with the launch of ESG Risk and Impact, both the first of their kind at scale in private markets, building on the Transparency product that we successfully launched in late 2020. We continue to empower our clients to integrate ESG into every stage of their investment process, from screening to due diligence, to selection and monitoring, addressing their pressing need for reliable, comparable, standardized and quality ESG data.

### *Operational Changes*

With the acquisition of Colmore the group added commercial offices in Birmingham and Dallas. Both offices will be utilised by both Preqin and Colmore and will allow us to deliver a better service to customers in those regions.

Mark O'Hare stepped down as CEO of the group effective 1 January 2022, to be replaced by Christoph Knaack, previously the head of product and strategy.

### **Alternatives Industry in 2021**

The backdrop for Preqin's performance in 2021 was another year of tremendous performance and growth in the alternatives industry. As detailed in the *Preqin's Global Reports in 2021*:

- Alternatives AUM increased from \$11.7tn in 2020 to \$13.3tn;
- Private equity fundraising grew to \$622bn from \$553bn in 2020;
- Our survey of institutional investors from Nov-21 initially confirmed that strong appetite was likely to continue into 2022, with 41% of respondents planning to invest more in private equity over the next 12 months and 47% maintaining the same level of investment. Given the changed macro-outlook we are looking to re-run this survey very soon to test current investor preferences.
- Preqin estimates that global private equity & venture capital (PEVC) AUM will reach \$11.1tn by 2026, up from \$4.6tn at the end of 2020.

Our long-term outlook for the alternatives and in particular the private equity asset class remains positive, despite growing concerns over inflation. Underlying this view is that long-term interest rates will remain at relatively low levels and still promise to support fundraising and performance.

### **Principal Risks**

Preqin's business model is primarily subscriptions to a professional customer base. There are four principal risks to Preqin's business, these being:

- a. the risk that individual customers will not settle their subscription invoices, and so become bad debts;
- b. the risk that Preqin's data could at some time fail to meet customers' expectations, thereby leading to customer dissatisfaction and potentially the cancellation of subscriptions; and
- c. the risk that competing firms could offer products and services that potentially are a better match for the needs of our customers; and
- d. the risk that the group defaults on its external financing obligations.

### *Bad debt*

With a very broad customer base, reasonable pricing that offers excellent value for money to our customers, and professional credit control, Preqin's experience of bad debts has been extremely low and we see every reason why this should continue. In addition, Preqin has been at the forefront of increasing transparency in the alternative assets industry; and has worked very hard to improve the amount and quality of information that is available to assist our customers in their decision making.

# PREQIN LTD

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### *Churn*

Customer renewal rates are high and compare favourably to industry benchmarks. There can be no guarantees that this will always remain the case, however the owners, directors, managers and staff of Preqin are united in their commitment to serve our customers and enhance the quality and value-for-money of the services we provide.

### *Competitors*

We continue to invest heavily in expanding our research and data operations teams to extend and improve the information available to our customers; in our software development team to create new products and enhance existing ones; in our customer service teams to ensure that our valued customers get the greatest possible use out of Preqin's products and services; in our product development team to engage closely with existing and new customers to ensure that we continue to meet their demands and anticipate new needs as they emerge; and in our communications team to ensure that we reach out effectively to existing and prospective customers, employees, business partners and influencers and tell them about Preqin's data and products.

The alternative assets industry is large and expected to continue growing over the long term. It is an attractive market for suppliers of information and services, so there are many competitors offering attractive products and services to customers. Preqin is not complacent, but continually strives to learn from our customers and to ensure that Preqin's products and services remain at the forefront of industry developments and offer a compelling proposition to our target customers. We will continue to invest heavily towards this objective.

### *Default on debt obligations*

The groups operations remain highly cash generative with operating cash conversion in line with comparable business in the information services sector. With the Colmore transaction the group has taken on external financing for the first time. The business continuously stress tests and validates the group's latest projections against the covenants of this facility to ensure we have adequate headroom to pursue our growth ambitions. The budgets for FY22 show we will have at least a 40% buffer on top of our mandated covenants, which we believe to be an adequate margin of safety.

### **Employee Gender Diversity**

As at 31 December 2021, Preqin Limited together with overseas Preqin entities had the following gender representation:

- 2 male directors and 0 female directors
- 51 male senior managers and 19 female senior managers
- 364 male employees and 242 female employees

### **Key Performance Indicators**

The financial figures presented elsewhere in this report represent the most important performance indicators for the company:

- Sales revenue and growth therein found on page 14;
- Gross and net margins found on page 14; and
- The solidity of the company's balance sheet, in particular the cash resources available for future development and growth of the business found on page 15.

# PREQIN LTD

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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In addition to these financial measures presented in this report, the Directors and Management Team of Preqin pay close attention to several operating factors, including but not limited to the following:

- Growth in page views and product usage by subscribers;
- Customer satisfaction as measured by regular customer surveys;
- Press mentions quoting Preqin data;
- Numerical measures of the coverage and quality of Preqin data – e.g. number of investors and funds covered, frequency of updates, etc.;
- Engineering output and code quality;
- Leads, conversions, sales pipeline figures and measures of marketing effectiveness;
- Response times in serving customers;
- Output of published research; and
- Employee satisfaction and engagement.

### **Employees**

Preqin Limited employed an average of 295 employees during 2021 (234 in FY21). In addition to these permanent employees, the wider Preqin team also includes many staff employed by partner organizations and subcontracted to Preqin to provide valuable services (principally in the areas of software engineering and research).

The skills, energy, dedication, and innovation exhibited by Preqin's staff are a vital ingredient in the company's success; and the board and I would like to congratulate and thank them for their efforts and achievements during this particularly difficult year. We strive to provide a good working environment; opportunities and challenges for our people; highly competitive remuneration and participation in the company's success through our various equity and reward schemes; and to make Preqin a great place to work.

### **Future Developments**

As aforementioned, the alternative assets industry is large, growing, and plays a vital role in the global economy in times such as these. As a result, the need for good information continues to increase. The board is confident that demand for Preqin's products and services will continue to grow; that we have many opportunities to enhance and improve the company's offering and position in the market; and we are committed to continuing to invest to do so.

# PREQIN LTD

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Section 172 (1) statement

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement explains how Preqin Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regarding decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to Preqin, and the level of information disclosed is consistent with the size and the complexity of the business.

### General confirmation of director's duties

Preqin's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. Board powers are explained in greater detail in the articles of the company.

When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

(a) the likely consequences of any decision in the long term;

- The Directors understand the business and the evolving environment in which Preqin operates, each having decades of business experience or experience within the alternatives industry (or both). The strategy set by the Board is intended to strengthen Preqin's position as a leading data provider to the industry. Each year the Board refreshes the strategy to respond to the changing market dynamics and performance against the strategy is reported to them monthly.

(b) the interests of the company's employees;

- The Directors recognise that Preqin employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible. Directors responsibilities with regards to employees is also highlighted in the Directors report.
- Preqin fosters strong alignment between shareholders and employees through its global option and share schemes whereby all employees are awarded equity (or the right to acquire equity) in the business following 12 months of service.

# PREQIN LTD

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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(c) the need to foster the company's business relationships with suppliers, customers and others;

- Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, partners and the alternatives industry generally. Preqin seeks the promotion and application of certain general principles in such relationships as outlined in the company values.
- Customers are the core to Preqin's business and are engaged with daily through a number of different channels, not least in our research efforts which means we have an in depth understanding of our customers' businesses. Customer satisfaction results and feedback are reported on regularly to the Directors.
- Certain supplier relationships are fundamental to the delivery of our core data service e.g. our offshore data operations partners or our technology partners. The Directors receive information updates on these partnerships periodically which inform how these stakeholders have been engaged.

(d) the impact of the company's operations on the community and the environment;

- With respect to the alternatives community, Preqin provides an invaluable service to the industry and has been a crucial part of its growth. A significant amount of Preqin's data is distributed free of charge through publications or benchmarks, and this serves to generally promote the growth of alternatives as well as greater transparency and integrity across the industry.
- The business has a number of CSR initiatives across its global offices focusing on local community issues.
- By its nature the business is environmentally low impact and fosters greater digitization of process. Preqin engaged with a leading third-party consultant to review its emissions for the first time in 2020 and is working with them to optimise our location-based footprint. On a market basis the business is committed to investing in a carbon offset and achieving net neutrality for Scope 1 and 2 emissions. Further detail is contained in the Directors report.


(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

- The Board periodically reviews the Business Ethics Policy to ensure that its high standards are maintained within Preqin and the business relationships we maintain.
- Our customers' trust is fundamental for Preqin to be able to operate its research function successfully. Integrity is therefore one of Preqin's core business values.
- The Board has established a set of distinctive corporate values which are tied to every employee's performance objectives, and ultimately compensation.

(f) the need to act fairly between members of the company.

- After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders.

On behalf of the board

DocuSigned by:  
  
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C C Ferguson  
**Director**

30 June 2022

# PREQIN LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the company continued to be that of providing financial information on the private equity and alternatives assets industry.

#### Results and dividends

The results for the year are set out on page 13.

Ordinary dividends were paid to the company's parent amounting to £9,500,000 (2020: £10,000,000).

#### Financial risk management objectives and policies

Exposure to foreign currency, liquidity and customer credit risks arise in the normal course of the company's business. These risks are limited by the company's financial management policies below.

#### Foreign currency risk

The company is exposed to foreign currency exchange rate risk due to a significant proportion of its receivables being denominated in non-Sterling currencies. The company has operating expenditure denominated in non-Sterling currencies, although to a lesser extent than its receivables. The net exposure of each currency is monitored and reviewed regularly. No foreign exchange contracts or currency loans were entered into.

Given the group has to meet covenants related to its financing obligations, the decision was taken in 2021 to enter into a forward foreign exchange contract for the first time. The group converts between £1.5-£2.5m from USD to GBP each month at a set rate of 1.3878, ending in December 2022. Any additional treasury requirements are managed by dealing at spot.

#### Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. The director expects the company's operating cash flows to provide sufficient working capital for the foreseeable future.

#### Customer credit exposure

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong ongoing customer relationships and through a skilled customer credit control team.

#### Charitable donations

During the year the company made charitable donations of £16,516 (2020: £8,423).

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A L M O'Hare

C C Ferguson

C Knaack

(Appointed 5 February 2021)

(Appointed 9 March 2022)

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

# PREQIN LTD

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Research and development

The majority of research and development (R&D) expenditure relates to the Preqin Pro platform as referred to in the strategic report.

### Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

### Statement of disclosure to auditor

So far as the person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the company; its cash flows and liquidity position; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The company meets its day-to-day working capital requirements through excess cash holdings. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate with its current cash reserves.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. It is not expected that the post year end impact of Covid 19 and the war in Ukraine will have a material effect on the ability of the company to continue in existence given the cash reserves held and continued profitability and cash generation. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Matters of strategic importance

Information is not shown within the director's report as it is instead within the strategic report on Pages 1 - 7 under s. 414C(11) of the Companies Act 2006.

On behalf of the board

DocuSigned by:



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C C Ferguson

Director

30 June 2022

# **PREQIN LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREQIN LTD

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### Opinion

We have audited the financial statements of Preqin Ltd (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREQIN LTD (CONTINUED)**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREQIN LTD (CONTINUED)

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities where relevant.

The audit engagement team identified the risk of management override of controls and deferred income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and detailed recalculation of an appropriate sample of deferred income.

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

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

*Kerry Norman*

Kerry Norman (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Third Floor  
Priory Place  
New London Road  
Chelmsford  
CM2 0PP  
30 June 2022

# PREQIN LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	86,239,287	69,868,505
Cost of sales		(22,504,751)	(19,536,631)
<b>Gross profit</b>		63,734,536	50,331,874
Distribution costs, including sales and marketing		(30,308,369)	(24,326,206)
Administrative expenses, including depreciation and amortisation		(33,411,060)	(19,832,264)
Other operating income		27,367	-
<b>Adjusted EBITDA*</b>		12,895,275	13,124,719
Depreciation of tangible fixed assets	<b>12</b>	(410,755)	(258,014)
Amortisation of intangible fixed assets	<b>11</b>	(8,664,399)	(6,693,301)
Foreign exchange loss		(3,777,647)	-
<b>Operating profit</b>	<b>4</b>	42,474	6,173,404
Interest receivable and similar income	<b>7</b>	268,419	530,254
Interest payable and similar expenses	<b>8</b>	(3,402,665)	(3,965)
<b>(Loss)/profit before taxation</b>		(3,091,772)	6,699,693
Tax on (loss)/profit	<b>9</b>	1,000,148	(1,413,896)
<b>(Loss)/profit for the financial year</b>		(2,091,624)	5,285,797

\*Adjusted EBITDA represents Earnings Before Interest, Taxation, Depreciation and Amortisation, also taking into account the foreign exchange loss on the principal amount of borrowing set out in note 18 to the financial statements which is denominated in United States Dollars.

## PREQIN LTD

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		17,660,095		14,129,218
Tangible assets	12		1,590,895		626,739
Investments	13		121,970,681		64,201
			<u>141,221,671</u>		<u>14,820,158</u>
<b>Current assets</b>					
Debtors falling due after more than one year	15	422,543		12,830,830	
Debtors falling due within one year	15	44,790,819		20,715,135	
Cash at bank and in hand		12,486,815		15,973,091	
		<u>57,700,177</u>		<u>49,519,056</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(70,734,998)</u>		<u>(52,640,384)</u>	
<b>Net current liabilities</b>			<u>(13,034,821)</u>		<u>(3,121,328)</u>
<b>Total assets less current liabilities</b>			<u>128,186,850</u>		<u>11,698,830</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(128,680,635)		(204,202)
<b>Provisions for liabilities</b>	19		(151,379)		(922,067)
<b>Net (liabilities)/assets</b>			<u>(645,164)</u>		<u>10,572,561</u>
<b>Capital and reserves</b>					
Called up share capital	22		93,314		93,314
Share premium account	23		105,522		105,522
Share based payment reserve	23		2,536,210		2,162,311
Profit and loss reserves	23		(3,380,210)		8,211,414
<b>Total equity</b>			<u>(645,164)</u>		<u>10,572,561</u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2022 and are signed on its behalf by:

DocuSigned by:



AACD850AD32A452...  
C C Ferguson

Director

# PREQIN LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Share based payment reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 January 2020</b>	93,314	105,522	1,598,802	12,925,617	14,723,255
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year	-	-	-	5,285,797	5,285,797
Dividends	10	-	-	(10,000,000)	(10,000,000)
Share based payment transactions	-	-	563,509	-	563,509
<b>Balance at 31 December 2020</b>	93,314	105,522	2,162,311	8,211,414	10,572,561
<b>Year ended 31 December 2021:</b>					
Loss and total comprehensive income for the year	-	-	-	(2,091,624)	(2,091,624)
Dividends	10	-	-	(9,500,000)	(9,500,000)
Share based payment transactions	-	-	373,899	-	373,899
<b>Balance at 31 December 2021</b>	93,314	105,522	2,536,210	(3,380,210)	(645,164)

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Preqin Ltd is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office and principal place of business is 1st Floor, Verde, 10 Bressenden Place, London, SW1E 5DH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Reduced disclosures

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

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The results of Preqin Ltd are included in the consolidated financial statements of Preqin Holding Limited which are available from its registered office 1st Floor, Verde, 10 Bressenden Place, London, SW1E 5DH.

#### Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the company; its cash flows and liquidity position; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The company meets its day-to-day working capital requirements through excess cash holdings. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate with its current cash reserves.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. It is not expected that the post year end impact of Covid 19 and war in Ukraine will have a material effect on the ability of the company to continue in existence given the cash reserves held and continued profitability and cash generation. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### Turnover

Turnover comprises the invoiced value of goods and services supplied by the group, net of Value Added Tax.

Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

*Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration as the services are performed, and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year and as part of creditors due after more than one year.*

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the group's activities as set out above.

#### Research expenditure

Research expenditure is written off against profits in the year in which it is incurred.

#### Capitalised software development costs

Certain of our software development costs are capitalised. Costs capitalised include direct labour, third party software costs, and hosting costs directly involved with the development and testing processes. Costs are only capitalised once the commercial feasibility of a project has been established. Any costs related to design, project management and pre-feasibility work are expensed in the year incurred.

*Capitalised costs are amortised over a three year useful life for each project, starting from the year in which the software is ready for its intended use. Periodically we review the amortisation methods, remaining useful lives, and recoverability of capitalised costs, the latter on a project by project basis.*

#### Capitalised data ops costs

*Certain of our data ops costs related to the production of the fund performance dataset are capitalised. Capitalised costs include direct expenditures related to the gathering of the performance dataset including all direct labour costs, external costs related to any acquired data, and the cost of any technology directly related to the data gathering and data ingestion process. Costs are only capitalised once the commercial feasibility of a new dataset has been established. Any costs related to pre-feasibility work are expensed in the year incurred.*

*Capitalised data ops costs are amortised over a three year useful life, starting from the year in which the performance data was first produced. Periodically we review the amortisation methods, remaining useful lives and recoverability of capitalised costs.*

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the remaining term of the lease
Office equipment	20% straight line
Computer equipment	33% straight line
Motor vehicles	20% reducing balance

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Fixed asset investments**

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

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Impairment of fixed assets**

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

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

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

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, accrued income, amounts due from group undertakings, other loans and loan notes, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies (Continued)

#### ***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, accruals and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### ***Derivatives***

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies (Continued)

#### Taxation

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

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

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

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

#### Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expected useful life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

##### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries are translated into the company's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### **Critical judgements**

The following judgements have had the most significant effect on amounts recognised in the financial statements.

##### **Share based payment charge**

A key estimate has been arrived at by the directors in determining the fair value of the share options granted. The fair value of the share options has been determined using the Black Scholes method for valuation at the date of grant and is the best estimate of the company share price at that date in the existing market place.

The directors are aware of the impact of the following factors in estimating the fair value of the share options granted and are satisfied that using the existing method of valuation has mitigated these risks to the fullest extent possible;

- Volatility in the company's share price over the term of the options
- The likelihood of employees forfeiting the right to exercise the options in the event of leaving employment prior to the options vesting
- The likelihood of different groups of employees exercising their options at different multiples of the specified exercise price
- The determination of the share price used given the Preqin group is not listed.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Provision of financial information	86,239,287	69,868,505
	<u>86,239,287</u>	<u>69,868,505</u>
	2021	2020
	£	£
<b>Other revenue</b>		
Interest income	268,419	530,254
	<u>268,419</u>	<u>530,254</u>

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue (Continued)

	2021	2020
	£	£
<b>Turnover analysed by geographical market</b>		
UK	12,895,561	9,769,696
Rest of Europe	10,732,597	8,805,726
Rest of World	62,611,129	51,293,083
	<u>86,239,287</u>	<u>69,868,505</u>

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	3,834,339	778,621
Fees payable to the company's auditor for the audit of the company's financial statements	124,800	36,970
Depreciation of owned tangible fixed assets	410,755	258,014
Loss/(profit) on disposal of tangible fixed assets	32,335	(11,710)
Amortisation of intangible assets	8,664,399	6,693,301
Share-based payments	373,899	563,509
Operating lease charges	1,351,817	909,895
	<u>13,582,344</u>	<u>13,582,344</u>

Statutory information on remuneration for other services provided by the company's auditors and its associates is given on a consolidated basis in the group accounts for the parent company, Preqin Holding Limited.

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Administration	81	65
Sales, research, commercial and engineering	214	169
Total	<u>295</u>	<u>234</u>

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	22,929,062	18,147,358
Social security costs	2,587,446	2,237,742
Pension costs	851,305	737,846
Share-based payment charge	373,899	563,509
	<u>26,741,712</u>	<u>21,686,455</u>

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	407,556	114,265
Company pension contributions to defined contribution schemes	23,891	5,423
	<u>431,447</u>	<u>119,688</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	268,327	114,265
Company pension contributions to defined contribution schemes	19,250	5,423
	<u>287,577</u>	<u>119,688</u>

### 7 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	4,921	205,573
Interest receivable from group companies	255,637	219,820
Other interest income	7,861	104,861
	<u>268,419</u>	<u>530,254</u>

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	3,395,198	620
Other interest	7,467	3,345
	<u>3,402,665</u>	<u>3,965</u>

### 9 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	1,295,951
Adjustments in respect of prior periods	(414,468)	34,630
Double tax relief	-	(95,524)
Total UK current tax	<u>(414,468)</u>	<u>1,235,057</u>
Foreign current tax on profits for the current period	-	105,339
Total current tax	<u>(414,468)</u>	<u>1,340,396</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(731,483)	(7,032)
Changes in tax rates	208,289	76,747
Adjustment in respect of prior periods	(62,486)	3,785
Total deferred tax	<u>(585,680)</u>	<u>73,500</u>
Total tax (credit)/charge	<u>(1,000,148)</u>	<u>1,413,896</u>

A change to the main UK corporation tax rate, announced in the Budget on 3 March 2021, was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 is 25%. An additional deferred tax expense of £208,289 was recognised in the year as a result of the remeasurement of deferred tax to 25%.

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9 Taxation (Continued)

The total tax (credit)/charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
(Loss)/profit before taxation	(3,091,772)	6,699,693
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(587,437)	1,272,942
Tax effect of expenses that are not deductible in determining taxable profit	131,092	149,558
Tax effect of income not taxable in determining taxable profit	-	(6,932)
Adjustments in respect of prior years	(414,468)	34,630
Group relief	(99,582)	(8,982)
Other permanent differences	-	82,276
Effect of overseas tax rates	-	9,815
Deferred tax adjustments in respect of prior years	(62,486)	3,785
Tax rate changes	32,733	76,747
Fixed asset differences	-	555
R&D enhanced expenditure deduction	-	(200,498)
Taxation (credit)/charge for the year	(1,000,148)	1,413,896

#### 10 Dividends

	2021 £	2020 £
Final paid	9,500,000	10,000,000

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11 Intangible fixed assets

	Internally developed software £	Fund performance database £	Total £
<b>Cost</b>			
At 1 January 2021	21,113,975	3,594,240	24,708,215
Additions - internally developed	10,242,608	1,954,388	12,196,996
Disposals	(574,141)	(939,773)	(1,513,914)
At 31 December 2021	30,782,442	4,608,855	35,391,297
<b>Amortisation and impairment</b>			
At 1 January 2021	8,950,838	1,628,159	10,578,997
Amortisation charged for the year	7,329,602	1,334,797	8,664,399
Disposals	(572,421)	(939,773)	(1,512,194)
At 31 December 2021	15,708,019	2,023,183	17,731,202
<b>Carrying amount</b>			
At 31 December 2021	15,074,423	2,585,672	17,660,095
At 31 December 2020	12,163,137	1,966,081	14,129,218

The amortisation charge for the year is included within administrative expenses.

#### 12 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2021	317,537	70,250	913,734	141,040	1,442,561
Additions	852,712	169,260	372,074	11,560	1,405,606
Disposals	(317,537)	(70,250)	(133,819)	-	(521,606)
At 31 December 2021	852,712	169,260	1,151,989	152,600	2,326,561
<b>Depreciation and impairment</b>					
At 1 January 2021	298,764	34,050	470,478	12,530	815,822
Depreciation charged in the year	105,549	17,591	260,693	26,922	410,755
Eliminated in respect of disposals	(317,537)	(39,555)	(133,819)	-	(490,911)
At 31 December 2021	86,776	12,086	597,352	39,452	735,666
<b>Carrying amount</b>					
At 31 December 2021	765,936	157,174	554,637	113,148	1,590,895
At 31 December 2020	18,773	36,200	443,256	128,510	626,739

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	14	121,970,681	64,201

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2021	64,201
Additions	121,906,480
At 31 December 2021	121,970,681
<b>Carrying amount</b>	
At 31 December 2021	121,970,681
At 31 December 2020	64,201

On 5 August 2021, the company acquired 91.76% of the shares of Preqin BC Limited, a company registered in England and Wales, for a consideration of £121,482,993.

During the year, the company incorporated Preqin China Co Ltd, for a consideration of £124,387.

During the year, the company also incorporated Preqin India Private Ltd, for a consideration of £299,100.

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Preqin HK Limited	Unit 1504 The Center, 99 Queen's Road Central, Hong Kong	Providing financial information on the private equity and alternative assets industry	Ordinary	100.00	-
Preqin Pte. Ltd	One Finlayson Green, #11-02, Singapore 049246	Providing financial information on the private equity and alternative assets industry	Ordinary	100.00	-
Preqin, Inc	One Grand Central Place, 60 E 42nd Street, Suite 630, New York, NY 10165, USA	Providing financial information on the private equity and alternative assets industry	Ordinary	100.00	-
Preqin Godo Kaisha	Shiroyama Trust Tower 9th Floor, 4-3-1 Toranomon, Minato City, Tokyo, Japan, 105-6009	Providing financial information on the private equity and alternative assets industry	Ordinary	100.00	-
Preqin Pty Ltd	CoSec Consulting, 58 Gipps Street, Collingwood, VIC 3066, Australia	Providing financial information on the private equity and alternative assets industry	Ordinary	100.00	-
Preqin GmbH	Ulmenstraße 37-39, 60325 Frankfurt am Main	Providing financial information on the private equity and alternative assets industry	Ordinary	100.00	-
Preqin Data Limited	Unit 1302-B, Level 13 Emirates Financial Towers, PO Box 74735, Dubai, United Arab Emirates	Providing financial information on the private equity and alternative assets industry	Ordinary	100.00	-
Preqin BC Limited	1st Floor, Verde, 10 Bressenden Place, London, SW1E 5DH	Holding company	Ordinary	91.76	-
Colmore AG	c/o DD Immo Service Plus GmbH, Baarerstrasse 75, 6300 Zug	Holding company	Ordinary	-	91.76
Colmore PS Limited	2 Colmore Square, 38 Colmore Circus Queensway, Birmingham, B4 6BN	Providing financial services	Ordinary	-	91.76
Colmore Intermediate Limited	2 Colmore Square, 38 Colmore Circus Queensway, Birmingham, B4 6BN	Holding company	Ordinary	-	91.76
Colmore Inc	1920 McKinney Ave, Suite 700, Dallas TX 75201	Providing financial services	Ordinary	-	91.76
Preqin India Private Ltd	No. 20, Vishnu Towers, 4th and 5th Gloor, 9th Cross Road, ITI Layout, JP Nagar, Bangalore, Karnataka	Providing financial information on the private equity and alternative assets industry	Ordinary	99.99	-
Preqin China Co Ltd	Room 2371, 23F, Building 16, No. 1 Jianguomen Avenue, Chaoyang District, Beijing, China	Dormant company	Ordinary	100.00	-

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 15 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	17,502,978	12,977,445
Corporation tax recoverable	1,441,317	317,439
Amounts owed by group undertakings	23,096,078	3,463,613
Other debtors	1,094,731	2,690,607
Prepayments and accrued income	1,655,715	1,266,031
	<u>44,790,819</u>	<u>20,715,135</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	-	12,830,830
Other debtors	422,543	-
	<u>422,543</u>	<u>12,830,830</u>
<b>Total debtors</b>	<u>45,213,362</u>	<u>33,545,965</u>

Included in other debtors falling due within one year are loan notes in respect of the disposal of Preqin Solutions Limited totalling £Nil (2020: £1,223,712). Loan interest was charged at an interest rate of 3.5% per annum and totalled £Nil (2020: £59,479). During the year, interest totalling £Nil (2020: £93,534) was paid to the company. Interest outstanding at 31 December 2021 totalled £Nil (2020: £27,840). The loan notes were fully repaid within the year.

#### 16 Creditors: amounts falling due within one year

	2021	2020
Notes	£	£
Other borrowings	2,405,677	-
Trade creditors	3,653,934	1,317,438
Amounts owed to group undertakings	5,929,067	3,967,809
Corporation tax	-	353,673
Other taxation and social security	1,043,711	894,999
Other creditors	210,486	144,356
Accruals	5,029,630	3,493,100
Deferred income	52,462,493	42,469,009
	<u>70,734,998</u>	<u>52,640,384</u>

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings	18	128,257,537	-
Deferred income		423,098	204,202
		<u>128,680,635</u>	<u>204,202</u>

#### 18 Borrowings

		2021 £	2020 £
Other loans		135,404,990	-
Borrowing costs		(4,741,776)	-
		<u>130,663,214</u>	<u>-</u>
Payable within one year		2,405,677	-
Payable after one year		128,257,537	-
		<u>130,663,214</u>	<u>-</u>

The company has borrowed \$178.5m. The debt has a 7-year maturity with interest due at a rate of LIBOR (replaced by SONIA from 2022) + 500-550bps.

All rights, title and interest in the assets of Preqin MC Ltd, Preqin Limited, Preqin Inc, Preqin Pte Ltd, Preqin HK Ltd, Preqin BC Ltd, Colmore AG, Colmore PS Ltd, Colmore Intermediate Ltd and Colmore Inc have been pledged as security for the facility above, until the outstanding facility has been discharged.

#### 19 Provisions for liabilities

	Notes	2021 £	2020 £
Dilapidations		14,992	200,000
Deferred tax liabilities	20	136,387	722,067
		<u>151,379</u>	<u>922,067</u>

Movements on provisions apart from deferred tax liabilities:

	Dilapidations £
At 1 January 2021	200,000
Additional provisions in the year	14,992
Reversal of provision	(200,000)
	<u>14,992</u>
At 31 December 2021	<u>14,992</u>

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	<b>Liabilities 2021 £</b>	<b>Liabilities 2020 £</b>
<b>Balances:</b>		
Accelerated capital allowances	236,026	748,273
Other timing differences	(99,639)	(26,206)
	<u>136,387</u>	<u>722,067</u>
		<b>2021 £</b>
<b>Movements in the year:</b>		
Liability at 1 January 2021		722,067
Credit to profit or loss		(793,969)
Effect of change in tax rate - profit or loss		208,289
		<u>136,387</u>
Liability at 31 December 2021		<u>136,387</u>

£115,571 (2020: £233,876) of the deferred tax liability is expected to reverse in the next 12 months and relates to accelerated capital allowances. £99,639 (2020: £26,206) of the deferred tax asset is expected to reverse within 12 months and relates to other timing differences.

#### 21 Retirement benefit schemes

	<b>2021 £</b>	<b>2020 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>851,305</u>	<u>737,846</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Employee and employer contributions totalling £210,186 (2020: £144,356) were payable to the fund at the year end and are included in other creditors.

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of 10p each	639,210	639,210	63,921	63,921
Ordinary B shares of 10p each	293,930	293,930	29,393	29,393
	<u>933,140</u>	<u>933,140</u>	<u>93,314</u>	<u>93,314</u>

The Ordinary shares have attached to them full voting, dividend and capital distribution rights.

The Ordinary and Ordinary B shares rank pari passu in all respects.

### 23 Reserves

#### Share premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

#### Profit and loss reserves

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

#### Share based payment reserve

The share based payment reserve represents cumulative share based payment charges.

### 24 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	1,212,265	444,424
Between one and five years	3,869,972	-
	<u>5,082,237</u>	<u>444,424</u>

# PREQIN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 25 Related party transactions

During the year, the company made loans totalling £Nil (2020: £610,518) to a fellow subsidiary of the ultimate parent company. The related party made repayments totalling £383,212 (2020: £832,715). Loan interest accrued at a rate of 3.0%, resulting in interest receivable of £30,452 (2020: £45,905) for the year. The total outstanding loan balance at the year end was £1,144,034 (2020: £1,496,794) and is included within amounts owed by group undertakings.

During the year, the company made loans totalling £Nil (2020: £13,550,000) to Valhalla Ventures Limited, the ultimate parent company. Valhalla Ventures Limited made repayments in the year totalling £12,830,830 (2020: £756,981). Loan interest is charged at a rate of 2.25% and the charge for the year was £202,784 (2020: £37,811). The total outstanding loan balance at the year end was £Nil (2020: £12,830,830) and is included within amounts owed by group undertakings due after one year. The loan was repaid during the year.

#### 26 Ultimate controlling party

The company's immediate parent company is Preqin MC Limited, incorporated in England and Wales. The registered office address of Preqin MC Limited is 1st Floor, Verde, 10 Bressenden Place, London, United Kingdom, SW1E 5DH. The ultimate parent company is Valhalla Ventures Limited, a company incorporated in Jersey. In the opinion of the directors the ultimate controlling parties are A L M O'Hare and L A O'Hare, by virtue of their shareholding in Valhalla Ventures Limited. Preqin Holding Limited is the smallest and largest group for which consolidated financial statements are prepared and copies can be obtained from its registered office at 1st Floor, Verde, 10 Bressenden Place, London, United Kingdom, SW1E 5DH.

#### 27 Financial commitments, guarantees and contingent liabilities

During the year ended 31 December 2021 an employee of the company was made redundant. On termination, he received a capital gain on his shareholding in the company. The employee is disputing the valuation of that shareholding, and claims that a higher amount should have been paid. The claim is stated to be for an amount of between £2m and £5.1m in addition to the amounts already paid. Legal proceedings are at an early stage and the directors dispute that any additional payment is due. They consider the claim is unlikely to be successful. Accordingly, no provision has been recognised in the financial statements.