

Equifax Limited

Annual report and financial statements

for the year ended 31 December 2022

Registered number: 02425920

THURSDAY



AC94JKH5

A12

03/08/2023

#166

COMPANIES HOUSE

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

7 Hustlergate

Bradford

BD1 1PP

Registered office

1 Angel Court

London

EC2R 7HJ

Equifax Limited

Registered No: 02425920

Strategic Report (continued)

The Directors present their strategic report for the year ended 31 December 2022.

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, 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. 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.

The company has invested significant sums in security remediation and infrastructure following the incident, and in 2022 the company continued into the final phase of the program which covers technology transformation and the road to cloud. Further investment has been committed to transforming the company’s technological capabilities onto the cloud in 2023 & 2024 which will pave the way for the company to be more innovative and bring those solutions to market at a greater rate. However, the level of spend in future years is expected to be much lower than in 2022. Once complete the transformation effort will allow the company to be well positioned to bring exciting new products to market that leverage our diversified assets and unique capabilities to unlock growth opportunities for our customers.

Key performance indicators

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

<i>Key performance indicators</i>	<i>2022</i>	<i>2021</i>	<i>Growth</i>
Revenue	£121.3m	£120.5m	0.7%
(Loss) / profit before interest and tax	£(3.0)m	£8.0m	-137.5%
Capital expenditure (intangible and tangible)	£28.5m	£19.1m	49.2%
Average number of employees	488	500	-2.4%

During the year the revenue of the company grew by 0.7% compared to prior year (2021: 4.6% increase). This was a consequence of the challenging economic climate in the United Kingdom with consumers and clients facing economic headwinds as a result of inflationary pressures.

The total profit before interest and tax decreased by 137.5% (2021: 931.2% increase). The reduction in profit before interest and tax was driven by greater operational costs across cost of sales and administrative expenses. The company continued to invest in and significantly accelerated the transformation program in 2022. The effect of this has been that as the company transitions and migrates clients over to cloud native platforms, the company is incurring cloud computing costs for the new infrastructure. However, it also continues to incur costs to maintain and service the old infrastructure until the transformation journey is complete. External contractor costs supporting this transition and cloud computing costs are the biggest drivers of the increased expenditure in the year.

Equifax Limited

Registered No: 02425920

Strategic Report (continued) **Key performance indicators (continued)**

The audited financial statements for the year ended 31 December 2022 are set out on pages 20 to 35. The loss for the year, after taxation, amounted to £4.6m (2021: £7.2m profit). During the year the company did not repatriate any amounts in dividends to the parent company (2021: £2.0m).

The company invested £28.5m in tangible and intangible assets in the year (2021: £19.1m). 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 operating costs in the future. The net current assets as at the year-end were £26.8m (2021: £27.0m) and the current ratio (current assets over current liabilities) was 1.9 in 2022 and 2021.

At 31 December 2022, the company had a positive cash balance of £24.3m (2021: £28.5m). 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 decreased to £47.6m (2021: £52.2m).

The total average number of employees remained stable with a small decrease of 2.4% during the year as the company continued to sustainably 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:

- We and our customers are subject to various laws and regulations, and could be affected by new and evolving consumer privacy, cybersecurity or other data-related laws or regulations; compliance with which may cause us to incur significant expenses and change our business practices or reduce the availability or effectiveness of our products. If we fail to maintain satisfactory compliance with certain laws and regulations, we could be subject to civil or criminal penalties.
- Recommendations and requirements arising from the Credit Information Market Study (CIMS) could incur additional expense and potentially impact our market share due to increased competition, new market entrants, loss of differentiated data, changing working practices, and requirements to upgrade, augment and modify platforms, systems and data channels.
- Failure to achieve and maintain key industry or technical certifications (e.g. PCI DSS, ISO 27001) may adversely impact our business.
- Despite robust security measures, we may be unable to adequately anticipate, prevent or mitigate damage resulting from increasingly sophisticated methods of illegal or fraudulent activities committed against us, including cyberattacks and security breaches, which could harm our business, operations and reputation and compromise Company, consumer and customer information.
- 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, accuracy and reliability of the data assets, it could harm our ability to provide our products and services, cause loss of customer trust and contribute to non-compliance with certain laws and regulations.
- Failure to maintain effective controls over financial reporting and produce timely and accurate financial statements could negatively impact our business.
- Investigations and litigation have the potential to adversely impact our business.

Equifax Limited

Registered No: 02425920

Strategic Report (continued)

Principal risks and uncertainties (continued)

- If our relationships with key customers or partners are materially diminished or terminated, or our outside service providers and key vendors are not able to fulfil their service obligations, 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.
- Our business may be negatively impacted by health epidemics, pandemics and similar outbreaks.
- Dependence on our supply chain and outsourcing certain portions of our operations, including information technology and administrative functions, may adversely affect our ability to deliver products to market and 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, due to the specialist nature of roles, a competitive job market and alternative flexible-working arrangements offered by other employers.
- Sub-optimal data management and governance and operational processes could impair our ability to maximise opportunities for consumer and customer service, product development and client engagement.
- We are making investments in our Environmental, Social and Governance (ESG) priorities in a way that is aligned with our company purpose - to help people live their financial best. Our reputation and/or business could be exposed to risks arising from developments and trends associated with climate change and ESG, including our own reporting.
- 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.
- The failure to realise the benefits of our technology transformation strategy, including our transition to cloud-based technologies, could adversely impact our business, operational effectiveness and financial performance; impairing our ability to optimise delivery of our products and services to consumers and clients, potentially reducing market share.
- If we do not upgrade existing or successfully introduce 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. Increasing availability of free or relatively inexpensive consumer information could also decrease our sales and market share.
- 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.
- 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.

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

Equifax Limited

Registered No: 02425920

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:

Suzanne Brown – Senior Financial Officer (resigned 31 March 2022)

The key stakeholders of the company during the year along with details of the key outcomes related to them are detailed below.

Our stakeholders

Customers - Personal Consumers and Businesses (C)

Consumers and businesses rely on Equifax through the use of data and analytical tools to support them in obtaining access to credit.

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.

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.

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.

Consumer feedback is initiated in a number of ways; through Voice of the Consumer feedback via Consumer Satisfaction Surveys (CSAT) and Online Surveys.

Equifax Limited

Registered No: 02425920

Strategic Report (continued)

Customers - Personal Consumers and Businesses (continued)

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.

Clients (CL)

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. 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. 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.

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 range of industries, delivering insightful and intelligent solutions to businesses of all sizes, from SMEs to multinational corporations. We work with clients in retail, telecommunications, public sector, insurance, financial services, banking, marketing services, utilities, debt management and commercial finance. 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.

Supplier and Partners (SP)

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.

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.

All supplier-related activity is managed in line with the Global Procurement and Outsourcing Business policies. 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.

Colleagues (CLG)

The Board want to ensure our colleagues have all the tools and opportunities to grow themselves and our business. 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. 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.

Equifax Limited

Registered No: 02425920

Strategic Report (continued)

Industry Regulators (IR)

Equifax is authorised and regulated by the Financial Conduct Authority. We are also regulated by the Information Commissioner's Office (ICO).

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.

The FCA regulates the financial services firms and markets in the UK.

The Senior executive team are open and transparent in their dialogue. Regulatory updates are presented at board meetings and discussed by the Directors as a standing agenda item.

Community and Environment (CE)

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. We recognise the importance of contributing to our communities through volunteering, community investment, and long-term partnerships. 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.

Key Decisions / Outcomes

The key decisions / outcomes linked to the stakeholders above are described below. With reference to the stakeholders considered / impacted.

Global Engagement Survey (CLG)

The directors believe that our colleagues thoughts and opinions are critical to ensure a culture of continuous and transparent feedback, and shape the Equifax workplace of tomorrow. This year an engagement survey was shared with all employees at the Company. This provides the Directors with a wealth of information from this key feedback route and along with the senior executives teams, senior managers and the People Forum the

The Board also facilitates collaboration amongst team members across the global organisation to promote environmental initiatives.

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.

Shareholders (SH)

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.

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.

Directors use this feedback to formulate action plans to drive further positive outcomes for our colleagues.

Cloud Data and Technology (C, CL, SH, SP)

The company has continued to invest heavily in transforming to be cloud native in technology. Our Data, analytics and technology is a powerful force in addressing pressing issues facing the world around us and Equifax has committed to reaching net-zero greenhouse gas emissions by

Equifax Limited

Registered No: 02425920

Strategic Report (continued)

Cloud Data and Technology (continued)

2040, an important sustainability commitment enabled by our Equifax Cloud. As we move from physical, on-premise data centres to cloud-based technology, we are working to increase system reliability and reduce operating expenses while also transitioning to more renewable energy sources, consuming energy more efficiently and reducing our carbon footprint. These strategic business actions also have the potential to help reduce greenhouse gas emissions. As we complete the new Equifax Cloud, we are positioned to bring exciting new products to our clients and the market that leverage our diversified assets and unique capabilities to unlock growth opportunities for our clients.

Security (C, CL, SH, SP, IR)

Every employee receives customized training and has visibility into their own security performance. In 2022, we expanded our customized training to include contract workers and introduced new, targeted measurement of key behaviours, including secure browsing and sensitive data handling. These performance measures are

included in the calculation of annual incentive compensation for all bonus-eligible employees.

Cost of Living Allowance (CLG, CE)

The Company introduced the "Cost of Living Allowance" in 2022 in recognition of the challenges that increased inflationary pressure and economic conditions were creating challenges for some of our colleagues. The allowance was a monthly payment made to colleagues under a certain threshold within the Company. This was initially until March 2023 but has since been extended to March 2024.

Regulatory Engagement (IR)

The Board continues to maintain a cordial and transparent relationship with its regulators. Interaction with the FCA consists of a regular monthly meeting and ad hoc engagement where required. In addition to this, the Company supports the FCA's statutory objectives by providing webinars on insights in both credit and debt recovery data which are well attended and well received by the FCA. These engagements allow the Board to be aligned to the needs and requirements of our regulators facilitating greater insight.

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 on respective stakeholders. Major decisions and considerations made by the Board during the fiscal year include:

- Approval of the 2021 Annual Accounts and Financial Statements;
- Dividend Policy;
- Cash management policy, approval of global cash pool framework
- Liquidity management, approval of £21.5m intercompany loan
- Developments in the nascent Workforce Solutions line of business;
- Review and approval of Consumer Duty implementation plans;
- Participation in and response to the FCA Credit Information Market Study Interim Report;
- Business restructuring; and
- Key milestones in material litigation and regulatory engagement.

Equifax Limited

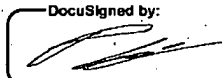
Registered No: 02425920

Strategic Report (continued)

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 2022. The Directors acknowledge the significant economic headwinds facing the UK economy in 2023 including challenge on GDP, inflation and interest rates. 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

DocuSigned by:

6C989090B3A340C...

P Remon
Director

27 July 2023

Equifax Limited

Registered No: 02425920

Directors' Report

The Directors present their report for the year ended 31 December 2022.

Directors of the company

The current Directors are shown on page 1.

P Heywood
P Remon
W Au
S Brown (resigned 31 March 2022)

Dividends

During the year the company did not repatriate any dividends to the parent company (2021: £2.0m).

Future developments

Details of future developments can be found in the Strategic Report on pages 2 to 9.

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 9. At 31 December 2022, the company had £24.3m (2021: £28.5m) of cash at bank and in hand, this includes a balance of £18.0m (2021: £18.0m) 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 sustained a loss after tax of £4.6m (2021: £7.2m profit) as a result of increased operational costs incurred as the company continues to invest in the transformation program. At the year end the company's balance sheet has net assets of £47.6m (2021: £52.2m) and has net current assets of £26.8m (2021: £27.0m).

The Directors have undertaken a financial assessment of the company and prepared a summary of the impact expected over a period to 30 September 2024, including cash flow forecasts for a period to 30 September 2024. 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

As part of the assessment, the Directors have also modelled a downside scenario to the base case, which also acts as a reverse stress test for the company. The forecasts, including the downside scenario, together with other factors, illustrates the company may require additional funding and support from Equifax Inc, the Parent Company.

Equifax Limited

Registered No: 02425920

Directors' Report (continued)

Going concern (continued)

Consequently, the Directors have obtained a letter of parental support from Equifax Inc, the company's ultimate parent, that confirms that the Parent Company will provide financial support to the Company to assist in meeting its liabilities to the extent that funding is not otherwise available to the Company to meet such liabilities. The Parent Company has confirmed its ability to provide such support for the period from the date of approval of the Company's financial statements until 30 September 2024.

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 2024.

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 30 September 2024. 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 in relation to trade and other receivables 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 2022, the company had a cash balance of £24.3m (2021: £28.5m). This includes a balance of £18.0m (2021: £18.0m) 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 (2021: 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 shared 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 2022 - December 2022**

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	2022 Totals	2021 Totals
Electricity (kWh)	576,919	556,639
Gas (kWh)	59,411	71,497
Company Car Mileage (km)	165,554	55,334
Grey Fleet Mileage (km)	117,977	60,035
Short Haul Flights (km)	425,051	101,600
Long Haul Flights (km)	1,185,931	91,132
Train Mileage (km)	319,488	84,921

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)	2022 GHG (CO2) Kilograms	2021 GHG (CO2) Kilograms
Electricity (kWh)	576,919	0.19338	111,565	229,363
Gas (kWh)	59,411	0.18254	10,845	13,155
Company Car Mileage (km)	165,554	0.17048	28,224	16,302
Grey Fleet Mileage (km)	117,977	0.17082	20,153	18,536
Short Haul Flights (km)	425,051	0.15353	65,258	1,820
Long Haul Flights (km)	1,185,931	0.19309	228,991	2,586
Train Mileage (km)	319,488	0.03549	11,323	4,148

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 (CO2) Kilograms	Intensity Ratio (Sq. Ft)	2022 GHG (CO2) Kilograms per SQ. Ft. of UK office space	2021 GHG (CO2) Kilograms per SQ. Ft. of UK office space
Electricity (kWh)	576,919	0.19338	111,565	54,282	2.06	3.18
Gas (kWh)	59,411	0.18254	10,845	54,282	0.20	0.18
Company Car Mileage (km)	165,554	0.17048	28,224	54,282	1.53	0.23
Grey Fleet Mileage (km)	117,977	0.17082	20,153	54,282	0.37	0.26
Short Haul Flights (km)	425,051	0.15353	65,258	54,282	1.20	0.03
Long Haul Flights (km)	1,185,931	0.19309	228,991	54,282	4.22	0.04
Train Mileage (km)	319,488	0.03549	11,323	54,282	0.21	0.06

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 2022, we followed up on our objective to encourage fleet car users to utilise hybrid or full electric vehicles. As of the end of 2022, all fleet vehicles are either hybrid or full electric.

Environmental Management: Both Equifax and TDX Group are still certified to ISO 14001-2015. During the course of 2022, both of these certifications have been through a full external audit by an accredited auditing body and have been recertified with no non-conformities.

Flexible Working: The companies ratified its hybrid working model to allow eligible employees to work from home two days a week, with a further two weeks every year being offered remote working. This contributes to less travel and reduced energy usage at our offices.

Reduced Floorplate: The companies significantly reduced the office space in both Leeds and Nottingham, commensurately reducing its environmental impact as a result.

Alternative Office Space: The companies location strategy seeks to find space in LEED or BREEAM certified buildings. A business case was signed off and fit out works commenced on a new space in Nottingham on a smaller, more energy efficient space.

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:

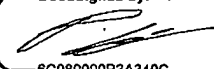
<https://www.carbontrust.com/resources/guides/carbon-footprinting-and-reporting/conversion-factors/>

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

By order of the Board

DocuSigned by:

6C989090B3A340C...

P Remon
Director

27 July 2023

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), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards, including FRS 102, 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 2022 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 2024.

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 15, 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 inquiries 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. We performed detailed audit procedures over the revenue accounts utilising our analytics tools and paying particular attention to manual journals, as well as testing accrued and deferred income with reference to contracts, services performed and amounts billed 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)

Auditor's responsibilities for the audit of the financial statements (continued)

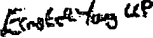
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Based on this understanding we designed our audit procedures to identify noncompliance 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.

DocuSigned by:

3946AE33D376453...

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

27 July 2023

Equifax Limited

Registered No: 02425920

Statement of Comprehensive Income

for the year ended 31 December 2022

	<i>Notes</i>	<i>2022</i> £000	<i>2021</i> £000
Turnover	3	121,296	120,528
Cost of sales		<u>(74,075)</u>	<u>(65,684)</u>
Gross profit		47,221	54,844
Administrative expenses		<u>(50,239)</u>	<u>(46,803)</u>
(Loss)/profit on ordinary activities before finance charges	4	(3,018)	8,041
Interest receivable and similar income	6	45	2
Interest payable and similar charges	6	<u>(627)</u>	<u>(264)</u>
(Loss)/profit on ordinary activities before taxation		(3,600)	7,779
Tax on (loss)/profit on ordinary activities	7	<u>(1,020)</u>	<u>(570)</u>
Comprehensive (loss)/income for the financial year		<u>(4,620)</u>	<u>7,209</u>

All the results arose from continuing operations.

The company has no other comprehensive income or losses for the years ended 31 December 2022 and 31 December 2021.

Total Comprehensive (loss) / 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 2022

	<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 2021	3,035	24,075	916	18,953	46,979
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 (note 8)	-	-	-	(2,000)	(2,000)
At 31 December 2021	<u>3,035</u>	<u>24,075</u>	<u>916</u>	<u>24,162</u>	<u>52,188</u>
Share-based payment charge	-	-	409	-	409
Share based payments reimbursed to Equifax Inc	-	-	(409)	-	(409)
Loss for the year	-	-	-	(4,620)	(4,620)
Dividends paid (note 8)	-	-	-	-	-
At 31 December 2022	<u>3,035</u>	<u>24,075</u>	<u>916</u>	<u>19,542</u>	<u>47,568</u>

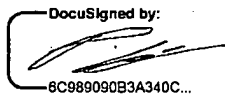
Equifax Limited

Registered No: 02425920

Statement of Financial Position as at 31 December 2022

	<i>Notes</i>	<i>2022</i> £000	<i>2021</i> £000
Fixed assets			
Intangible assets	9	60,058	41,867
Tangible assets	10	2,259	3,331
		<u>62,317</u>	<u>45,198</u>
Current assets			
Debtors: amounts falling due within one year	11	31,737	25,417
Debtors: amounts falling due after more than one year	11	246	1,266
Cash at bank and in hand	17	24,259	28,544
		<u>56,242</u>	<u>55,227</u>
Creditors: amounts falling due within one year	12	<u>(29,491)</u>	<u>(28,237)</u>
Net current assets		<u>26,751</u>	<u>26,990</u>
Total assets less current liabilities		89,068	72,818
Creditors: amounts falling due after more than one year	12	<u>(41,500)</u>	<u>(20,000)</u>
Net assets		<u>47,568</u>	<u>52,188</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		19,542	24,162
Shareholder's funds		<u>47,568</u>	<u>52,188</u>

The financial statements were approved for issue by the Board of Directors on 27th July 2023 and were signed on its behalf by:

DocuSigned by:

 8C989090B3A340C...

P Remon
Director

Equifax Limited

Registered No: 02425920

Notes to the Financial Statements (continued) at 31 December 2022

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 2006 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 9.

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 2022.

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 9. At 31 December 2022, the company had £24.3m (2021: £28.5m) of cash at bank and in hand, this includes a balance of £18.0m (2021: £18.0m) 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 sustained a loss after tax of £4.6m (2021: £7.2m profit) as a result of increased operational costs incurred as the company continues to invest in the transformation program. At the year end the company's balance sheet has net assets of £47.6m (2021 £52.2m) and has net current assets of £26.8m (2021 £27.0m).

The Directors have undertaken a financial assessment of the company and prepared a summary of the impact expected over a period to 30 September 2024, including cash flow forecasts for a period to 30 September 2024. 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

Equifax Limited

Registered No: 02425920

Notes to the Financial Statements (continued) at 31 December 2022

Going concern (continued)

- The company's current financing structure

As part of the assessment, the Directors have also modelled a downside scenario to the base case, which also acts as a reverse stress test for the company. The forecasts, including the downside scenario, together with other factors, illustrates the company may require additional funding and support from Equifax Inc, the Parent Company.

Consequently, the Directors have obtained a letter of parental support from Equifax Inc, the company's ultimate parent, that confirms that the Parent Company will provide financial support to the Company to assist in meeting its liabilities to the extent that funding is not otherwise available to the Company to meet such liabilities. The Parent Company has confirmed its ability to provide such support for the period from the date of approval of the Company's financial statements until 30 September 2024.

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 2024.

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 30 September 2024. 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 and any accumulated impairment losses. 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 losses. 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

Equifax Limited

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

e. Tangible fixed assets(continued)

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

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 Statement of Comprehensive Income.

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 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 Statement of Comprehensive Income are the contributions payable in the year. The pension charge for the year was £2,457,000 (2021: £2,514,000). The amount of employer contributions payable at the year-end was £188,000 (2021: £233,000).

Equifax Limited

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

1. Accounting policies (continued)

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 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 rate gain or loss in the Statement of Comprehensive Income.

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.

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.

Equifax Limited

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

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.

	2022 £000	2021 £000
Provision of services	<u>121,296</u>	<u>120,528</u>

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

Loss / Profit on ordinary activities before finance charges is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible fixed assets	1,661	3,209
Amortisation of intangible fixed assets	9,727	8,021
Transformation Program	2,363	4,700
Other operating lease rentals		
- property rentals	1,474	1,338
- other	67	37
Auditor's remuneration	<u>175</u>	<u>154</u>

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.

5. Staff numbers and costs

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

	2022 Number	2021 Number
Operations	434	446
Administration	54	54
	<u>488</u>	<u>500</u>

Their aggregate remuneration comprised:

	2022 £000	2021 £000
Wages and salaries	74,551	63,746
Social security costs	5,069	4,797
Other pension costs (note 1(i))	2,457	2,514
Redundancy costs	1,087	601
	<u>83,164</u>	<u>71,658</u>

Included in wages and salaries is a total cost of share-based payments of £409,000 (2021: £558,000) which arises from transactions accounted for as equity-settled share-based payment transactions. Also included in wages and salaries are temporary labour costs of £34.1m (2021: £23.0m) supporting transformation efforts, but these are not incorporated in total employee number.

Equifax Limited

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

5. Staff numbers and costs (continued)

Directors' remuneration

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

	2022 £000	2021 £000
Emoluments	846	1,069
Company contributions to a defined contribution pension scheme	26	38
	<u>872</u>	<u>1,107</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 – 5).

The number of directors who exercised share options during the period amounted to nil (2021 – 1).

The number of directors who received shares under the group's long-term incentive scheme amounted to 2 (2021 – 2).

Highest paid director

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

	2022 £000	2021 £000
Emoluments	<u>515</u>	<u>537</u>

The highest paid director did not exercise share options during the period but did in 2021.

The highest paid director received shares under the group's long-term incentive scheme during the year and in 2021.

6. Finance income and costs

Interest receivable and similar income

	2022 £000	2021 £000
Other interest receivable	<u>45</u>	<u>2</u>

Interest payable and similar charges

	2022 £000	2021 £000
Interest payable on loans from group undertakings	<u>627</u>	<u>264</u>

Equifax Limited

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

7. Taxation on loss / profit on ordinary activities

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

The tax charge is made up as follows:

	2022 £000	2021 £000
<i>Current tax:</i>		
UK corporation tax	-	-
Adjustment in respect of prior years	-	-
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(94)	(292)
Movement in short term timing differences	91	(139)
Adjustment in respect of prior year deferred tax	1,061	1,231
Effect of rate changes	(38)	(230)
Total deferred tax (note 7(c))	<u>1,020</u>	<u>570</u>
Tax on (loss) / profit on ordinary activities	<u>1,020</u>	<u>570</u>

(b) Factors affecting current tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2021 – 19%).

The differences are reconciled below:

	2022 £000	2021 £000
(Loss) / profit on ordinary activities before tax	<u>(3,600)</u>	<u>7,833</u>
(Loss) / profit on ordinary activities multiplied by the rate of tax 19% (2021: 19%)	(684)	1,488
<i>Effects of:</i>		
Expenses not deductible for tax purposes	148	(247)
Group relief surrendered / (received) for no consideration	534	(1,672)
Adjustment in respect of prior year deferred tax	1,060	1,231
Changes in tax laws and rates	(38)	(230)
Total tax charge (note 7 (a))	<u>1,020</u>	<u>570</u>

Equifax Limited

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

7. Taxation on profit / loss on ordinary activities (continued)

(c) Deferred tax

	<i>£000</i>	
At 1 January 2022		1,266
Charged to profit and loss account (note 7(a))		(1,020)
At 31 December 2022 (note 11)		<u>246</u>
	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Representing:		
(Accelerated) / decelerated capital allowances	(50)	865
Share based payments	217	318
Short term timing differences	79	83
	<u>246</u>	<u>1,266</u>

Deferred tax assets recognised 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 £0.15m of this deferred tax asset could unwind in next 12 months.

(d) Factors affecting future tax charges

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023. At the balance sheet date 31 December 2022, deferred tax assets and liabilities have been calculated using the appropriate rate at which the asset or liability are expected to be realised.

8. Dividends on equity shares

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Ordinary: paid on ordinary shares	<u>-</u>	<u>2,000</u>

Equifax Limited

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

9. Intangible fixed assets

	<i>Software licence fees £000</i>	<i>Deferred programming costs £000</i>	<i>Total £000</i>
Cost:			
At 1 January 2022	3,729	56,038	59,767
Additions	160	27,758	27,918
Retirements	(22)	(3,505)	(3,527)
At 31 December 2022	<u>3,867</u>	<u>80,291</u>	<u>84,158</u>
Amortisation:			
At 1 January 2022	2,830	15,070	17,900
Charge for the year	527	9,200	9,727
Retirements	(22)	(3,505)	(3,527)
At 31 December 2022	<u>3,335</u>	<u>20,765</u>	<u>24,100</u>
Net book value			
At 31 December 2022	<u>532</u>	<u>59,526</u>	<u>60,058</u>
At 31 December 2021	<u>899</u>	<u>40,968</u>	<u>41,867</u>

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

10. Tangible fixed assets

	<i>Equipment £000</i>	<i>Leasehold improvements £000</i>	<i>Total £000</i>
Cost:			
At 1 January 2022	16,187	1,296	17,483
Additions	598	8	606
Retirements	(1,743)	-	(1,743)
At 31 December 2022	<u>15,042</u>	<u>1,304</u>	<u>16,346</u>
Depreciation:			
At 1 January 2022	13,597	555	14,152
Charge for the year	1,545	116	1,661
Retirements	(1,726)	-	(1,726)
At 31 December 2022	<u>13,416</u>	<u>671</u>	<u>14,087</u>
Net book value			
At 31 December 2022	<u>1,626</u>	<u>633</u>	<u>2,259</u>
At 31 December 2021	<u>2,590</u>	<u>741</u>	<u>3,331</u>

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

Equifax Limited

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

11. Debtors

	2022 £000	2021 £000
Amounts falling due within one year:		
Trade debtors	21,856	17,067
Amounts owed by group undertakings	1,868	1,444
Prepayments and accrued income	7,529	6,376
Other debtors	4	8
Corporation tax	480	522
	<u>31,737</u>	<u>25,417</u>
Amounts falling due after more than one year:		
Deferred taxation (note 7(c))	246	1,266

12. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	4,804	3,956
Amounts owed to group undertakings	4,233	1,999
Other taxation and social security	4,950	5,676
Accruals and deferred income	15,504	16,606
	<u>29,491</u>	<u>28,237</u>
Amounts falling due after more than one year:		
Amounts owed to group undertakings	<u>41,500</u>	<u>20,000</u>

Amounts owed to group undertaking falling due after more than one year includes un-secured interest-bearing loans with interest due monthly. £21.5m at an annual rate of 4.90% and a redemption date of 19 September 2027. £20.0m at an annual rate of 1.20% and a redemption date of 7 October 2025.

13. Called-up share capital and reserves

	No.	<i>Allotted, called up and fully paid</i>	
		2022 £000	2021 £000
Ordinary shares of £1 each	3,035,302	<u>3,035</u>	<u>3,035,302</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

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

14. Financial commitments

(a) Lease commitments

At 31 December 2022 the company has future minimum rentals payable under non-cancellable operating leases as set out below:

	2022		2021	
	<i>Property</i>	<i>Other</i>	<i>Property</i>	<i>Other</i>
	£000	£000	£000	£000
Operating leases amounts payable:				
Within one year	1,388	76	1,330	39
Within 2 to 5 years	4,223	117	4,469	42
After more than 5 years	4,344	-	5,007	5
	<u>9,955</u>	<u>193</u>	<u>10,806</u>	<u>86</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 (2021: £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 £799,544 (2021: £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 2022 the minimum amount payable under the agreement was £291,667 (2021: £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

Registered No: 02425920

Notes to the financial statements (continued)

at 31 December 2022

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		
2022	435	2,707
2021	162	1,360
Other group entities		
2022	1,433	43,026
2021	1,282	20,639

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 group 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 2022, the company had a cash balance of £24.3m (2021: £28.5m). This includes a balance of £18.0m (2021: £18.0m) 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

Registered No: 02425920

Notes to the financial statements (continued) at 31 December 2022

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 2023. 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.

As a consequence of the 2017 Cybersecurity incident, claims have been issued on behalf of a number of UK residents seeking compensation from the Company for alleged loss and damages suffered. A firm of solicitors has issued an application for a Group Litigation order for the collective management of those claims. Such application has not yet been finally determined by the Court and such action is being defended by the Company. Given the outcome of the matter remains highly uncertain at this early stage, the Company cannot estimate the financial impact in the event it was determined to have any obligation arising from this matter.