

Equifax Limited

Annual report and financial statements

for the year ended 31 December 2021

Registered number: 02425920



Equifax Limited

Registered No: 02425920

Company Information

Directors

P Heywood
P Remon
W Au

Company Secretary

J Atkin

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bankers

National Westminster Bank
Bradford City Centre Branch
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Bradford
BD1 1PP

Registered office

1 Angel Court
London
EC2R 7HJ

Equifax Limited

Registered No: 02425920

Strategic Report

The Directors present their strategic report for the year ended 31 December 2021.

Review of the business

Our business is focused on providing comprehensive information databases, analytical resources to transform information into value-added insight for our customers and technology platforms that deliver decisioning tools that enable our customers to make decisions about their customers in “real time” at the point of interaction. Our products and services include consumer credit information, marketing information, commercial credit information, decisioning and analytical tools and identity verification services which enable businesses to make informed decisions about extending credit or service, managing portfolio risk and developing strategies for marketing to consumers for businesses. We also enable consumers to manage and protect their financial affairs through a portfolio of products that we sell directly and indirectly via the Internet and other marketing channels of distribution.

In early September 2017, Equifax Inc., our US parent company, announced it had been the victim of a criminal cyber-attack in May 2017. Although our UK business was not breached, the attack regrettably compromised the personal information of a range of UK consumers. Approximately 860,000 potentially affected U.K. consumers were contacted regarding access to personal information.

The company is still under investigation from the Financial Conduct Authority (FCA). The company continues to co-operate with the FCA and there is currently no indication of the outcome of the investigation or the exact timing of the ruling. During the year Equifax was removed from the FCA watchlist after completing a number of change projects. The amount of any financial obligation, if any, which could arise on conclusion of the investigation, cannot be estimated reliably due to the wide-ranging number of outcomes at this stage and therefore no provision has been made in the financial statements.

Having invested significant sums in security remediation and infrastructure following the incident, in 2021 the company transitioned into the next phase of the program which covers technology transformation. Significant investment has been committed to transforming the company’s technological capabilities onto the cloud which will pave the way for the company to be even more innovative and bring those solutions to market at a greater rate. Once complete the transformation effort will allow the company and its customers to innovate faster, develop deeper insights, take smarter actions, and deliver better outcomes at scale.

Key performance indicators

The key financial and other performance indicators during the year were as follows:

| <i>Key performance indicators</i> | <i>2021</i> | <i>2020</i> | <i>Growth</i> |
|--|-------------|-------------|---------------|
| Revenue | £120.5m | £115.2m | 4.6% |
| Profit before interest, tax & exceptional item | £8.0m | £6.5m | 23.8% |
| Profit / (loss) before interest and tax | £8.0m | (£1.0m) | 931.2% |
| Capital expenditure (intangible and tangible) | £19.1m | £11.9m | 60.5% |
| Average number of employees | 500 | 483 | 3.5% |

During the year the revenue of the company grew by 4.6% compared to prior year (2020: 5.9% decrease). The total profit before interest and tax increased by 931.2% (2020: 822.2% decrease). This increase was driven in part by higher revenue during the year as the economy was less impacted by government-imposed restrictions in response to COVID-19, and as such demand for products and services increased in line with growing economic activity in the UK. There was also a reduction in the exceptional costs as part of the company’s security remediation efforts, which were substantially completed by the end of 2020. The reduction in exceptional security remediation efforts was in part replaced by significant spending across the company’s transformation efforts. During the year the company spent £4.7m on operating expenses related to the transformation program.

The audited financial statements for the year ended 31 December 2021 are set out on pages 22 to 37. The profit for the year, after taxation, amounted to £7.2m (2020: £0.07m loss). During the year the company repatriated £2.0m (2020: £nil) in dividends to the parent company.

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Strategic Report (continued)

Key performance indicators (continued)

The company invested £19.1m in tangible and intangible assets in the year (2020: £11.9m). This investment was in transformation efforts to move to a cloud-based environment, core infrastructure, security and continued development of new platforms that should drive growth, greater security and reduce costs in the future. The net current assets as at the year-end were £27.0m (2020: £29.8m) and the current ratio (current assets over current liabilities) was 1.9 (2020: 2.0).

At 31 December 2021, the company had a positive cash balance of £28.5m (2020: £32.7m). Included within the balance is £18.0m which the FCA instructed the company to ring-fence and is unavailable for working capital requirements. These funds are ring-fenced as part of wind down planning to facilitate an orderly wind down in the case of severe stress and will be available for use only once the decision to wind down the business has been taken by the Board. Shareholder's funds increased to £52.2m (2020 £47.0m).

The total average number of employees remained stable with a small increase of 3.5% during the year as the company continued to manage resources to help deliver growth in the future.

Principal risks and uncertainties

The Directors consider that the principal risk factors that could materially and adversely affect the company's future operating profits or financial position are data protection, consumer outcomes, business continuity, new entrants and changes in the regulatory environment.

Management and the Board regularly review risks facing the company.

The company's principal risks are:

- Security breaches and other disruptions to our information technology infrastructure could compromise company, consumer and customer information and interfere with our operations.
- Failure to achieve and maintain key industry or technical certifications (e.g. PCI DSS, ISO 27001), may adversely impact our business.
- Our business has been and may continue to be negatively impacted by the COVID-19 pandemic.
- The failure to realise the anticipated benefits of our technology transformation strategy, including our transition to cloud-based technologies, could adversely impact our business.
- We help our customers make more informed decisions with higher levels of confidence by leveraging a broad array of data assets. If our access to credit, employment, financial and other data from external sources is constrained, or if we fail to maintain the integrity of the data assets, it could harm our ability to provide our products and services.
- Changes in general economic conditions, including interest rates, the level of inflation, unemployment rates, income, home prices, geopolitical instability, investment values and consumer confidence, could adversely affect us.
- If we do not introduce successful new products, services and analytical capabilities in line with market demands in a timely manner, or if the market does not adopt our new offerings, our competitiveness and operating results will suffer. Further, recommendations and requirements arising from the Credit Information Market Study (CIMS) and implementation of Consumer Duty regulation could also require us to incur additional expense.
- If our relationships with key customers or partners are materially diminished or terminated, our business could suffer. The availability of data sources could be impacted affecting our ability to fulfil customer requests, weakening our commercial offering and damaging the brand reputation. Alternatively, key customers could reduce / remove their business negatively affecting our revenue.
- If we are unable to acquire, effectively integrate or divest components of our business or successfully develop and maintain joint ventures and other alliances, our growth may be adversely impacted.

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Strategic Report (continued)

Principal risks and uncertainties (continued)

- If our systems and processes do not meet customer requirements for response time or high availability, or we experience system constraints or failures, or our customers do not modify and/or upgrade their systems to accept new releases of our products and services, our services to our customers could be delayed or interrupted.
- Dependence on key partners within our supply chain and outsourcing certain portions of our operations may adversely affect our ability to deliver products to market. Dependence on outsourced information technology and other administrative functions may impair our ability to operate effectively.
- We may not be able to attract and retain the skilled employees that we need to support our business.
- We and our customers are subject to various laws and regulations, and could be affected by new and evolving consumer privacy and cybersecurity or other data-related laws or regulations, compliance with which may cause us to incur significant expenses and change our business practices. If we fail to maintain satisfactory compliance with certain laws and regulations, we could be subject to civil or criminal penalties.
- Sub-optimal data management and governance and operational processes could impair our ability to maximise opportunities for consumer and customer service and product development.
- Investigations and litigation have the potential to adversely impact our business.
- Failure to maintain effective controls over financial reporting and produce timely and accurate financial statements could negatively impact our business.

The Board has strategies to manage these risks and remains confident of the continued success of the company.

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Strategic Report (continued)

SECTION 172(1) STATEMENT

The following serves as our section 172 statement. Section 172 of the Companies Act 2006 recognises that whilst companies are run for the benefit of the shareholders, a company's long-term success and reputation are dependent upon maintaining relationships with stakeholders and an appreciation of the external impact of its activities.

The Directors are fully aware of their responsibilities to promote the success of the company in accordance with section 172 of the Companies Act 2006 and are keen to ensure proper reflection on stakeholder engagement and issues at Board level and promote continuous reflection on opportunities for development.

The Board regularly reviews the company's principal stakeholders and how we engage with them. The sections below set out a more detailed summary of the company's relationships with its key stakeholders and how the company engages with those stakeholders.

The Board is comprised of:

Patricio Remon – President Equifax Europe
 Paul Heywood – Chief Data and Analytics Officer
 Wai Au - Non-Executive Director

During the year the following also served a period of time on the Board:

Jeremy Lewis - Chief Technology Officer (resigned 5 February 2021)
 Jayadeep Nair - Chief Product & Marketing Officer (resigned 5 February 2021)
 Suzanne Brown - Senior Financial Officer (resigned 31 March 2022)

The key stakeholders of the company during the year along with details of the forms of engagement undertaken are detailed below:

| Customer (Personal Consumers and Businesses): Consumers and businesses rely on Equifax through the use of data and analytical tools to support them in obtaining access to credit. | | |
|--|---|---|
| Why? | How we engage? What they tell us? | Our response / outcomes of engagement |
| <p>We provide credit information, in the form of credit reports, to lenders and creditors to help them determine consumer and business creditworthiness. We also provide credit reports to consumers and business directly so they can better understand their credit situation and protect their identity.</p> <p>Consumers and businesses are at the heart of what we do. Our goal is to help consumers live their financial best. The Board understands that for a variety of reasons such as health, life events, financial or personal circumstances, anyone can experience vulnerability and need additional help.</p> | <p>The Board understands the importance of providing consumers with user-friendly capabilities to see, understand and question their consumer credit file and information. Consumers want more information on how lenders use their credit information and how in turn they can be more financially responsible and protected from fraud and identity theft. Consumers also seek support through various other life events that can cause them to experience vulnerability.</p> <p>Consumers also want to be able to control their credit files with easy steps to dispute and correct any misstatement on their reports.</p> <p>Consumer feedback is initiated in a number of ways; through Voice of the</p> | <p>To provide consumers with the information they need to better understand their financial status the company has a dedicated knowledge centre on the company website (www.equifax.co.uk/resources/home). The knowledge centre is packed full of useful articles on understanding your credit information, loans and credit, debt management, mortgages, identity protection, and money management and much more.</p> <p>To help consumers control their credit files if they believe information is inaccurate or incomplete, the company has an online credit report dispute centre where consumers can submit disputes and track its progress. The Board have also initiated a program to implement</p> |

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Strategic Report (continued)

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| | <p>Consumer feedback via Consumer Satisfaction Surveys (CSAT) and Online Surveys. Additionally, Equifax partner with an external behavioural research company to gain consumer insight and feedback as we develop products and services to meet consumer expectations. Client surveys, customer feedback and other forms of engagement are fed back up to senior management and key findings and trends are shared with board members.</p> <p>The Board are committed to partnering with charities and third parties to help us update, improve and make transparent our consumer journeys and processes. We actively provide clear sign posts to charities from our online Customer Support Centre and engage with members of the Money Advisory Liaison Group to learn how best to support them and meet specific requirements of their consumers. We provide free Statutory Credit Reports to Citizens Advice who support consumers with debt advice and solutions, in addition, local authorities who act as deputies for vulnerable consumers who are subject to Court of Protection orders. We also provide alternative format Credit Reports in Braille, Large Print and Audio for consumers who benefit from these specific services.</p> | <p>recommendations made during an independent review of issues relating to data quality.</p> <p>Work began last year with HM Treasury, the FCA and other CRAs concerning consumer support and how the company can continue to play a role in providing greater insight and support to vulnerable consumers. Considerable activity occurred during the year in the development of a vulnerable consumer program.</p> <p>During the year, the Board also lent their support to a Cambridge University study into public understanding of credit scoring with the intent to provide a positive social outcome for consumers.</p> |
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| <p>Clients: Our clients rely on us to provide them with the best in class data, analytics and technology. Our products and solutions deliver insights that help clients make more informed decisions.</p> | | |
|--|--|---|
| Why? | How we engage? What they tell us? | Our response / outcomes of engagement |
| <p>With one of the largest sources of detailed consumer and business data in the UK, we provide our clients with insight into the behaviours and drivers behind the economy helping them to drive their businesses forward.</p> <p>We have a history of working together with our clients to help them make sense of data – both theirs and ours. Organisations gain insight into the intricate connections we’re able to make which help them to make informed decisions that drive business performance. This also helps them to better understand who their customers are and unlock the value in their customer base.</p> <p>We help organisations to protect against fraud and comply with regulations, and help consumers protect their identity and access credit. We work across a diverse</p> | <p>We are focused on building a culture in which the customer is at the centre of our decision processes and we exceed customer expectations by delivering solutions with speed, flexibility, stability and performance. Our focus on customer centricity enables us to be more proactive in solving problems better and faster for customers while delivering enhanced operational readiness to provide a better customer experience.</p> <p>Our board members and senior executives regularly visit our clients to collaborate on new product developments, discuss latest trends and factors impacting on their respective industries as well how Equifax can leverage their unique data and analytics technology to support their business growth plan. In order to keep our clients informed and aware of the latest market</p> | <p>In order to ensure the Board has oversight of the sales function, the Board:</p> <ul style="list-style-type: none"> · Maintain appropriate policies and controls to ensure that end-consumer outcomes are appropriately prioritised and that customers are sold products and services that meet their needs; · Regularly set and assess sales strategies for specific products, services and markets, taking into account the regulatory environment and its risk appetite; · Assess the level and timing of any sales incentive payments in relation to customer and consumer outcomes; and · Receive regular reports on sales activities and sales quality. <p>The Board have had significant focus on the company’s transformation program. The program factors in considerable enhancements for our clients ensuring</p> |

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Strategic Report (continued)

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| <p>range of industries, delivering insightful and intelligent solutions to businesses of all sizes, from SMEs to multinational corporations.</p> <p>We work with clients in retail, telecommunications, public sector, insurance, financial services, banking, marketing services, utilities, debt management and commercial finance.</p> | <p>trends and technological advances, the Board and senior executives regularly attend and sponsor conferences. The aim of these events is to share knowledge and aid in collaborative efforts with our clients and partners.</p> <p>Our clients want to leverage our knowledge, expertise, analytics and insight to power their decisions to move them forward. They want a reliable service and the latest innovations to enable them to be more efficient whilst ensuring we support them in complying with their regulated activities.</p> | <p>greater security and innovation, which will accelerate responses to customer requirements.</p> |
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| <p>Suppliers & Partners: We operate in conjunction with a wide range of suppliers to deliver services to our customers. The Board acknowledge that to deliver on the company strategy, engagement and a strong mutually beneficial relationships with suppliers is required.</p> | | |
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| Why? | How we engage? What they tell us? | Our response / outcomes of engagement |
| <p>Our supplier and partners are an integral part of the company delivering on its strategy. We collaborate and operate with suppliers across a range of areas from data contributors to technology companies and many more. Our suppliers and our business partners place their trust in us. We must protect their confidential information.</p> | <p>All supplier-related activity is managed in line with the Global Procurement and Outsourcing Business policies and the Board maintain oversight of the management of the most important suppliers and partners. This ensures that supply risk is managed appropriately in relation to customer outcomes, data security, corporate responsibility and financial, operational, contractual and brand damage caused by inadequate oversight or supplier failure.</p> | <p>The Board are committed to preventing acts of modern slavery and human trafficking from occurring within our business and supply chain, and impose the same high standards on our suppliers. (https://www.equifax.co.uk/about-equifax/corporate-social-responsibility/en_gb/) We will not tolerate any failures in our supply chain to meet these standards; they are a prerequisite of doing business with us.</p> <p>Equifax also has a code of ethics in place. (https://www.equifax.co.uk/about-equifax/corporate-governance/code-of-ethics/en_gb/). Equifax expects that all its employees shall conduct business honestly and ethically. Employees must treat all suppliers, contractors and customers fairly and honestly at all times. These parties should not be taken unfair advantage of through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.</p> <p>The Board are keen to ensure the company implements fair payment practices and report monthly on them via Companies House. There is a robust dispute resolution process in place to ensure suppliers can raise concern where appropriate.</p> <p>Late payment disputes are raised by the supplier and/or the business manager responsible for the goods/services with procurement and/or finance depending</p> |

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Strategic Report (continued)

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| | | <p>on the reason for non-payment. Action is taken immediately to resolve all disputes and to clear invoices for payment.</p> <p>The Board also prioritise without exception the protection of data and data sharing. Equifax data sharing policy is intended to help Equifax achieve a rational and consistent approach to sharing data, and to help our data providers and users better understand the standards we expect from them. In line with policy the Board:</p> <ul style="list-style-type: none"> • Ensure that operational management understands its obligations in relation to data sharing; • Receive regular reports on data protection risks and issues; and • Take or direct appropriate action to define and implement remedial activity to mitigate data protection risks that have moved out of risk appetite. |
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| <p>Colleagues: The Board want to ensure our colleagues have all the tools and opportunities to grow themselves and our business.</p> | | |
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| Why? | How we engage? What they tell us? | Our response / outcomes of engagement |
| <p>The Board of Directors recognise that the employees of the company are a fundamental part of the business and key to driving its success and delivering on our cultural and strategic policies. The success of the company depends on attracting, retaining and empowering employees to drive the company's vision.</p> | <p>The Board of Directors regularly engage in employee surveys to elicit employee feedback and ensure employees are given an anonymised mechanism to share their views and engage on issues that are important to them. The HR Director also regularly attends Board meetings to present the Directors with the latest developments, challenges and opportunities within the area for the Board to consider.</p> <p>During the current year as a result of the continued impact of the COVID-19 pandemic, the Board have felt that colleague engagements were more important. In line with government guidelines, where possible, the Board took the opportunity to engage with colleagues in person and continued with regular virtual engagements through the "All Hands" platform which was initially started in 2020. All Hands meetings took place weekly with members of the Board and senior leaders presenting updates on business activities, news on latest policies and processes put in place to safeguard employee wellbeing and many other important engagement topics.</p> | <p>The Board aims to encourage equal opportunities in employment regardless of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origins), religion or religious or philosophical belief, and sexual orientation. This is backed by the company's Equality and Diversity Policy. The company previously launched a Diversity and Inclusion Form with a focus on diversity in executive leadership roles. The Board and the company also remain committed to the Women in Finance Charter goal.</p> <p>Employee wellbeing is a major board priority. Colleagues have access to the company "Bravo" program of recognition and a host of other wellbeing and mindfulness benefits and assistance program (E.g. LifeWorks Employee assistance program and a host of other physical and financial well-being programs), in place to support them in and outside of work.</p> <p>During the year the Board regularly discussed the ever changing landscape</p> |

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Strategic Report (continued)

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| | <p>Employees also have the opportunity to vote for their own representation on the Equifax “People Forum” and escalate matters of importance to them to their People’s Forum representatives. People Forum representatives cover all Equifax sites and they can also be contacted anonymously via “Ask the People Forum”.</p> <p>The forum meets regularly to share the views and issues that have been brought to their attention. The forum work collectively with senior executives and board members to address the concerns and work towards implementing solutions.</p> | <p>with respect to return to the office. The focus and priority for the Board has always been to respect the UK government guidance, ensuring the protection of colleagues with a focus on staff wellbeing and work-life balance being a key priority. The Board were pleased to receive positive feedback from colleagues on the health and wellbeing of employees.</p> |
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| Industry Regulators: Equifax is authorised and regulated by the Financial Conduct Authority and the Information Commissioner’s Office. | | |
| Why? | How we engage? What they tell us? | Our response / outcomes of engagement |
| <p>We are regulated by the Information Commissioner’s Office (ICO) and the Financial Conduct Authority (FCA).</p> <p>The Information Commissioner’s Office regulates us to ensure that the way we manage personal data complies with the Data Protection Act 2018 and associated laws.</p> <p>The FCA regulates the financial services firms and markets in the UK.</p> | <p>The Senior executive team regularly engage with the regulators and are open and transparent in their dialogue.</p> <p>Regulatory updates are present at board meetings and discussed by the Directors as a standing agenda item.</p> <p>The Board, as a standing agenda receive and discuss updates from the Risk Committee which highlights key issues in the broader regulatory environment.</p> <p>Where appropriate, the Board discusses guidance and information requests received from regulators and responds to obligatory and ad hoc information requests and reporting in a timely manner.</p> | <p>The Board contributes considerable time and resources to engage with regulators.</p> <p>During the year, the Board continued to support the FCA’s Market Study with detailed responses and active engagement with all information requests.</p> <p>The Board also ensured active engagement during key business decision making processes so regulators are consistently engaged and apprised of approaches taken by the company.</p> <p>As part of the continued review by the regulators into the industry’s financial resilience, the Board worked closely with the FCA to evaluate the company’s liquidity needs and ring-fenced as appropriate an amount of funds.</p> |

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| Shareholders: We aim to provide long term shareholder value. The shareholder of Equifax Ltd is a related party group company and the ultimate parent company is Equifax Inc. | | |
| Why? | How we engage? What they tell us? | Our response / outcomes of engagement |
| <p>Our shareholders are our owners and as such have a significant interest in the company’s operations to ensure their investment is safeguarded and continues to produce sustainable long term growth.</p> | <p>Shareholder interests and concerns are directly communicated to the Board during regular board meetings.</p> <p>The Board must balance shareholder priorities to ensure dividend and growth are maximised while providing value for money for our clients. Monthly results</p> | <p>During meetings with shareholders, they are regularly provided assurance in line with their respective priorities. This includes a review of company’s operations including progress updates on transformation. Client surveys and other metrics are also presented to the Board.</p> |

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Strategic Report (continued)

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| | <p>and forecasts are shared with our shareholders to keep them informed, as well as forward looking growth plans.</p> | |
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| <p>Community and Environment: At Equifax we believe that any action we take should be for the benefit of all and this belief runs through everything that we do.</p> | | |
|--|--|---|
| <p>Why?</p> | <p>How we engage? What they tell us?</p> | <p>Our response / outcomes of engagement</p> |
| <p>We recognise the importance of contributing to our communities through volunteering, community investment, and long-term partnerships.</p> <p>The Board is mindful of the environmental impact of its activities and is committed to the protection of the environment and the reasonable prevention of pollution related to its activities and services.</p> | <p>Equifax has supported local charities for many years and management and employees regularly take part in fund raising activities to continue to support our charitable partners.</p> <p>The Board is committed to creating a healthy work environment for our colleagues and to do so in a way that is also beneficial for the environment we live in.</p> <p>To provide the right level of focus and engagement a sub-board "The Environmental Management Board" was established. The Board meet regularly to develop recommendations, track progress, support the collection and analysis of data, and create communication materials. The Board also facilitates collaboration amongst team members across the global organisation to promote environmental initiatives.</p> | <p>The Board and the company take environmental responsibilities very seriously. To ensure we have a robust system in place to achieve our aims and maintain our legislative compliance, we have chosen to certify to an industry recognised standard for environmental management.</p> <p>We have chosen to certify to the ISO 14001:2015 Environmental Management System (EMS) standard. The purpose of this International Standard is to provide organisations with a framework to protect the environment and respond to changing environmental conditions in balance with socio-economic needs. It specifies requirements that enable an organisation to achieve the intended outcomes it sets for its environmental management system. Further information on the company's Environmental Policy Programme can be found at: https://www.equifax.co.uk/about-equifax/corporate-social-responsibility/en_gb.</p> <p>The Directors recognise that continued emission of greenhouse gasses can cause greater global warming that could lead to significant economic and social consequences. This is one the most pressing issues facing the world around us and the important role Equifax plays in the communities where we work and live. As a result, during the year and with full support from the Equifax Limited Board, the company globally announced that Equifax is expanding its commitment to Environmental, Social and Governance (ESG) issues and that the company will make new quantitative ESG disclosures available annually on Equifax.com. These disclosures are being made in accordance with the Sustainability Accounting Standards Board (SASB) framework. Equifax also announced a commitment to net-zero</p> |

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Strategic Report (continued)

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| | | <p>greenhouse gas emissions by 2040, a market leading sustainability commitment enabled by the company's Equifax Cloud™ transformation. Further information on the company's environmental, social and governance priorities can be found at https://www.equifax.com/about-equifax/environmental-social-governance.</p> |
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Decision making and principal decisions


The Board has made numerous decisions through the fiscal year, either directly through board meetings or via delegations to senior management or committees. The Board has remained mindful and considerate of the potential impacts on key stakeholders and factored their respective needs and concerns into all discussions and decision making in accordance with s172 of the Companies Act 2006. Not every decision made by the Board impacts all stakeholders and decisions will have differing levels of impact of respective shareholders. Major decisions and considerations made by the Board during the fiscal year include:

- Approval of the 2020 Annual Accounts and Financial Statements.
- Dividend Policy;
- COVID-19 Management (employee wellbeing and business continuity);
- Board and Committee Membership review to streamline membership of the Board to ensure focus on strategy implementation and risk management;
- Review and approval of amendments to risk appetite; and
- Review and approval of mechanism for ring-fencing cash to meet FCA liquidity obligations.

Future developments

The Directors are confident of the long-term prospects of the company, which is well established with a diversified portfolio of products and clients. The general level of activity in the forthcoming year is expected to be above levels in 2021 as the UK economy continues to recover from the impact of COVID-19. The Directors acknowledge the significant economic headwinds facing the UK economy in 2022 including challenge on GDP and inflation. Although this does raise a level of uncertainty the Directors remain confident the company has a range of products and services available to consumers and clients to help them navigate through those headwinds.

By order of the Board

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P Remon
 Director

24 September 2022

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Directors' Report

The Directors present their report for the year ended 31 December 2021.

Directors of the company

The current Directors are shown on page 1.

P Heywood
P Remon
W Au
J Lewis (resigned 5 February 2021)
J Nair (resigned 5 February 2021)
S Brown (resigned 31 March 2022)

Dividends

During the year the company repatriated £2.0m in dividends to the parent company (2020: £nil).

Future developments

Details of future developments can be found in the Strategic Report on pages 2 to 11.

COVID-19

The outbreak of COVID-19 created huge social and economic uncertainty across the UK putting many citizens and businesses at financial risk.

During the year the pandemic continued to have an impact on economic activity in the UK, but at a much reduced rate when compared to prior year.

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 on pages 2 to 11. At 31 December 2021, the company had £28.5m (2020: £32.7m) of cash at bank and in hand, this includes a balance of £18.0m (2020: £nil) which is ring-fenced at the request of the FCA and is unavailable for use for day to day working capital. These funds are ring-fenced as part of wind down planning to facilitate an orderly wind down in the case of severe stress and will be available for use only once the decision to wind down the business has been taken by the Board.

During the year the company generated a profit after tax of £7.2m (2020: £0.07m loss). At the year end the company's balance sheet has net assets of £52.2m (2020 £47.0m) and has net current assets of £27.0m (2020 £29.7m).

The Directors have undertaken a financial assessment of the company and prepared a summary of the impact expected over a period to 30th September 2023. The company has also obtained a letter of parental support from Equifax Inc., the company's ultimate parent undertaking. Management are confident the company has adequate resources with parental support available as well as debt facilities in place to meet liabilities as they fall due.

The Directors have prepared cash flow forecasts for a period to 30th September 2023 supporting their conclusions. These forecasts reflect and consider:

- Profit projected to be generated by the company applying forecasts endorsed and approved at Board and Group level;
- The company's working capital requirements over the period including assumptions over seasonal and inflationary increases in working capital requirements;
- The economic impact on our business using Oxford Economics data on GDP, including challenges driven by increasing inflationary pressures and other economic headwinds;
- The planned extent of capital expenditure and future investment across the company to be funded with the support of the ultimate parent; and
- The company's current financing structure

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Directors' Report (continued)

Going concern (continued)

As part of the assessment, the Directors have also modelled possible downside scenarios to the base case. The scenarios include performing a reverse stress test for the company. The stress testing scenarios illustrated that as a result of the cash position including the support of the parent, the company will be in a position to withstand the financial impact of a more significant decline in revenue in the case of unforeseen reduction in economic activity and also inflationary scenarios on costs.

Based upon the forecasts, the Directors consider the company's operating and other future cash flows are such that the company will have sufficient funds with parental support and committed intercompany credit facilities to meet its liabilities as they fall due through the forecast period to 30 September 2023.

The Directors have considered the ability of the parent company to provide support and are satisfied that the parent company is able to provide that support given that Equifax Inc, generates cash from its operations, has significant cash reserves and an available credit facility maturing in August 2026.

Accordingly, the Directors have concluded that despite the uncertain economic conditions and outlook the company has adequate resources to continue to meet its liabilities as they fall due for a period to 31 July 2023. Therefore, the Directors are satisfied they have a reasonable basis upon which to conclude that it remains appropriate to prepare the financial statements on a going concern basis.

Credit risk

The company's principal financial assets are bank balances, trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience is evidence of a reduction in the recoverability of the cash flows.

The company does not have a concentration of credit risk, as cash resources are managed with three separate banking institutions. In respect of trade and other receivables any credit exposure is spread over a large number of customers.

Liquidity risk

At 31 December 2021, the company had a cash balance of £28.5m (2020: £32.7m) this includes a balance of £18.0m (2020: £nil) which is ring-fenced at the request of the FCA and is unavailable for use for day to day working capital. These funds are ring-fenced as part of wind down planning to facilitate an orderly wind down in the case of severe stress and will be available for use only once the decision to wind down the business has been taken by the Board. The company has no long-term or short-term debt from non-group sources. The company continues to have a positive cash position and the Directors are confident with parental support that it has the resources to meet its obligations over the coming twelve months.

Political contributions

During the year the company made no political donations (2020: nil).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged.

Employee consultation

The company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on various factors affecting the performance of the company. Employees are consulted on a wide range of matters affecting their current and future interests via the Employee Forum.

Equifax Limited

Registered No: 02425920

Directors' report (continued)

Statement as to the disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the Directors are aware there is no relevant audit information of which the company's auditors are unaware; and
- the Directors have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of this information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be proposed to members at the Annual General Meeting.

Equifax Limited and TDX Group Limited SECR Annual Report

Introduction

The below SECR disclosure has been prepared on an Equifax and TDX Group combined basis. Equifax and TDX Group are related parties of the combined Equifax group and with the same ultimate parental controlling party. The two companies operate with share facilities, IT resources and people resources. It is therefore not practical to disclose on an individual entity basis.

Purpose of this report

In accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) policy implemented 1 April 2019, Equifax and TDX Group will be including the required information as part of the annual Directors Report in their Financial Statements.

The following information details what areas we are required to report on and the statistics and methods used to reach these figures.

Report Date Range: **January 2021 - December 2021**

UK energy use for the current financial year

The annual energy usage statistics for Equifax and TDX Group include, as a minimum, energy use from purchased electricity, gas and transport across our four UK based offices in London, Leeds, and Nottingham. These are as follows:

| Data Point | 2021 Totals | 2020 Totals |
|--------------------------|-------------|-------------|
| Electricity (kWh) | 556,639 | 576,557 |
| Gas (kWh) | 71,497 | 78,730 |
| Company Car Mileage (km) | 55,334 | 164,965 |
| Grey Fleet Mileage (km) | 60,035 | 113,444 |
| Short Haul Flights (km) | 101,600 | 94,462 |
| Long Haul Flights (km) | 91,132 | 269,704 |
| Train Mileage (km) | 84,921 | 73,318 |

Equifax Limited

Registered No: 02425920

Directors' report (continued)

Equifax Limited and TDX Group Limited SECR Annual Report (continued)

Associated GHG (Greenhouse Gas) emissions for the current financial year

We have calculated the annual equivalent quantity of emissions of greenhouse gasses in tons of carbon dioxide based on the figures gained by carrying out the energy usage tracking in our UK offices. We have used the conversion factors provided by the Carbon Trust to work out our equivalent carbon footprint.

| Data Point | Totals | Conversion (Carbon Trust) | 2021 GHG (CO ₂) Kilograms | 2020 GHG (CO ₂) Kilograms |
|--------------------------|---------|---------------------------|---------------------------------------|---------------------------------------|
| Electricity (kWh) | 556,639 | 0.41205 | 229,363.10 | 237,570.31 |
| Gas (kWh) | 71,497 | 0.18399 | 13,155.23 | 14,486.08 |
| Company Car Mileage (km) | 55,334 | 0.29461 | 16,301.95 | 48,600.34 |
| Grey Fleet Mileage (km) | 60,035 | 0.30875 | 18,535.81 | 35,025.84 |
| Short Haul Flights (km) | 101,600 | 0.01791 | 1,819.66 | 1,691.81 |
| Long Haul Flights (km) | 91,132 | 0.02838 | 2,586.33 | 7,654.20 |
| Train Mileage (km) | 84,921 | 0.04885 | 4,148.39 | 3,581.58 |

Emissions data Intensity Ratio

To allow us to express our emissions data using an appropriate metric or financial indicator for the business (so as to 'normalise' the collected data in a quantifiable way), we have chosen to use the calculations gained from the above GHG conversions against the square footage of our various offices to reach this figure (kilograms of CO₂e per total square metres):

| Data Point | Totals | Conversion (Carbon Trust) | GHG (CO ₂) Kilograms | Intensity Ratio (Sq. Ft) | 2021 GHG (CO ₂) Kilograms per SQ. Ft. of UK office space | 2020 GHG (CO ₂) Kilograms per SQ. Ft. of UK office space |
|--------------------------|---------|---------------------------|----------------------------------|--------------------------|--|--|
| Electricity (kWh) | 556,639 | 0.41205 | 229,363.10 | 72,172 | 3.17801 | 3.29172 |
| Gas (kWh) | 71,497 | 0.18399 | 13,155.23 | 72,172 | 0.18228 | 0.20072 |
| Company Car Mileage (km) | 55,334 | 0.29461 | 16,301.95 | 72,172 | 0.22588 | 0.67340 |
| Grey Fleet Mileage (km) | 60,035 | 0.30875 | 18,535.81 | 72,172 | 0.25683 | 0.48531 |
| Short Haul Flights (km) | 101,600 | 0.01791 | 1,819.66 | 72,172 | 0.02521 | 0.02344 |
| Long Haul Flights (km) | 91,132 | 0.02838 | 2,586.33 | 72,172 | 0.03584 | 0.10605 |
| Train Mileage (km) | 84,921 | 0.04885 | 4,148.39 | 72,172 | 0.05748 | 0.04963 |

Equifax Limited

Registered No: 02425920

Directors' report (continued)

Equifax Limited and TDX Group Limited SECR Annual Report (continued)

Energy efficiency actions taken during the financial year

In order to try and improve the energy efficiency of our offices, we have in place or have implemented the following measures:

Company Cars: During 2021, we reviewed and changed the methodology for how we allow eligible employees to select company cars so as to encourage them to use electric cars. Since this change was implemented, every company car we have ordered and/or replaced since the change has been either a full electric car or a hybrid electric car.

Environmental Management: Equifax and TDX Group are certified to ISO 14001-2015. During the course of 2021, both of these certifications have been through a full external audit by an accredited auditing body and have passed without any major non-conformities.

Flexible Working: Introduced a more flexible hybrid working model to allow eligible employees to work from home more often. This contributes to less travel and reduced energy usage at our offices.

Information about the methodologies used to calculate disclosures

The following is the methodology that we have used to calculate the above records and information.

UK energy use for the current financial year: The figures for the energy usage and travel included in the above tables are a combined total of all usage across our UK sites, London, Leeds and Nottingham


Associated GHG (Greenhouse Gas) emissions for the current financial year: The figures quoted for Associated GHG emissions are calculated from our raw data as outlined above using the conversion rate provided by The Carbon Trust, details of the conversion factors are at the following website:

<https://www.carbontrust.com/resources/guides/carbon-footprinting-and-reporting/conversion-factors/>

Emissions Data Intensity Ratio: We have chosen to use the square footage of our offices as our data intensity ratio, these figures are taken from our lease documents for each site and are a combined figure for all UK offices in London, Leeds, and Nottingham.

ISO 14001:2015 Management System: Equifax Limited (London, and Leeds) and TDX Group Limited (Nottingham) are certified to ISO 14001:2015. The respective certificate numbers are as follows:

Equifax Limited - EMS 718851
TDX Group Limited - EMS 632836

DocuSigned by:

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By order of the Board

P Remon
Director

24 September 2022

Equifax Limited

Registered No: 02425920

Statement of Directors' Responsibilities

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare 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 judgments and estimates that are reasonable and prudent;
- state whether applicable 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 proper 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 Equifax Limited

Opinion

We have audited the financial statements of Equifax Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Emphasis of matter - Investigation by the FCA

We draw attention to Note 19 of the financial statements, which describes the uncertainty of the outcome of the investigation from the Financial Conduct Authority. Our opinion is not modified in respect of this matter.

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 from when the financial statements are authorised for issue to 30 September 2023.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent Auditor's Report to the members of Equifax Limited (continued)

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 this 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 there is 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 the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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 17, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the members of Equifax Limited (continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax laws and regulations in the UK. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to health and safety, employee matters, General Data Protection Regulations, Information Commissioner's Office and Financial Conduct Authority.
- We understood how Equifax Limited is complying with those frameworks by making enquiries of those charged with governance and management, including those responsible for legal and compliance procedures, to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee as well as observations in Audit Committee meetings. We also made enquiries of management to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the company, as well as consideration of the results of our audit procedures across the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was a susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements are free from fraud and error. Specifically, we identified a fraud risk in relation to revenue recognition and performed detailed audit procedures over the revenue accounts utilising our analytics tools and paying particular attention to manual journals in order to address the risk of management override. We also identified a fraud risk in relation to the capitalisation of internal costs within the deferred programming intangible asset and performed detailed testing of amounts capitalised on a sample basis, agreeing those amounts to supporting documentation and ensuring that the criteria for capitalisation were met.

Independent Auditor's Report to the members of Equifax Limited (continued)

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation. If any instances of non-compliance with laws and regulations were identified, we reviewed the results of management's own investigation into the causes of the non-compliance and we also performed sufficient and appropriate independent audit procedures, including meeting with the company's external advisors. Where appropriate we consulted our internal specialists.

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.

Ernst & Young LLP

Tim Helm (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

24 September 2022

Equifax Limited

Registered No: 02425920

Statement of Comprehensive Income

for the year ended 31 December 2021

| | <i>Notes</i> | <i>2021</i> £000 | <i>2020</i> £000 <i>Restated</i> |
|---|--------------|---------------------|--|
| Turnover | 3 | 120,528 | 115,178 |
| Cost of sales | | <u>(65,684)</u> | <u>(62,357)</u> |
| Gross profit | | 54,844 | 52,821 |
| Administrative expenses | | <u>(46,803)</u> | <u>(46,329)</u> |
| Profit on ordinary activities before finance charges and exceptional items | 4 | 8,041 | 6,492 |
| Exceptional item – Security Remediation & Transformation | | - | <u>(7,459)</u> |
| Profit/(loss) on ordinary activities before finance charges | | 8,041 | (967) |
| Interest receivable and similar income | 6 | 2 | 15 |
| Interest payable and similar charges | 6 | <u>(264)</u> | <u>(111)</u> |
| Profit/(loss) on ordinary activities before taxation | | 7,779 | (1,063) |
| Tax on profit/(loss) on ordinary activities | 7 | <u>(570)</u> | 997 |
| Comprehensive income / (loss) for the financial year | | <u>7,209</u> | <u>(66)</u> |

All the results arose from continuing operations.

The company has no other comprehensive income or losses for the years ended 31 December 2021 and 31 December 2020.

Total Comprehensive Income is entirely attributed to the owners of the parent company.

Equifax Limited

Registered No: 02425920

Statement of Changes of Equity

for the year ended 31 December 2021

| | <i>Share capital</i> £000 | <i>Share premium</i> £000 | <i>Share-based payment reserve</i> £000 | <i>Profit and loss account</i> £000 | <i>Total share- holder's funds</i> £000 |
|---|----------------------------------|----------------------------------|--|--|--|
| At 1 January 2020 | 3,035 | 24,075 | 916 | 19,019 | 47,045 |
| Share-based payment charge | - | - | 609 | - | 609 |
| Share based payments reimbursed to Equifax Inc | - | - | (609) | - | (609) |
| Profit for the year | - | - | - | (66) | (66) |
| At 31 December 2020 | <u>3,035</u> | <u>24,075</u> | <u>916</u> | <u>18,953</u> | <u>46,979</u> |
| Share-based payment charge | - | - | 558 | - | 558 |
| Share based payments reimbursed to Equifax Inc | - | - | (558) | - | (558) |
| Profit for the year | - | - | - | 7,209 | 7,209 |
| Dividends paid | - | - | - | (2,000) | (2,000) |
| At 31 December 2021 | <u><u>3,035</u></u> | <u><u>24,075</u></u> | <u><u>916</u></u> | <u><u>24,162</u></u> | <u><u>52,188</u></u> |


Equifax Limited

Registered No: 02425920

Statement of Financial Position as at 31 December 2021

| | <i>Notes</i> | <i>2021</i> £000 | <i>2020</i> £000 |
|--|--------------|---------------------|---------------------|
| Fixed assets | | | |
| Intangible assets | 9 | 41,867 | 31,259 |
| Tangible assets | 10 | 3,331 | 6,059 |
| | | <u>45,198</u> | <u>37,318</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 11 | 25,417 | 27,526 |
| Debtors: amounts falling due after more than one year | 11 | 1,266 | 1,836 |
| Cash at bank and in hand | 17 | 28,544 | 32,680 |
| | | <u>55,227</u> | <u>62,042</u> |
| Creditors: amounts falling due within one year | 12 | <u>(28,237)</u> | <u>(32,381)</u> |
| Net current assets | | <u>26,991</u> | <u>29,661</u> |
| Total assets less current liabilities | | <u>72,819</u> | <u>66,979</u> |
| Creditors: amounts falling due after more than one year | 12 | <u>(20,000)</u> | <u>(20,000)</u> |
| Net assets | | <u>52,189</u> | <u>46,979</u> |
| Capital and reserves | | | |
| Called-up share capital | 13 | 3,035 | 3,035 |
| Share premium | | 24,075 | 24,075 |
| Share-based payment reserve | | 916 | 916 |
| Profit and loss account | | 24,162 | 18,953 |
| Shareholder's funds | | <u>52,188</u> | <u>46,979</u> |

The financial statements were approved for issue by the Board of Directors on 24 September 2022 and were signed on its behalf by:

DocuSigned by:

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P Remon
Director

Equifax Limited

Registered No: 02425920

Notes to the Financial Statements

at 31 December 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

Equifax Limited is a company incorporated in England and Wales under the Companies Act and is a privately owned company limited by shares. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on pages 2 to 11.

The financial statements are prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) with reduced disclosures as it applies to the financial statements of the company for the year ended 31 December 2021.

The functional currency of Equifax Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are rounded to the nearest £'000.

The company meets the definition of a qualifying entity under FRS102 and has taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to:

- Exemption from FRS102 3.17(d) and Section 7 from requirement to prepare a cash flow statement;
- Exemption from FRS102 33.7 from disclosure of transactions with key personnel;
- Exemption from FRS102 33 (1A) from disclosure of transactions entered into between two or more members of a group provided that any subsidiary which is part to the transaction is wholly owned by such a member; and
- Exemption from the requirements of Section 26 Share-based payments paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

b. 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 on pages 2 to 11. At 31 December 2021, the company had £28.5m (2020: £32.7m) of cash at bank and in hand, this includes a balance of £18.0m (2020: £nil) which is ring-fenced at the request of the FCA and is unavailable for use for day to day working capital. These funds are ring-fenced as part of wind down planning to facilitate an orderly wind down in the case of severe stress and will be available for use only once the decision to wind down the business has been taken by the Board.

During the year the company generated a profit after tax of £7.3m (2020: £0.07m loss). At the year end the company's balance sheet has net assets of £52.2m (2020 £47.0m) and has net current assets of £27.0m (2020 £29.7m).

The Directors have undertaken a financial assessment of the company and prepared a summary of the impact expected over a period to 30 September 2023. The company has also obtained a letter of parental support from Equifax Inc, the company's ultimate parent undertaking. Management are confident the company has adequate resources and parental support available as well as debt facilities in place to meet liabilities as they fall due.

The Directors have prepared cash flow forecasts for a period to 30 September 2023 supporting their conclusions. These forecasts reflect and consider:

- Profit projected to be generated by the company applying forecasts endorsed and approved at Board and Group level;
- The company's working capital requirements over the period including assumptions over seasonal and inflationary increases in working capital requirements;
- The economic impact on our business using Oxford Economics data on GDP, including challenges driven by increasing inflationary pressures and other economic headwinds;

Equifax Limited

Registered No: 02425920

Notes to the Financial Statements

at 31 December 2021

Accounting policies (continued)

b. Going concern (continued)

- The planned extent of capital expenditure and future investment across the company to be funded with the support of the ultimate parent; and
- The company's current financing structure.

As part of the assessment, the Directors have also modelled possible downside scenarios to the base case. The scenarios include performing a reverse stress test for the company. The stress testing scenarios illustrated that as a result of the cash position including the support of the parent, the company will be in a position to withstand the financial impact of a more significant decline in revenue in the case of unforeseen reduction in economic activity.

Based upon the forecasts, the Directors consider the company's operating and other future cash flows are such that the company will have sufficient funds through parental support and committed intercompany credit facilities to meet its liabilities as they fall due through the forecast period to 30 September 2023.

The Directors have considered ability of the parent company to provide support and are satisfied that the parent company is able to provide that support given that Equifax Inc generates cash from its operations, has significant cash reserves and an available credit facility maturity in August 2026.

Accordingly, the Directors have concluded that despite the uncertain economic conditions and outlook the company has adequate resources to continue to meet its liabilities as they fall due for a period to 30 September 2023. Therefore, the Directors are satisfied they have a reasonable basis upon which to conclude that it remains appropriate to prepare the financial statements on a going concern basis.

c. Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. Development costs include programming costs that are separately identifiable and deferred as and when they are incurred in the development of commercially exploitable systems and amortised over the period during which the company is expected to benefit. This period is between 3 and 10 years. Provision is made for any impairment.

d. Intangible assets – licenses & purchased databases

Separately acquired licenses and customer databases are included at cost less accumulated amortisation. Software licenses are amortised in equal instalments over a period of 3 to 7 years which is their estimated useful economic life. Purchased databases are amortised over a period of 8 to 15 years. Provision is made for any impairment.

e. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|------------------------|-----------------|
| Leasehold improvements | period of lease |
| Equipment and software | 3 to 10 years |

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

1. Accounting policies (continued)***e. Tangible fixed assets (continued)***

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit or loss as described below.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax liabilities and assets are not discounted.

h. Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of services provided in the normal course of business. Sales are recognised as services are provided. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date, turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date.

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.

i. Employee benefits

The company provides a defined contribution pension scheme. The amounts charged to the profit and loss account are the contributions payable in the year. The pension charge for the year was £2,514,000 (2020: £2,452,000). The amount of employer contributions payable at the year-end was £233,000 (2020: £249,000).

j. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the related forward contract rate. Monetary assets and liabilities denominated in foreign currencies

Equifax Limited**Notes to the financial statements (continued)**
at 31 December 2021**1. Accounting policies (continued)*****j. Foreign currency(continued)***

at the balance sheet date are reported at the rates of exchange prevailing at that date or at any related forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

k. Leases

The company enters into operating leases. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

l. Borrowing costs

Interest is expensed as incurred.

m. Share-based payments

The parent company, Equifax Inc. grants share options to certain employees. The cost of equity-settled transactions is measured at fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using the binomial pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions. No expense is recognised for shares that do not ultimately vest. The company reimburses Equifax Inc. for the provision of share options to certain employees equal to the fair value of the share options.

n. Exceptional items

The company presents operating exceptional items on the face of the income statement. These are items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Directors consider merit separate presentation to provide a better and more consistent indication of the company's underlying financial performance and more meaningful comparison with prior and future periods to assess trends in financial performance.

o. Prior year restatement

The company has restated prior year revenue and cost of sales relating to inter-divisional revenue which had been recorded for management reporting purposes but had not been appropriately eliminated within the financial statements, resulting in an overstatement of both revenue and cost of sales. Consequently, both revenue and cost of sales have been restated by reducing the previously reported amounts by £3.6m. There is no impact on the 2020 gross profit, profit before tax, profit after tax or net assets previously reported for the period ended 31 December 2020.

The error first arose during the year ended 31 December 2015. The overstatement of revenue and cost of sales as a result of inter divisional revenue not being appropriately eliminated in the financial statements for the period from 1 January 2015 to 31 December 2019 is summarised below:

- Year ended 31 December 2015 - £0.89m
- Year ended 31 December 2016 - £1.26m
- Year ended 31 December 2017 - £2.53m
- Year ended 31 December 2018 - £2.82m
- Year ended 31 December 2019 - £3.48m

No adjustment is recorded within these financial statements in respect of these amounts. There is no impact on the gross profit, profit before tax, profit after tax or net assets previously reported for the above respective periods.

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

No judgements have a significant effect on the amounts reported in the financial statements.

3. Turnover

The whole of the company's turnover relates to its principal activity and derives from continuing operations. The origins and destination of turnover is predominantly within the UK. Sales are recognised as services are provided and are stated net of value added tax.

| | 2021 £000 | 2020 £000 <i>Restated</i> |
|-----------------------|----------------|---------------------------------|
| Provision of services | <u>120,528</u> | <u>115,178</u> |

4. Profit / (Loss) on ordinary activities before finance charges

Profit / (loss) on ordinary activities before finance charges is stated after charging:

| | 2021 £000 | 2020 £000 |
|---|-------------------|-------------------|
| Depreciation of tangible fixed assets | 3,209 | 3,708 |
| Amortisation of intangible fixed assets | 8,021 | 6,000 |
| Exceptional Item | - | 7,459 |
| Transformation Programme | 4,700 | - |
| Other operating lease rentals | | |
| - property rentals | 1,338 | 1,587 |
| - other | 37 | 105 |
| Auditor's remuneration | 154 | 128 |
| | <u> </u> | <u> </u> |

The exceptional items for prior year included specialist IT and security contractors as well as software and infrastructure technology, consumer liaison staff, legal advisors, project management consultants.

The transformation program aims to rebuild the company's vast technology underpinnings, from moving IT infrastructure to the cloud and modernising applications to maximising the value, accessibility and differentiation of its data assets.

The audit fees of related companies are borne by the company.

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

5. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

| | 2021 Number | 2020 Number |
|----------------|----------------|----------------|
| Operations | 446 | 431 |
| Administration | 54 | 52 |
| | <u>500</u> | <u>483</u> |

Their aggregate remuneration comprised:

| | 2021 £000 | 2020 £000 |
|---------------------------------|---------------|---------------|
| Wages and salaries | 63,746 | 58,110 |
| Social security costs | 4,797 | 4,583 |
| Other pension costs (note 1(i)) | 2,514 | 2,452 |
| Redundancy costs | 601 | 506 |
| | <u>71,658</u> | <u>65,651</u> |

Included in wages and salaries is a total cost of share-based payments of £558,000 (2020: £609,000) which arises from transactions accounted for as equity-settled share-based payment transactions.

Directors' remuneration

The total amounts for directors' remuneration and other benefits were as follows:

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Emoluments | 1,069 | 1,337 |
| Company contributions to a defined contribution pension scheme | 38 | 50 |
| | <u>1,107</u> | <u>1,387</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2020 – 3).

The number of directors who exercised share options during the period amounted to 1 (2020 – 1).

The number of directors who received shares under the group's long term incentive scheme amounted to 2 (2020 – 2).

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

| | 2021 £000 | 2020 £000 |
|------------|--------------|--------------|
| Emoluments | <u>537</u> | <u>503</u> |

The highest paid director did exercise share options during the period and in 2020.

The highest paid director received shares under the group's long term incentive scheme during the year and in 2020.

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

6. Finance income and costs

Interest receivable and similar income

| | 2021 £000 | 2020 £000 |
|---------------------------|--------------|--------------|
| Other interest receivable | 2 | 15 |
| | <u>2</u> | <u>15</u> |

Interest payable and similar charges

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Interest payable on loans from group undertakings | 264 | 111 |
| | <u>264</u> | <u>111</u> |

7. Taxation on profit / loss on ordinary activities

(a) Tax on profit / (loss) on ordinary activities

The tax charge is made up as follows:

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| <i>Current tax:</i> | | |
| UK corporation tax at 19.00% | - | - |
| Adjustment in respect of prior years | - | (271) |
| Total current tax | <u>-</u> | <u>(271)</u> |
| <i>Deferred tax:</i> | | |
| Origination and reversal of timing differences | (292) | (1,526) |
| Movement in short term timing differences | (139) | (28) |
| Adjustment in respect of prior year deferred tax | 1,231 | 858 |
| Effect of rate changes | (230) | (30) |
| Total deferred tax (note 7(c)) | <u>570</u> | <u>(726)</u> |
| Tax on profit / (loss) on ordinary activities | <u>570</u> | <u>(997)</u> |

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

7. Taxation on profit / (loss) on ordinary activities (continued)**(b) Factors affecting current tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2019 – 19%).

The differences are reconciled below:

| | 2021 £000 | 2020 £000 |
|---|--------------|----------------|
| Profit / (loss) on ordinary activities before tax | <u>7,833</u> | <u>(1,063)</u> |
| Profit / (loss) on ordinary activities multiplied by the rate of tax 19.00% (2020: 19.00%) | 1,488 | (202) |
| <i>Effects of:</i> | | |
| Expenses not deductible for tax purposes | (247) | (21) |
| Group relief received for no consideration | (1,672) | (1,331) |
| Adjustment in respect of prior year current tax | - | (271) |
| Adjustment in respect of prior year deferred tax | 1,231 | 858 |
| Changes in tax laws and rates | (230) | (30) |
| Total tax charge / (credit) (note 7 (a)) | <u>570</u> | <u>(997)</u> |

(c) Deferred tax

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| At 1 January 2021 | | 1,836 |
| Charged to profit and loss account (note 7(a)) | | <u>(570)</u> |
| At 31 December 2021 (note 11) | | <u>1,266</u> |
| Representing: | | |
| Decelerated capital allowances | 865 | 1,597 |
| Share based payments | 318 | 171 |
| Short term timing differences | 83 | 68 |
| | <u>1,266</u> | <u>1,836</u> |

This primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions. It is anticipated that approximately £0.25m of this deferred tax asset could unwind in next 12 months.

(d) Factors affecting future tax charges

The 2020 Finance Act reverted the tax rate back to 19%, as such 19% had been applied when calculating deferred tax assets and liabilities as at 31 December 2020. The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. At the balance sheet date 31 December 2021, deferred tax assets and liabilities have been calculated using the appropriate rate at which the asset or liability are expected to be realised.

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

8. Dividends on equity shares

| | 2021 £000 | 2020 £000 |
|-----------------------------------|--------------|--------------|
| Ordinary: paid on ordinary shares | <u>2,000</u> | <u>-</u> |

9. Intangible fixed assets

| | <i>Software licence fees</i> £000 | <i>Deferred programming costs</i> £000 | <i>Total</i> £000 |
|---------------------|--|---|----------------------|
| Cost: | | | |
| At 1 January 2021 | 3,121 | 40,443 | 43,564 |
| Additions | 608 | 18,021 | 18,629 |
| Retirements | - | (2,426) | (2,426) |
| At 31 December 2021 | <u>3,729</u> | <u>56,038</u> | <u>59,767</u> |
| Amortisation: | | | |
| At 1 January 2021 | 2,095 | 10,210 | 12,305 |
| Charge for the year | 735 | 7,286 | 8,021 |
| Retirements | - | (2,426) | (2,426) |
| At 31 December 2021 | <u>2,830</u> | <u>15,070</u> | <u>17,900</u> |
| Net book value | | | |
| At 31 December 2021 | <u>899</u> | <u>40,968</u> | <u>41,867</u> |
| At 31 December 2020 | <u>1,026</u> | <u>30,233</u> | <u>31,259</u> |

Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

10. Tangible fixed assets

| | <i>Equipment</i> £000 | <i>Leasehold improvements</i> £000 | <i>Total</i> £000 |
|---------------------|--------------------------|---|----------------------|
| Cost: | | | |
| At 1 January 2021 | 15,743 | 1,296 | 17,039 |
| Additions | 493 | - | 493 |
| Retirements | (49) | - | (49) |
| At 31 December 2021 | <u>16,187</u> | <u>1,296</u> | <u>17,483</u> |
| Depreciation: | | | |
| At 1 January 2021 | 10,540 | 440 | 10,980 |
| Charge for the year | 3,094 | 115 | 3,209 |
| Retirements | (37) | - | (37) |
| At 31 December 2021 | <u>13,597</u> | <u>555</u> | <u>14,152</u> |
| Net book value | | | |
| At 31 December 2021 | <u>2,590</u> | <u>741</u> | <u>3,331</u> |
| At 31 December 2020 | <u>5,203</u> | <u>856</u> | <u>6,059</u> |

Depreciation is charged to administrative expenses in the Statement of Comprehensive Income.

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

11. Debtors

| | 2021 £000 | 2020 £000 |
|---|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade debtors | 17,067 | 19,166 |
| Amounts owed by group undertakings | 1,444 | 1,225 |
| Prepayments and accrued income | 6,376 | 6,403 |
| Other debtors | 8 | 5 |
| Corporation tax | 522 | 727 |
| | <u>25,417</u> | <u>27,526</u> |
| Amounts falling due after more than one year: | | |
| Deferred taxation (note 7(c)) | <u>1,266</u> | <u>1,836</u> |

12. Creditors: amounts falling due within one year

| | 2021 £000 | 2020 £000 |
|---|---------------|---------------|
| Trade creditors | 3,956 | 2,911 |
| Amounts owed to group undertakings | 1,999 | 5,391 |
| Other taxation and social security | 5,676 | 9,415 |
| Accruals and deferred income | 16,606 | 14,664 |
| | <u>28,237</u> | <u>32,381</u> |
| Amounts falling due after more than one year: | | |
| Amounts owed to group undertakings | <u>20,000</u> | <u>20,000</u> |

Amounts owed to group undertaking falling due after more than one year includes an un-secured interest-bearing loan with interest due monthly and a redemption date of 7 October 2025.

13. Called-up share capital and reserves

| | <i>Allotted, called up and fully paid</i> | | | |
|----------------------------|---|--------------|-----------|--------------|
| | No. | 2021 £000 | No. | 2020 £000 |
| Ordinary shares of £1 each | 3,035,302 | <u>3,035</u> | 3,035,302 | <u>3,035</u> |

The company has one class of ordinary shares which carry no right to fixed income.

The company's other reserves are as follows:

The share-based payments reserve represents the cumulative cost of equity-settled transactions.

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

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

14. Financial commitments

(a) Lease commitments

At 31 December 2021 the company has future minimum rentals payable under non-cancellable operating leases as set out below:

| | 2021 | | 2020 | |
|-----------------------------------|-----------------|--------------|-----------------|--------------|
| | <i>Property</i> | <i>Other</i> | <i>Property</i> | <i>Other</i> |
| | <i>£000</i> | <i>£000</i> | <i>£000</i> | <i>£000</i> |
| Operating leases amounts payable: | | | | |
| Within one year | 1,330 | 39 | 1,273 | 30 |
| Within 2 to 5 years | 4,469 | 42 | 3,820 | 20 |
| After more than 5 years | 5,007 | 5 | 5,791 | - |
| | <u>10,806</u> | <u>86</u> | <u>10,884</u> | <u>50</u> |

(b) Financial commitments

The company has entered into a cancellable contract with an information technology supplier that specifies termination requires a 180-day notice and the minimum amount payable under this agreement is £1,844,500.

The company has entered into agreements with two data suppliers which require a twelve month notice period. The minimum annual amount payable under these agreements is £1,316,203.

The company has entered into a contract with a data supplier with a minimum contract length of two years. At 31 December 2021 the minimum amount payable under the agreement was £791,667.

15. Share-based payments

(a) Equity-settled share option scheme

The ultimate parent company Equifax Inc. issues share options to certain employees of the company. Options are exercisable at a price equal to the average quoted market price of Equifax Inc.'s shares at the date of grant. The shares vest in three equal instalments commencing 12 months after the grant date. Options expire 10 years after award. Options are forfeited if the employee leaves the company. The options are settled with equity.

(b) Non-vested Stock

The ultimate parent company Equifax Inc. issues non-vested shares of Equifax Inc.'s own common stock to certain employees of the company. Non-vested stock awards are generally subject to cliff vesting over a period between three to five years based on service.

The fair value of non-vested stock is based on the fair market value of Equifax Inc.'s own common stock on the date of grant. However, since the non-vested stock does not pay dividends during the vesting period, the fair value on the date of grant is reduced by the present value of the expected dividends over the requisite service period. The options are settled with equity.

Equifax Limited

Notes to the financial statements (continued)

at 31 December 2021

16. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Under the exemption detailed in Note 1 the entity is not required to disclose the transactions with other group entities, however it is required to detail outstanding balances under the following categories:

| | Amounts owed by related party £000 | Amounts owed to related party £000 |
|--|---|---|
| Entities with control over the company | | |
| 2021 | <u>162</u> | <u>1,360</u> |
| 2020 | <u>151</u> | <u>596</u> |
| Other group entities | | |
| 2021 | <u>1,282</u> | <u>20,639</u> |
| 2020 | <u>1,074</u> | <u>24,657</u> |

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding trade balances are unsecured, interest free and cash settlement is expected within 30 days of invoice.

Outstanding loan balances with entities are unsecured, interest bearing and cash settlement is expected upon maturity.

The company has not provided or benefited from any guarantees for any related party receivables or payables. There were no other related party transactions in the year.

17. Cash at bank & in hand

At 31 December 2021, the company had a cash balance of £28.5m (2020: £32.7m) this includes a balance of £18.0m (2020: £nil) which is ring-fenced at the request of the FCA and is unavailable for use for day to day working capital. These funds are ring-fenced as part of wind down planning to facilitate an orderly wind down in the case of severe stress and will be available for use only once the decision to wind down the business has been taken by the Board.

The company has no long-term or short-term debt from non-group sources.

This liquidity back stop amount of £18.0m is kept in a separate bank account from the normal working capital cash balances of the company.

18. Ultimate parent undertaking

The company is a wholly owned subsidiary undertaking of Equifax Inc., a company incorporated in the United States of America. The only group in which the results of the group are consolidated is that headed by the ultimate parent company, Equifax Inc. The ultimate controlling party is Equifax Inc. The consolidated financial statements of Equifax Inc. are available to the public and can be obtained from 1550 Peachtree Street N.W., Atlanta, Georgia, 30309, United States of America.

The immediate parent undertaking and controlling party is Equifax EUA Limited, a company incorporated in England and Wales.

Equifax Limited

Notes to the financial statements (continued)
at 31 December 2021

19. Contingent Liability

In early September 2017, Equifax Inc., our US parent company, announced it had been the victim of a criminal cyber-attack in May 2017. Although our UK business was not breached, the attack regrettably compromised the personal information of a range of UK consumers. Approximately 860,000 potentially affected U.K. consumers were contacted regarding access to personal information.

The company is still under investigation from the Financial Conduct Authority (FCA). The company continues to co-operate with the FCA and there is currently no indication of the outcome of the investigation, although the FCA have indicated to the company a ruling may be expected during the remainder of 2022. The amount of any financial obligation, if any, which could arise on conclusion of the investigation, cannot be estimated reliably due to the wide-ranging number of outcomes at this stage and therefore no provision has been made in the financial statements.