

Registered Number 03836192

**Creditsafe Business Solutions Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2012**

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# **Creditsafe Business Solutions Limited**

## **Annual report and financial statements for the year ended 31 December 2012**

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# **Creditsafe Business Solutions Limited**

## **Directors and advisers for the year ended 31 December 2012**

### **Directors**

C Syversen

M Debbage

R T Davies

### **Registered Office**

Caspian Point One

Pierhead Street

Cardiff

CF10 4DQ

### **Auditor**

KPMG LLP

3 Assembly Square

Britannia Quay

Cardiff Bay

CF10 4AX

### **Bankers**

Barclays Bank

P O Box 674

3rd Floor Windsor Court

Cardiff

CF10 3BX

## Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

### Principal activities and review of the business

Since December 2012, the company's immediate parent company has been Safe Information Group (Cyprus) Limited

The company is a wholly owned subsidiary of Safe Information Group N V , incorporated in The Netherlands, and operates as part of the group's European division

The company's principal activity during the year was the provision of credit referencing services. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 7, the company's sales have continued to grow into 2012. Operating margin increased to 22% in 2012 from 21% in 2011.

### Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the accounts.

### Principal risks and uncertainties

Competitive pressure in the UK credit reference market is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing innovative enhancements and services to its customers, having fast response times in handling customer queries, and by maintaining strong relationships with customers.

The company does not have significant transactional foreign currency cash flow exposure as most operational transactions are denominated in sterling. Certain intercompany transactions are denominated in Euro.

The company is largely self-financing and has only minimal third party debt. It therefore has minimal interest rate exposure.

### Research and Development

The company continues to invest in research and development. This has resulted in a number of updates and enhancements to existing services. The directors regard continual innovation as necessary for continuing success in the medium to long-term future.

# **Creditsafe Business Solutions Limited**

## **Directors' report for the year ended 31 December 2012 (continued)**

### **Employee involvement**

Details of the related costs and number of employees can be found in notes 5 and 6 of the financial statements

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them through regular meetings and other media. Employees representatives are consulted regularly on a wide range of matters affecting their interests.

### **Results and dividends**

The retained profit for the year ended 31 December 2012, after taxation, amounted to £3,752,473 (2011 £2,592,341) and has been credited to reserves.

The company has proposed a final dividend in respect of the year ended 31 December 2012 of £4million (2011 £Nil). This was not recognised as a liability in these financial statements as it was authorised after the year end.

### **Directors of the company**

The directors who held office during the year are as shown on page 1.

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

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

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

## Creditsafe Business Solutions Limited

### Directors' report for the year ended 31 December 2012 (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

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

#### Appointment of Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the Board



R T Davies

Director

Date:

7 August 2013

## **Independent Auditor's report to the members of Creditsafe Business Solutions Limited**

We have audited the financial statements of Creditsafe Business Solutions Limited for the year ended 31 December 2012 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

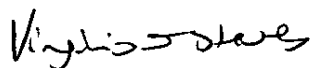
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent Auditor's report to the members of Creditsafe Business Solutions Limited (continued)**

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

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

- adequate accounting records have not been kept, 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



**Virginia Stevens (Senior Statutory Auditor)**

**For and on behalf of KPMG LLP**

**Statutory Auditor**

*Chartered Accountants*

KPMG LLP

3 Assembly Square

Britannia Quay

Cardiff

CF10 4AX

12 August 2013



# Creditsafe Business Solutions Limited

## Profit and loss account for the year ended 31 December 2012

|                                                      | Note   | 2012<br>£         | 2011<br>£   |
|------------------------------------------------------|--------|-------------------|-------------|
| <b>Turnover</b>                                      | 2      | <b>19,295,962</b> | 15,920,633  |
| Staff costs                                          | 5      | (6,376,220)       | (5,847,454) |
| Depreciation                                         |        | (234,864)         | (188,152)   |
| Other operating charges                              |        | (8,286,909)       | (6,508,408) |
| <b>Operating profit</b>                              | 3      | <b>4,397,969</b>  | 3,376,619   |
| Interest receivable and similar income               | 7      | 505,072           | 544,922     |
| Interest payable and similar charges                 | 7      | (166,731)         | (39,882)    |
| <b>Profit on ordinary activities before taxation</b> |        | <b>4,736,310</b>  | 3,881,659   |
| Tax on profit on ordinary activities                 | 8      | (983,837)         | (1,289,318) |
| <b>Profit for the year</b>                           | 18, 19 | <b>3,752,473</b>  | 2,592,341   |

All items dealt with in arriving at operating profit above relate to continuing operations

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

# Creditsafe Business Solutions Limited

## Balance sheet as at 31 December 2012

|                                                 | Note | 2012<br>£         | 2011<br>£   |
|-------------------------------------------------|------|-------------------|-------------|
| <b>Fixed assets</b>                             |      |                   |             |
| Investments                                     | 10   | 8,184             | -           |
| Tangible assets                                 | 9    | 608,828           | 293,380     |
|                                                 |      | <b>617,012</b>    | 293,380     |
| <b>Current assets</b>                           |      |                   |             |
| Debtors                                         |      |                   |             |
| Falling due within one year                     | 11   | 20,307,356        | 10,152,451  |
| Falling due after more than one year            | 12   | 763,475           | 935,577     |
| Cash at bank and in hand                        |      | 2,131,018         | 1,549,432   |
|                                                 |      | <b>23,201,849</b> | 12,637,460  |
| Creditors - amounts falling due within one year | 13   | (5,391,324)       | (2,972,348) |
| <b>Net current assets</b>                       |      | <b>17,810,525</b> | 9,665,112   |
| <b>Total assets less current liabilities</b>    |      | <b>18,427,537</b> | 9,958,492   |
| Creditors – amounts falling due after one year  | 14   | (4,159,463)       | (161,680)   |
| Deferred income                                 | 16   | (7,423,363)       | (6,704,574) |
|                                                 |      |                   |             |
| <b>Net assets</b>                               |      | <b>6,844,711</b>  | 3,092,238   |
| <b>Capital and reserves</b>                     |      |                   |             |
| Called up share capital                         | 17   | 2,000,000         | 2,000,000   |
| Capital contributions                           | 18   | 3,285,407         | 3,285,407   |
| Profit and loss account                         | 18   | 1,559,304         | (2,193,169) |
| <b>Total shareholders' surplus</b>              | 19   | <b>6,844,711</b>  | 3,092,238   |

Approved by the Board

  
R T Davies

Director

7 August 2013

## Creditsafe Business Solutions Limited

### Cash flow statement for the year ended 31 December 2012

|                                                       | Note | 2012<br>£          | 2011<br>£        |
|-------------------------------------------------------|------|--------------------|------------------|
| <b>Net cash flow from operating activities</b>        | 20   | <b>(4,584,625)</b> | <b>1,159,081</b> |
| <b>Returns on investment and servicing of finance</b> |      |                    |                  |
| Taxation Paid                                         |      | (642,625)          | -                |
| Interest received                                     | 7    | 505,072            | 544,922          |
| Interest paid                                         | 7    | (166,731)          | (39,882)         |
|                                                       |      | <b>(4,888,909)</b> | <b>505,040</b>   |
| <b>Capital expenditure and financial investment</b>   |      |                    |                  |
| Purchase of tangible fixed assets                     | 9    | (550,310)          | (299,267)        |
|                                                       |      | <b>(550,310)</b>   | <b>(299,267)</b> |
| <b>Net cash flow before financing</b>                 |      | <b>(5,439,219)</b> | <b>1,364,854</b> |
| <b>Financing</b>                                      |      |                    |                  |
| Increase in borrowings from financial institutions    |      | 6,800,000          | -                |
| Capital element of loan                               |      | (566,667)          | -                |
| Increase in borrowing on finance leases               |      | -                  | 187,419          |
| Capital element of finance lease payments             |      | (212,528)          | (225,459)        |
| <b>Net cash flow from financing</b>                   |      | <b>6,020,805</b>   | <b>(38,040)</b>  |
| <b>Increase in net cash</b>                           | 21   | <b>581,586</b>     | <b>1,326,814</b> |

## Creditsafe Business Solutions Limited

### Reconciliation of net cash flow to movement in net debt

|                                          | Note      | 2012<br>£          | 2011<br>£        |
|------------------------------------------|-----------|--------------------|------------------|
| Increase in cash in the period           |           | 581,586            | 1,326,814        |
| Cash outflow from finance lease payments |           | 212,528            | 38,040           |
| Cash inflow from bank loans              |           | (6,233,333)        | -                |
| Movement in net (debt)/funds             |           | <b>(5,438,949)</b> | <b>1,364,854</b> |
| Net funds at 1 January                   |           | 1,175,223          | 189,631          |
| <b>Net (debt)/funds at 31 December</b>   | <b>21</b> | <b>(4,263,726)</b> | <b>1,175,223</b> |

# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012

### 1 Accounting policies

#### Basis of accounting

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

#### Basis of preparation – going concern

The company has made an operating profit of £4,397,969 for the year ended 31 December 2012 (2011 £3,376,619) and at that date its total assets exceeded its total liabilities by £6,844,711 (2011 £3,092,238).

The directors have prepared the financial statements on a going concern basis. However, cash generated by the company is occasionally utilised within the group. The directors have assessed this position and concluded that there is sufficient operating cash flow for the company to continue as a going concern whilst supporting other group entities as required.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, or each asset evenly over its expected useful life as follows:

- Leasehold improvements - 3 years
- Computer and office equipment - 3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

#### Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue

# **Creditsafe Business Solutions Limited**

## **Notes to the financial statements for the year ended 31 December 2012 (continued)**

nature are credited to income so as to match them with the expenditure to which they relate

### **Investments**

Investments are carried at cost less any provision for impairment

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets, that have been rolled over into replacement assets, only to the extent that, at the balance sheet date there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures, only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- Deferred tax assets are recognised only to the extent the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### **Turnover**

Turnover is calculated net of value added tax and trade discounts. Income is generally invoiced in advance, classified as deferred income and then taken to the profit and loss account in equal instalments over the relevant period

### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

### **Dividends on shares presented within shareholders' funds**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in a note to the accounts. Dividends are paid from distributable reserves being the profit and loss reserve and the capital contribution reserve which arose through qualifying consideration and is therefore distributable

### **Related party transactions**

The company has taken advantage of the exemption afforded by FRS 8 to not disclose related party transactions with other group companies

# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 2 Turnover and segmental reporting

The company's turnover and operating profit relate entirely to its principal activity and mostly arise in the United Kingdom

### 3 Operating profit

|                                                                    | 2012    | 2011    |
|--------------------------------------------------------------------|---------|---------|
|                                                                    | £       | £       |
| <hr/>                                                              |         |         |
| Operating profit is stated after charging / (crediting)            |         |         |
| Depreciation of tangible fixed assets                              |         |         |
| - owned assets                                                     | 234,870 | 188,152 |
| Operating lease charges                                            |         |         |
| - land and buildings                                               | 314,000 | 314,000 |
| - other                                                            | 49,111  | 65,304  |
| Auditors remuneration                                              |         |         |
| - audit services                                                   | 23,650  | 42,558  |
| - non-audit services (taxation services)                           | 4,593   | 8,375   |
| Differences arising on the conversion of foreign exchange balances | 35,765  | 30,193  |
|                                                                    | <hr/>   |         |

## Creditsafe Business Solutions Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 4 Directors' emoluments

|                      | 2012             | 2011      |
|----------------------|------------------|-----------|
|                      | £                | £         |
| Aggregate emoluments | <b>2,389,876</b> | 1,992,236 |

The company pays an annual management fee to its parent company, which in 2012 amounted to £2,389,876 (2011 £1,992,236). Included within this amount are the costs of the directors paid by the parent company. Management do not consider it practicable to apportion this amount between services as directors and other management activities.

Copies of the consolidated financial statements of Safe Information Group N.V. which include disclosure of the emoluments paid to the directors can be obtained from Waldorpstraat 17, 2521 CA The Hague, Holland.

#### 5 Employee costs

|                           | 2012             | 2011      |
|---------------------------|------------------|-----------|
|                           | £                | £         |
| Wages and salaries        | <b>5,591,711</b> | 5,129,890 |
| Social security costs     | <b>565,178</b>   | 512,425   |
|                           | <b>6,156,889</b> | 5,642,315 |
| Other staff related costs | <b>219,331</b>   | 205,139   |
|                           | <b>6,376,220</b> | 5,847,454 |



# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 6 Employee information

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

| By activity              | 2012<br>No. | 2011<br>No |
|--------------------------|-------------|------------|
| Management               | 9           | 9          |
| Selling and distribution | 158         | 135        |
| Administration           | 39          | 48         |
|                          | 206         | 192        |

### 7 Interest and similar items

|                                                         | 2012<br>£ | 2011<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Interest payable and similar charges on bank borrowings | 93,112    | 39,882    |
| Foreign exchange (gains)/losses                         | 73,619    | 69        |
| Total interest and similar charges payable              | 166,731   | 39,951    |
| Interest receivable on cash deposits                    | (5,039)   | -         |
| Interest receivable on intercompany balances            | (500,033) | (544,991) |
| Net interest (receivable) and similar items             | (338,341) | (505,040) |

### 8 Tax on ordinary activities

|                                                | 2012<br>£ | 2011<br>£ |
|------------------------------------------------|-----------|-----------|
| The taxation charge for the year comprises     |           |           |
| <b>Current tax:</b>                            |           |           |
| UK corporation tax at 24% (2011 26.5%)         | 810,828   | 646,284   |
| <b>Deferred taxation</b>                       |           |           |
| Origination and reversal of timing differences | 328,089   | 505,270   |
| Adjustments in respect of previous periods     | (155,080) | 137,764   |
|                                                | 983,837   | 1,289,318 |

# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 8 Tax on ordinary activities (continued)

The tax on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26.5% (2011: 28.0%). The differences are explained below

|                                                                 | 2012      | 2011      |
|-----------------------------------------------------------------|-----------|-----------|
|                                                                 | £         | £         |
| Profit on ordinary activities before taxation                   | 4,736,310 | 3,881,659 |
| Profit on ordinary activities at United Kingdom tax rate of 24% | 1,136,714 | 1,028,639 |
| <i>Effects of</i>                                               |           |           |
| Expenses not deductible for tax purposes                        | 7,527     | 8,885     |
| Decelerated capital allowances                                  | (16,993)  | (29,807)  |
| Utilisation of tax losses                                       | (206,385) | (361,266) |
| Change in Tax Rate                                              | (103)     | -         |
| Prior Year adjustment                                           | (109,932) | -         |
| Other timing differences                                        | -         | (167)     |
|                                                                 | 810,828   | 646,284   |

The movements in deferred taxation during the current year are as follows

|                                                    | Deferred<br>tax asset |
|----------------------------------------------------|-----------------------|
|                                                    | £                     |
| At 1 January 2012                                  | 1,264,571             |
| Deferred tax credit in the profit and loss account | (328,089)             |
| In respect of prior years                          | 155,080               |
| <b>At 31 December 2012</b>                         | <b>1,091,562</b>      |

## Creditsafe Business Solutions Limited

### Notes to the financial statements for the year ended 31 December 2012 (continued)

#### 8 Tax on ordinary activities (continued)

A deferred tax asset is recognised at 23% (2011 25.0%) in the financial statements as follows

|                          | 2012<br>Unrecognised | 2012<br>Recognised | 2011<br>Unrecognised | 2011<br>Recognised |
|--------------------------|----------------------|--------------------|----------------------|--------------------|
|                          | £                    | £                  | £                    | £                  |
| Capital allowances       | -                    | (124,104)          | -                    | (157,470)          |
| Other timing differences | -                    | -                  | -                    | (72)               |
| Losses                   | -                    | (967,458)          | (127,718)            | (1,107,029)        |
| <b>Total</b>             | <b>-</b>             | <b>(1,091,562)</b> | <b>(127,718)</b>     | <b>(1,264,571)</b> |

#### *Factors affecting future tax charges*

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 9 Tangible assets

|                                 | Leasehold<br>improvements | Computer and<br>office<br>equipment | Total            |
|---------------------------------|---------------------------|-------------------------------------|------------------|
|                                 | £                         | £                                   | £                |
| <b>Cost</b>                     |                           |                                     |                  |
| At 1 January 2012               | 134,663                   | 3,018,448                           | 3,153,111        |
| Additions                       | -                         | 550,313                             | 550,313          |
| <b>At 31 December 2012</b>      | <b>134,663</b>            | <b>3,568,761</b>                    | <b>3,703,424</b> |
| <b>Accumulated depreciation</b> |                           |                                     |                  |
| At 1 January 2012               | 134,663                   | 2,725,063                           | 2,859,726        |
| Charge for the year             | -                         | 234,870                             | 234,870          |
| <b>At 31 December 2012</b>      | <b>134,663</b>            | <b>2,959,923</b>                    | <b>3,094,596</b> |
| <b>Net book value</b>           |                           |                                     |                  |
| <b>At 31 December 2012</b>      | <b>-</b>                  | <b>608,828</b>                      | <b>608,828</b>   |
| At 1 January 2012               | -                         | 293,385                             | 293,385          |

### 10 Fixed asset investments

|                                                | 2012         | 2011 |
|------------------------------------------------|--------------|------|
|                                                | £            | £    |
| Investment in subsidiaries at 1 January 2012   | -            | -    |
| Additions                                      | <b>8,184</b> | -    |
| Investment in subsidiaries at 31 December 2012 | <b>8,184</b> | -    |

The investment in subsidiaries represents 100% of the issued share capital of Creditsafe Italy Limited which was incorporated during the year

# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 11 Debtors – amounts falling due within one year

|                                  | 2012       | 2011       |
|----------------------------------|------------|------------|
|                                  | £          | £          |
| Trade debtors                    | 2,608,543  | 2,606,103  |
| Amounts due from group companies | 16,647,371 | 6,989,584  |
| Prepayments and accrued income   | 723,348    | 227,764    |
| Deferred tax asset               | 328,094    | 329,000    |
|                                  | 20,307,356 | 10,152,451 |

### 12 Debtors – amounts falling due after more than one year

|                    | 2012    | 2011    |
|--------------------|---------|---------|
|                    | £       | £       |
| Deferred tax asset | 763,475 | 935,577 |
|                    | 763,475 | 935,577 |

### 13 Creditors – amounts falling due within one year

|                                                | 2012      | 2011      |
|------------------------------------------------|-----------|-----------|
|                                                | £         | £         |
| Trade creditors                                | 1,167,742 | 1,200,084 |
| Amounts due under finance leases (see note 15) | 157,772   | 212,528   |
| Taxation and social security                   | 1,478,255 | 1,226,501 |
| Bank Loan                                      | 2,077,778 | -         |
| Other creditors                                | 156,009   | 52,058    |
| Accruals                                       | 353,768   | 281,177   |
|                                                | 5,391,324 | 2,972,348 |

# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 14 Creditors – amounts falling due after more than one year

|                                                | 2012      | 2011    |
|------------------------------------------------|-----------|---------|
|                                                | £         | £       |
| Bank loan                                      | 4,155,555 | -       |
| Amounts due under finance leases (see note 15) | 3,908     | 161,680 |
|                                                | 4,159,463 | 161,680 |

### 15 Finance lease and hire purchase contracts

|                                             | 2012    | 2011     |
|---------------------------------------------|---------|----------|
|                                             | £       | £        |
| Within one year                             | 166,295 | 244,906  |
| In two to five years                        | 3,968   | 170,263  |
|                                             | 170,263 | 415,169  |
| Finance charges allocated to future periods | (8,583) | (40,961) |
|                                             | 161,680 | 374,208  |

Disclosed as

|                                        | 2012    | 2011    |
|----------------------------------------|---------|---------|
|                                        | £       | £       |
| Due within one year (note 13)          | 157,772 | 212,528 |
| Due after more than one year (note 14) | 3,908   | 161,680 |
|                                        | 161,680 | 374,208 |

The above liabilities are in relation to assets held by Group companies

# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 16 Deferred income

|                                         | Deferred<br>income<br>£ |
|-----------------------------------------|-------------------------|
| At 1 January 2012                       | 6,704,574               |
| Income receivable during the year       | 20,416,920              |
| Credited to the profit and loss account | (19,698,131)            |
| <b>At 31 December 2012</b>              | <b>7,423,363</b>        |

### 17 Share capital

|                                              | 2012<br>£ | 2011<br>£ |
|----------------------------------------------|-----------|-----------|
| <b>Allotted, called up and fully paid up</b> |           |           |
| 2,000,000 ordinary shares of £1 each         | 2,000,000 | 2,000,000 |

### 18 Reserves

|                            | Capital<br>contribution<br>£ | Profit and<br>loss account<br>£ |
|----------------------------|------------------------------|---------------------------------|
| At 1 January 2012          | 3,285,407                    | (2,193,169)                     |
| Profit for the year        | -                            | 3,752,473                       |
| <b>At 31 December 2012</b> | <b>3,285,407</b>             | <b>1,559,304</b>                |

The capital contribution reserve is distributable as it consists of qualifying consideration arising from a historic cash injection by the ultimate shareholder. The company therefore has distributable reserves of £4,844,711 at 31 December 2012.

### 19 Reconciliation of movements in shareholders' funds

|                                                | 2012<br>£        | 2011<br>£        |
|------------------------------------------------|------------------|------------------|
| Profit for the year                            | 3,752,473        | 2,592,341        |
| Opening shareholders' surplus                  | 3,092,238        | 499,897          |
| <b>Closing shareholders' surplus/(deficit)</b> | <b>6,844,711</b> | <b>3,092,238</b> |

# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 20 Reconciliation of operating profit to net cash flow from operating activities

|                                                             | 2012<br>£          | 2011<br>£        |
|-------------------------------------------------------------|--------------------|------------------|
| Operating profit                                            | 4,397,969          | 3,376,619        |
| Depreciation                                                | 234,870            | 188,152          |
| Increase in debtors                                         | (10,155,811)       | (2,457,874)      |
| Increase in creditors                                       | 219,558            | (557,430)        |
| Increase/(decrease) in deferred income and other provisions | 718,789            | 609,614          |
| <b>Net cash flow from continuing operations</b>             | <b>(4,584,625)</b> | <b>1,159,081</b> |

### 21 Analysis of changes in net funds

|                          | At 1 January<br>2012<br>£ | Cash flow<br>£     | At 31<br>December<br>2012<br>£ |
|--------------------------|---------------------------|--------------------|--------------------------------|
| Cash at bank and in hand | 1,549,432                 | 581,586            | 2,131,018                      |
| Finance leases           | (374,209)                 | 212,528            | (161,681)                      |
| Debt                     | -                         | (6,233,333)        | (6,233,333)                    |
| <b>Total</b>             | <b>1,175,223</b>          | <b>(5,439,219)</b> | <b>(4,263,996)</b>             |



# Creditsafe Business Solutions Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 22 Financial commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases expiring as follows

|                          | Property |         | Other  |        |
|--------------------------|----------|---------|--------|--------|
|                          | 2012     | 2011    | 2012   | 2011   |
|                          | £        | £       | £      | £      |
| Within one year          | -        | -       | 5,584  | -      |
| Within two to five years | 166,500  | 166,500 | 58,835 | 25,099 |
| More than five years     | -        | -       | -      | 5,910  |
|                          | 166,500  | 166,500 | 64,419 | 31,009 |

In addition the company has commitments under long term agreements in respect of the data it uses At 31 December 2012 the annual commitment is £1,686,000 (2011 £1,743,000)

### 23 Post balance sheet events

The directors are not aware of any post balance sheet events requiring disclosure

### 24 Related party transactions

The company has taken advantage of the exemption given by FRS 8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties

### 25 Dividends

The company has proposed a final dividend in respect of the year ended 31 December 2012 of £4million (2011 £Nil) This was not recognised as a liability in these financial statements as it was authorised after the year end

### 26 Parent undertaking and controlling party

The company's ultimate parent undertaking is Safe Information Group N V , which is the smallest and largest group to consolidate these financial statements and is incorporated in The Netherlands Copies of the consolidated financial statements of Safe Information Group N V can be obtained from Waldorpstraat 17, 2521 CA The Hague, Holland

Since December 2012, the company's immediate parent company has been Safe Information Group (Cyprus) Limited

The directors regard the Jordanger family as the ultimate controlling party, by virtue of their 86% interest in the issued share capital of Safe Information Group N V