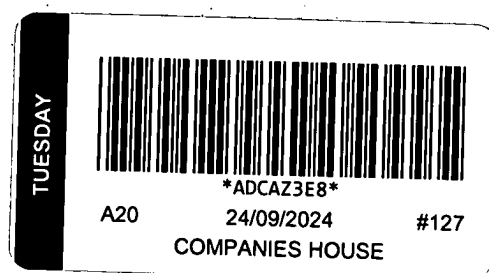


Equifax Limited
Annual report and financial statements

for the year ended 31 December 2023

Registered number: 02425920



Equifax Limited

Registered No: 02425920

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Equifax Limited

Registered No: 02425920

Company Information

Directors

P Heywood

P Remon

S Bennison (appointed 11 September 2024)

W Au (resigned resigned 11 September 2024)

S Dubois (appointed 11 June 2024)

Secretary

J Atkin

Auditor

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

The Directors present their strategic report for the year ended 31 December 2023.

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.

In October 2023 the company reached agreement with the Financial Conduct Authority ("FCA") in relation to the criminal cyberattack which took place against Equifax in the US in 2017 and which led to the unauthorised access of UK consumer data. We were pleased that the FCA recognised our cooperation, transformation programme and the voluntary consumer redress exercise implemented after the incident. We agreed to a penalty of £11.2m. Since the cyberattack six years ago, we have invested over \$1.5 billion globally in a security and technology transformation. Few companies have invested more time and resources than Equifax to ensure that consumers' information is protected. We have built one of the world's most advanced and effective cybersecurity programs. Our maturity level has exceeded all major industry benchmarks, and our posture – the ability to protect our networks, information, and systems from threats - has ranked in the top 1% of technology companies and top 3% of financial services companies analysed, for three consecutive years.

In the same month we reached a settlement in consumer litigation brought by Keller Postman associated with the 2017 cyberattack, the settlement amounted to £1.5m.

The company has invested significant sums in security remediation and infrastructure following the incident, and in 2023 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 2024 & 2025 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 and 2023. 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:

Key performance indicators	2023	2022	Growth
Revenue	£133.2m	£121.3m	9.81%
Loss before interest and tax	(£7.1m)	(£3.0m)	134.86%
Profit / (Loss) before interest and tax (excluding exceptional)	£5.6m	(£3.0m)	284.76%
Capital expenditure (intangible and tangible)	£20.8m	£28.5m	-26.89%
Average number of employees	457	488	-6.35%

During the year the revenue of the company grew by 9.81% compared to prior year (2022: 0.7% increase). This was in line with the wider growth plan for the company and a testament to the new product innovations and growth through pricing and inflation.

Equifax Limited

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Strategic report (continued)

Key performance indicators (continued)

The total loss before interest and tax increased by 134.86% (2022: 137.5% increase). The reduction in profit before interest and tax was driven mostly by the FCA penalty and consumer litigation settlements made during the year. If these were excluded from results the company had very good growth for the year (284.76%), due to £8m reduction in transformation spend compared to the prior year. The company continued to invest in and significantly accelerated the transformation program in 2023. The effect of this has been that as the company transitions and migrates clients over to cloud native platforms, the company is saving on server running costs and 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.

The audited financial statements for the year ended 31 December 2023 are set out on pages 21 to 36. The loss for the year, after taxation, amounted to £9.0m (2022: £4.6m). The company did not repatriate any amounts in dividends to the parent company in the current or prior year.

The company invested £20.8m in tangible and intangible assets in the year (2022: £28.5m). 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 £41.1m (2022: £26.8m) and the current ratio (current assets over current liabilities) was 2.4 (2022: 1.9).

At 31 December 2023, the company had a positive cash balance of £26.7m (2022: £24.3m). Included within the balance is £18.0m (2022: £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 £67.7m (2022: £47.6m) from a capital injection through issue of 300 ordinary shares for £29.2m in the year.

The total average number of employees remained stable with a small decrease of 6.4% 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. Conversely, new business opportunities and additional data sources may become available expanding our product offerings dependent on finalisation of the adopted approaches.
- 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.

Equifax Limited

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Strategic report (continued)

Principal risks and uncertainties (continued)

- 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.
- 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.
- Our business may be negatively impacted by health epidemics, pandemics, disease outbreaks and other public health crises.
- 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 and services 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.
- 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) responsible business priorities, aligned to our corporate strategy and positioning our company for long-term sustainability. 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 the geopolitical and macroeconomic environment, 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 fail to maintain and improve 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.
- Whilst emerging technology offers significant opportunities, we may face risks associated with our use of certain artificial intelligence and machine learning models.
- If our systems and processes do not meet customer requirements for response time, availability or resiliency, or our customers do not migrate to the cloud or 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, which could harm our business and reputation.

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

Equifax Limited

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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

S Dubois - Europe Senior Finance Officer (appointed 11 June 2024)

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.

Changes in regulation, specifically the FCA's Consumer Duty requires Equifax to tangibly demonstrate how we are delivering good consumer outcomes. Equifax continues to develop and enhance its Consumer Duty framework to ensure expectations are fully embedded into both operations and culture.

Consumer feedback is initiated in a number of ways; through Voice of the 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.

The investment Equifax has made in cloud development has increased the security of customer data, it has made the data and products more available to customers and has enabled Equifax to develop new and more innovative products quicker for customers needs.

Equifax Limited

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Strategic report (continued)

SECTION 172(1) STATEMENT (continued)

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. The recent introduction of the FCA's Consumer duty has only heightened the value of what we can offer clients as well as consumers. 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.

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.

Industry Regulators (IR)

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.

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

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Strategic report (continued)

SECTION 172(1) STATEMENT (continued)

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.

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.

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.

Key Decisions / Outcomes

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

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.

Electric car program (CLG, CE)

The company has teamed up with Tusker, a car leasing company with an opportunity for employees to lease electric cars at a discounted rate through salary sacrifice. Providing our colleagues and business to be part of the move toward electric cars and greener travel.

The board are supportive of all initiatives that contribute to a more sustainable society. The board were pleased to be able to offer our colleagues the opportunity to contribute towards a more sustainable future.

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 2040, an important sustainability commitment enabled by our Equifax Cloud. Cloud transformation is set to be complete company wide in 2024, closing our last data centres and functioning fully off the 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 have also reduced greenhouse gas emissions and carbon footprint as evident in the SECR report detailed later in the report.

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.

New, more insightful products from these capabilities also provide greater outcomes to consumers and ensure they get access to the right credit for their circumstance.

Equifax Limited

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Strategic report (continued)

SECTION 172(1) STATEMENT (continued)

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 for some of our colleagues. The allowance was a monthly payment made to colleagues under a certain threshold within the Company. This was extended until March 2024 and from April 2024 the company moved to permanently add the allowance to employees' salaries.

Ecovardis recognition (CE)

The company has made our first submission for external ESG rating from Ecovardis. We have been awarded bronze medal status and we're in the 76% percentile, scoring higher than 75% of the 130,000+ firms who have gone through the ratings process.

Power Your Possible (CLG, CE, CL)

During the year the company started a learning and development initiative named Power Your Possible, geared towards growth, development, teamwork and positive impact to share our culture and set us apart. The initiative has 5 differentiators namely Wired for growth, Bright minds, Live your best, Drive and develop and Positive impact.

Consumer Duty (IR, C, CL, CE)

2023 saw the introduction of the FCA's new Consumer Duty objective for authorised firms. As well as the creation of a new FCA principle and cross-cutting rules, it also introduced four outcomes that firms must deliver against.

Acknowledging the symbiosis between the objectives of the Consumer Duty and Equifax's strategic goals, a programme of work started in 2022 to prepare Equifax for the implementation of the Duty. Supported by the Risk Committee, the Equifax Board received regular updates on the progress of the programme up to and beyond the go-live date of 31st July 2023. These updates covered business changes being implemented to comply with the Duty, regulatory engagement as well as guidance on resourcing and prioritisation of key activities.

Consumer Duty (IR, C, CL, CE)

The Equifax Board understood the scale of the regulatory change represented by the Consumer Duty and took steps to ensure risks were mitigated appropriately. Overall, the Board was pleased with progress the business had made during 2023. Focus towards the end of 2023 turned to the second phase of Consumer duty implementation which would culminate in the preparation of the first Annual Consumer duty report in July 2024. The Board was happy that key stakeholders understood what was required to implement this activity and that it was receiving sufficient attention at Board and sub-committees.

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

Equifax is committed to being an industry leader in security. That's why we've undergone a multi-year transformation of our cybersecurity capabilities.

The New Equifax embeds security into everything we do – from our technology infrastructure, data fabric, and product development, to our merger and acquisition strategies, employee training, and to our incentive compensation plans. We have overhauled our security controls, completed rigorous certifications of our program, and shared lessons learned with our customers and partners. In multiple independent ratings, our security capabilities now exceed every major industry benchmark.

Security has become a point of strength and a competitive advantage at Equifax

Every employee receives customized training and has visibility into their own security performance. Customized training includes contract workers and 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.

The transformation into cloud data usage has decreased the risk of breaches and increased security around data stored and data losses.

Equifax Limited

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Strategic report (continued)

SECTION 172(1) STATEMENT (continued)

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 2022 Annual Accounts and Financial Statements;
- Dividend Policy;
- Review and approval of Consumer Duty implementation plans;
- Business restructuring; and
- Key milestones in material litigation and regulatory engagement.

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 2023. The Directors acknowledge the significant economic headwinds facing the UK economy in 2024 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

Signed by:

Stephane Dubois

07416B870CDB400...

S Dubois

Director

16 September 2024

Equifax Limited

Registered No: 02425920

Directors' report

The Directors present their report for the year ended 31 December 2023.

Directors of the company

The current directors are shown on page 3.

The Directors who held office during the year were as follows:

P Heywood

P Remon

S Bennison (appointed 11 September 2024)

W Au (resigned resigned 11 September 2024)

S Dubois (appointed 11 June 2024)

Dividends

During the year ended 31 December 2023, the Company did not repatriate a dividend to the parent company (2022: nil).

Future developments

Details of future developments can be found in the Strategic Report on pages 4 to 11.

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 4 to 11. At 31 December 2023, the Company had £26.69m (2022: £24.26m) of cash at bank and in hand, this includes a balance of £18.0m (2022: £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 £9.03m (2022: £4.62m) as a result of FCA penalties and litigation settlement paid as well as increased operational costs incurred as the company continues to invest in the transformation program. At the year end the Company's statement of financial position had net assets of £67.74m (2022: £47.57m) and had net current assets of £41.12m (2022: £26.75m).

The Directors have undertaken a financial assessment of the company and prepared a summary of the impact expected over a period to 30 September 2025, including cash flow forecasts for a period to 30 September 2025. 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

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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 2025.

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 intercompany cashpooling facilities to meet its liabilities as they fall due through the forecast period to 30 September 2025.

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 2025. 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 2023, the company had a cash balance of £26.7m (2022: £24.3m). This includes a balance of £18.0m (2022: £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 and intercompany cashpooling facilities 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 (2022: 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.

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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.

Auditor

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 2023 - December 2023

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	2023 Totals	2022 Totals
Electricity (kWh)	440,752	576,919
Gas (kWh)	123,072	59,411
Company Car Mileage (mls)	112,714	165,554
Grey Fleet Mileage (mls)	78,152	117,977
Short Haul Flights (km)	230,297	425,051
Long Haul Flights (km)	892,815	1,185,931
Train Mileage (km)	195,481	319,488

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)	2023 GHG (CO2) Kilograms	2022 GHG (CO2) Kilograms
Electricity (kWh)	440,752	0.20707	91,267	111,565
Gas (kWh)	123,072	0.18293	22,514	10,845
Company Car Mileage (mls)	112,714	0.30692	34,594	28,224
Grey Fleet Mileage (mls)	78,152	0.26380	20,616	20,153
Short Haul Flights (km)	230,297	0.18592	42,817	65,258
Long Haul Flights (km)	892,815	0.26128	233,275	228,991
Train Mileage (km)	195,481	0.03216	6,286	11,323

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) *	2023 GHG (CO2) Kilograms per SQ. Ft. of UK office space	2022 GHG (CO2) Kilograms per SQ. Ft. of UK office space
Electricity (kWh)	440,752	0.20707	91,267	54282 (47529)	1.68	2.06
Gas (kWh)	123,072	0.18293	22,514	54282 (47529)	0.41	0.20
Company Car Mileage (km)	112,714	0.30692	34,594	54282 (47529)	0.64	1.53
Grey Fleet Mileage (km)	78,152	0.26380	20,616	54282 (47529)	0.38	0.37
Short Haul Flights (km)	230,297	0.18592	42,817	54282 (47529)	0.79	1.20
Long Haul Flights (km)	892,815	0.26128	233,275	54282 (47529)	4.30	4.22
Train Mileage (km)	195,481	0.03216	6,286	54282 (47529)	0.11	0.21

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:

Reduced Floorplate: In August 2023 the company significantly reduced the office space in Nottingham by 6,753 SqFt (reducing total space from 54,282 to 47,529) - commensurately reducing its environmental impact as a result. *

Company Cars: We continued to implement our 2021 objective that all fleet car users now utilise hybrid or full electric vehicles.

Salary Sacrifice: During 2023 Equifax and TDX Group introduced a salary sacrifice employee benefit scheme to acquire either hybrid or full electric vehicles.

Environmental Management: Both Equifax and TDX Group are still certified to ISO 14001:2015. During the course of 2023 both of these certifications have been through a full external audit by an accredited auditing body (BSI)

Equifax Limited

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Directors' report (continued)

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

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.

Alternative Office Space: The company location strategy seeks to find space in LEED or BREEAM certified buildings.

Office Improvements: In 2023 TDX Group introduced highly efficient LED fittings with a DALI control system, allowing presence and day light dimming control. Additionally, introduced a new air conditioning system that uses highly efficient variable refrigerant flow condensers. These essentially provide six times the heat or cooling than the electricity they consume.

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.

The Nottingham Sq Ft is based on 25,798 Sq Ft. TDX Group relocated to 19,045 Sq. Ft in Q3 23'.

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

Subsequent events

In August 2024 the Company reduced its share premium account by £20,000,000, with the amount transferred to profit and loss reserves and increasing distributable reserves by the same amount.

On 11 September 2024 the Company declared and paid a dividend of £12,000,000 to its shareholder.

By order of the board

Signed by:



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S Dubois

Director

16 September 2024

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 those financial statements, the Directors are required to:

- Select suitable accounting policies and Errors (and then apply them consistently);
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report, that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

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 2023 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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period from when the financial statements are authorised for issue to 30 September 2025.

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.

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.

Independent auditor's report

to the members of Equifax Limited (continued)

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.

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.

Independent auditor's report

to the members of Equifax Limited (continued)

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

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.
- 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 understood the causes of non-compliance and also performed sufficient and appropriate independent audit procedures. Where necessary we used relevant 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:

Ernst & Young LLP

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Tim Helm (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

Leeds

Equifax Limited

Registered No: 02425920

Statement of Comprehensive Income

for the year ended 31 December 2023

	<i>Notes</i>	<i>2023</i> £'000	<i>2022</i> £'000
Turnover	3	133,194	121,296
Cost of sales		(73,845)	(74,075)
Gross profit		59,349	47,221
Administrative expenses		(53,773)	(50,239)
Profit / (Loss) on ordinary activities before finance charges and exceptional items		5,576	(3,018)
Exceptional items - FCA penalty and Consumer litigation settlement	4	(12,664)	-
Loss on ordinary activities before finance charges	4	(7,088)	(3,018)
Interest receivable and similar income	6	417	45
Interest payable and similar charges	6	(1,536)	(627)
Loss on ordinary activities before taxation		(8,207)	(3,600)
Tax on loss on ordinary activities	7	(819)	(1,020)
Comprehensive Loss for the financial year		(9,026)	(4,620)

All the results arose from continuing operations.

The Company has no other comprehensive income or losses for the years ended 31 December 2023 and 31 December 2022.

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

Equifax Limited

Registered No: 02425920

Statement of Changes in Equity

for the year ended 31 December 2023

	<i>Share capital</i>	<i>Share premium</i>	<i>Share-based payment reserve</i>	<i>Profit and loss account</i>	<i>Total shareholder's funds</i>
	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	3,035	24,075	916	24,162	52,188
Share-based payment charge	-	-	409	-	409
Share based payments reimbursed to Equifax Inc	-	-	(409)	-	(409)
Loss for the year	-	-	-	(4,620)	(4,620)
At 31 December 2022	3,035	24,075	916	19,542	47,568
Shares issued (note 13)	1	29,200	-	-	29,201
Share-based payment charge	-	-	521	-	521
Share based payments reimbursed to Equifax Inc	-	-	(521)	-	(521)
Loss for the year	-	-	-	(9,026)	(9,026)
At 31 December 2023	3,036	53,275	916	10,516	67,743

Equifax Limited

Registered No: 02425920

Statement of Financial Position

as at 31 December 2023

	<i>Notes</i>	<i>2023</i> £'000	<i>2022</i> £'000
Fixed Assets			
Intangible assets	8	67,453	60,058
Tangible assets	9	1,242	2,259
		<u>68,695</u>	<u>62,317</u>
Current assets			
Debtors: amounts falling due within one year	10	43,763	31,737
Debtors: amounts falling due after more than one year	10	-	246
Cash at bank and in hand		26,688	24,259
		<u>70,451</u>	<u>56,242</u>
Creditors: amounts falling due within one year	11	(29,330)	(29,491)
		<u>41,121</u>	<u>26,751</u>
Net current assets		109,816	89,068
Total assets less current liabilities		(41,500)	(41,500)
Creditors: amounts falling due after more than one year	11	(41,500)	(41,500)
Provisions for liabilities	12	(573)	-
		<u>67,743</u>	<u>47,568</u>
Net assets		67,743	47,568
Capital and reserves			
Called up share capital	13	3,036	3,035
Share premium		53,275	24,075
Share-based payment reserve		916	916
Profit and loss account		10,516	19,542
		<u>67,743</u>	<u>47,568</u>
Shareholder's funds		67,743	47,568

The financial statements were approved for issue by the Board on 16 September 2024 and were signed on its behalf by:

Signed by:



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S Dubois

Director

Equifax Limited

Registered No: 02425920

Notes to the financial statements

as at 31 December 2023

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 3. The nature of the company's operations and its principal activities are set out in the Strategic Report on pages 4 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 2023.

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 FRS 102 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;
- 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 4 to 11. At 31 December 2023, the Company had £26.69m (2022: £24.26m) of cash at bank and in hand, this includes a balance of £18.0m (2022: £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 £9.03m (2022: £4.62m) as a result of FCA penalties and litigation settlement paid as well as increased operational costs incurred as the company continues to invest in the transformation program. At the year end the Company's statement of financial position had net assets of £67.74m (2022: £47.57m) and had net current assets of £41.12m (2022: £26.75m).

The Directors have undertaken a financial assessment of the company and prepared a summary of the impact expected over a period to 30 September 2025, including cash flow forecasts for a period to 30 September 2025. 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.

Equifax Limited

Registered No: 02425920

Notes to the financial statements

as at 31 December 2023 (continued)

1 Accounting policies (continued)

b. Going concern (continued)

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 2025.

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 intercompany cashpooling facilities to meet its liabilities as they fall due through the forecast period to 30 September 2025.

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 2025. 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 fixed 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.

c. Intangible fixed 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 accumulated 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:

Leasehold improvements	– period of lease
Equipment and software	– 3 to 7 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.

Equifax Limited

Registered No: 02425920

Notes to the financial statements

as at 31 December 2023 (continued)

1 Accounting policies (continued)

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 £2,436,000 (2022: £2,457,000). The amount of employer contributions payable at the year-end was £174,000 (2022: £188,000).

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 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.

Equifax Limited

Registered No: 02425920

Notes to the financial statements

as at 31 December 2023 (continued)

1 Accounting policies (continued)**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 ultimate 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.

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.

	2023	2022
	£'000	£'000
Provision of services	133,194	121,296

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as at 31 December 2023 (continued)

4 Loss on ordinary activities before finance charges

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

	2023	2022
	£'000	£'000
Depreciation of tangible assets	948	1,661
Amortisation of intangible assets	13,415	9,727
Transformation program	1,048	2,363
Exceptional Item	12,664	-
Other operating lease rentals		
- Property rentals	1,388	1,474
- other	106	67
Auditor's remuneration	229	175

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.

The exceptional item includes a penalty payment of £11.2m to the FCA which concluded the matter relating to the data breach in 2017, as well as a settlement towards consumer litigation brought by Keller Postman associated with the 2017 cyberattack, the settlement amounted to £1.5m.

5 Staff number and costs

a) Staff costs and numbers

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

	2023	2022
	Number	Number
Analysts	407	434
Administration	50	54
	457	488

Their aggregate remuneration comprised:

	2023	2022
	£'000	£'000
Wages and salaries	66,883	74,551
Social security costs	4,697	5,069
Other pension costs (note 1(i))	2,471	2,457
Redundancy costs	119	1,087
	74,170	83,164

Included in wages and salaries is a total cost of share-based payments of £521,000 (2022: £409,000) which arises from transactions accounted for as equity-settled share-based payment transactions. Also included in wages and salaries are temporary labour costs of £24.4m (2022: £34.1m) supporting transformation efforts, but these are not incorporated in total employee number.

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Notes to the financial statements

as at 31 December 2023 (continued)

5 Staff number and costs (continued)

b) Directors' remuneration

The total amount for Directors' remuneration and other benefits were as follows:

	2023	2022
	£'000	£'000
Emoluments	860	846
Company contributions to a defined contribution pension scheme	36	26
	<u>896</u>	<u>872</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 – 3).

The number of directors who exercised share options during the period amounted to 1 (2022 – nil).

The number of directors who received shares under the group's long-term incentive scheme amounted to 2 (2022 – 2).

Highest paid director

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

	2023	2022
	£'000	£'000
Emoluments	559	515
Company contributions to a defined contribution pension scheme	11	-

The highest paid director exercised share options during the period but did not in 2022.

The highest paid director received shares under the group's long-term incentive scheme during the year and in 2022.

6 Finance income and costs

Interest receivable and similar income

	2023	2022
	£'000	£'000
Bank interest receivable	417	45

Interest payable and similar charges

	2023	2022
	£'000	£'000
Interest payable on loans from group undertakings	1,536	627

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Notes to the financial statements

as at 31 December 2023 (continued)

7 Tax on loss on ordinary activities**(a) Tax on loss on ordinary activities**

The tax charge is made up as follows:

	2023 £'000	2022 £'000
<i>Current tax:</i>		
UK corporation tax	-	-
Adjustment in respect of prior years	-	-
Total current tax	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(339)	(94)
Movement in short term timing differences	(134)	91
Adjustment in respect of prior years	1,378	1,061
Effect of rate changes	(86)	(38)
Total deferred tax (note 7(c))	819	1,020
Tax on loss on ordinary activities	819	1,020

(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 23.5% (2022 – 19%).

	2023 £'000	2022 £'000
Loss on ordinary activities before tax	(8,207)	(3,600)
Loss on ordinary activities multiplied by the rate of tax 23.5% (2022: 19%)	(1,929)	(684)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2,536	148
Group relief (received) / surrendered for no consideration	(1,080)	534
Adjustments in respect of prior year deferred tax	1,378	1,060
Changes in tax laws and rates	(86)	(38)
Tax on loss on ordinary activities (note 7(a))	819	1,020

(c) Deferred tax

The deferred tax balance is as follows:

	£'000
At 1 January 2023	246
Charge to Statement of Comprehensive Income (note 7(a))	(819)
At 31 December 2023 (note 12)	(573)

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Notes to the financial statements

as at 31 December 2023 (continued)

7 Tax on loss on ordinary activities (continued)	<i>2023</i>	<i>2022</i>
(c) Deferred tax (continued)		
Representing:	<i>£'000</i>	<i>£'000</i>
(Accelerated) / decelerated capital allowances	(1,074)	(50)
Share based payments	362	217
Short term timing differences	139	79
Deferred tax (liability) / asset	<u>(573)</u>	<u>246</u>

Deferred tax assets recognised in prior year 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 £0.3m of this deferred tax asset could unwind in next 12 months. There is no unrecognised deferred tax due to losses.

(d) Factors affecting future tax charge

On 17 November 2022 the UK Government confirmed its intention to implement the G20-OECD Inclusive Framework Pillar 2 rules in the UK, including a Qualified Domestic Minimum Top-Up Tax rule and this legislation was enacted on 11 July 2023 in the UK and is effective from 1 January 2024. The Group are within the scope of these rules as the Company's ultimate parent company, Equifax Inc, has global revenues exceeding €750m. The legislation will seek to ensure that UK headquartered multinational enterprises pay a minimum tax rate of 15 per cent on UK and overseas profits arising after 31 December 2023.

Based on the assessment, the Pillar Two simplified effective tax rates for all entities within the UK Group in which the Company operates are above 15% except for one subsidiary operating in Ireland which is not expected to have a material exposure to top up taxes. Therefore, the Group does not expect a potential material exposure to Pillar Two top up taxes.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to GMT taxes. As the GMT legislation was not effective as at 31 December 2023, the Group has no related current tax exposure.

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Notes to the financial statements

as at 31 December 2023 (continued)

8 Intangible fixed assets

	<i>Software licence fees £'000</i>	<i>Deferred programming costs £'000</i>	<i>Total £'000</i>
Cost:			
At 1 January 2023	3,867	80,291	84,158
Additions	-	20,810	20,810
Retirements	(3,095)	(5,216)	(8,311)
At 31 December 2023	772	95,885	96,657
Depreciation:			
At 1 January 2023	3,335	20,765	24,100
Charge for the year	342	13,073	13,415
Retirements	(3,095)	(5,216)	(8,311)
At 31 December 2023	582	28,622	29,204
Net book value:			
At 31 December 2023	190	67,263	67,453
At 31 December 2022	532	59,526	60,058

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

9 Tangible fixed assets

	<i>Equipment and software £'000</i>	<i>Leashold improvements £'000</i>	<i>Total £'000</i>
Cost:			
At 1 January 2023	15,042	1,304	16,346
Additions	26	-	26
Retirements	(4,647)	(18)	(4,665)
At 31 December 2023	10,421	1,286	11,707
Depreciation:			
At 1 January 2023	13,416	671	14,087
Charge for the year	836	111	947
Retirements	(4,560)	(9)	(4,569)
At 31 December 2023	9,692	773	10,465
Net book value:			
At 31 December 2023	729	513	1,242
At 31 December 2022	1,626	633	2,259

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

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Notes to the financial statements

as at 31 December 2023 (continued)

10 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	20,287	21,856
Amounts owed by group undertakings	1,602	1,868
Prepayments and accrued income	21,364	7,529
Other debtors	27	4
Corporation tax	483	480
	<u>43,763</u>	<u>31,737</u>
Amounts falling due after more than one year:		
Deferred tax (note 7(c))	-	246

11 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	4,034	4,804
Amounts owed to group undertakings	2,876	4,233
Other taxation and social security	7,049	4,950
Accruals and deferred income	15,371	15,504
	<u>29,330</u>	<u>29,491</u>
Amounts falling due after more than one year:		
Amounts owed to group undertakings	41,500	41,500

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.

12 Other Provisions

	<i>Deferred tax</i>
At 1 January 2023	246
Movement in profit and loss during the year	(819)
At 31 December 2023	<u>(573)</u>

The deferred tax asset in prior year (note 10) moved from an asset to liability position during the year largely due to the movement in accelerated capital allowances on fixed and intangible assets of £1.0m.

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Notes to the financial statements

as at 31 December 2023 (continued)

13 Called-up share capital and reserves

	2023		2022	
	No.	£'000	No.	£'000
<i>Allotted, called-up and fully paid:</i>				
Ordinary shares of £1 each	3,035,602	3,036	3,035,302	3,035

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

The Company's other reserve is as follows:

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

On the 13th May 2023, the company issued 100 ordinary shares of £1 each for £6,000,000, resulting in an increase of the share premium reserve of £6,000,000.

On the 27th September 2023, the company issued 100 ordinary shares of £1 each for £11,200,000, resulting in an increase of the share premium reserve of £11,200,000.

On the 13th December 2023, the company issued 100 ordinary shares of £1 each for £12,000,000, resulting in an increase of the share premium reserve of £12,000,000.

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

14 Lease commitments**(a) Lease commitments**

At 31 December 2023 the company has future minimum rentals payable under non-cancellable operating leases as set out below:

	2023		2022	
<i>Property</i>	<i>Property</i>	<i>Other</i>	<i>Property</i>	<i>Other</i>
	£'000	£'000	£'000	£'000
Operating lease amount payable:				
Within one year	1,388	106	1,388	76
Within 2 to 5 years	3,559	5	4,223	117
After more than 5 years	3,620	-	4,344	-
	8,567	111	9,955	193

(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 £533,000 (2022: £1,844,500).

The company has entered into a contract with a data supplier which require a six month notice period. The minimum annual amount payable under these agreements is £153,813 (2022: £nil).

The company has entered into a contract with a data supplier which require a twelve month notice period. The minimum annual amount payable under these agreements is £866,432 (2022: £799,544).

The company has entered into a contract with a data supplier with a minimum contract length of two years. At 31 December 2023 the minimum amount payable under the agreement was £1,126,000 (2022: £nil).

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Notes to the financial statements

as at 31 December 2023 (continued)

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.

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 categories below:

	Amounts owed by related party	Amounts owed to related party
	£'000	£'000
Entities with significant influence over the Company		
2023	162	2,008
2022	435	2,707
Other related party entities		
2023	1,440	42,368
2022	1,433	43,026

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.

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Notes to the financial statements

as at 31 December 2023 (continued)

17 Cash at bank & in hand

At 31 December 2023, the company had a cash balance of £26.7m (2022: £24.3m). This includes a balance of £18.0m (2022: £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.

19 Subsequent events

In August 2024 the Company reduced its share premium account by £20,000,000, with the amount transferred to profit and loss reserves and increasing distributable reserves by the same amount.

On 11 September 2024 the Company declared and paid a dividend of £12,000,000 to its shareholder.