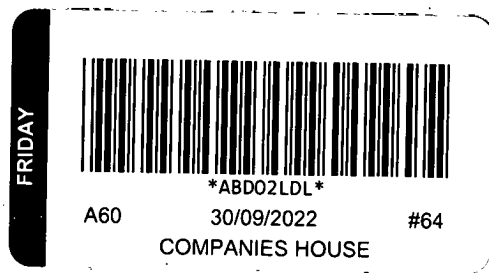


Registered number: 03836192

CREDITSAFE BUSINESS SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



CREDITSAFE BUSINESS SOLUTIONS LIMITED

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CREDITSafe BUSINESS SOLUTIONS LIMITED

COMPANY INFORMATION

Directors

M J Debbage
C Syversen
C Robertson

Registered number

03836192

Registered office

Bryn House
Caerphilly Business Park
Van Road
Caerphilly
CF83 3GR

Independent auditors

PricewaterhouseCoopers LLP
Statutory Auditors and Chartered Accountants
1 Kingsway
Cardiff
CF10 3PW

CREDITSafe BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the Strategic Report of Creditsafe Business Solutions Limited (the "Company") for the year ended 31 December 2021.

Principal activities

The Company's principal activity is the provision of credit referencing services. There have been no significant changes to 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 to the Company's activities in the forthcoming year.

Business review

The growth in revenue seen in 2020 has continued in to 2021, with an increase of 13.7% as shown in the Statement of Comprehensive Income on page 13. Operating profit has also seen an increase of 27% from 2020. Focus remains on our resources being directed towards improving our current products services which we believe in turn will drive financial performance.

The Company's financial result for the year ended 31 December 2021 are set out on page 13 of the financial statements. The profit for the year attributable to the owners of the business amounted to £7,021,000 (2020: £4,599,000) which was transferred to retained earnings. The net assets at the year-end were £20,325,000 (2020: £13,304,000).

Key performance indicators

The following financial and operational key performance indicators are used to judge performance towards our objectives:

| | 2021 | 2020 | Change |
|--|------------|------------|--------|
| Turnover (£) | 61,271,000 | 53,886,000 | 13.7% |
| Portfolio Return (the % of prior year revenue renewed in the current year) | 101.5% | 98.9% | 2.6% |

In 2021 we achieved a portfolio return of 101.5% on 2020 sales. The budget for 2022 is 100.7% which should result in an increase in sales of 9.85%. Our continued successful customer retention rate, along with our quality product offering continue to be the cornerstone of our success.

The Creditsafe Group continues to invest significant amounts into developing our product and marketing functions, which is improving our position in the market-place. The ongoing excellent employee survey feedback shows our staff remain engaged with the business, which is evident from our low staff turnover rate.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

Principal risks and uncertainties

The directors believe the significant risk facing the Company to be competitive pressure in the UK credit reference market and the loss of sales to its key competitors. The Company managed this risk by providing innovative enhancements and services to its customers, having fast response times in handling customer queries and by maintaining strong customer relationships.

The Company is not exposed to significant foreign currency risk as most operational transactions are denominated in sterling (GBP). Certain intercompany transactions are denominated in Euro.

The Company amended and restated its debt facility with Barclays in 2018, receiving a RCF of £21m and £29m accordion option. €2.7m of the RCF has been utilised as at 31 December 2021 (2020: €8.7m). Throughout 2021 the utilised amount was charged at an interest rate including LIBOR. Significant repayments are expected to be made throughout 2022 with no plans for further drawdown at this stage.

Despite the significant impact coronavirus (COVID-19) has had during 2021, the Company has still managed to increase its revenues from 2020. The Company has managed to adapt its working practices to minimise the effects of the pandemic. That said, with new variants of the virus there is still a risk of further restrictions which could potentially result in decrease in sales activity and increase in absence levels within the workforce.

In order to reduce any possible risk to the Company caused by COVID-19, the directors have put the following actions in place:

- Enhanced safety and hygiene procedures to safeguard our employees has been put in place and remote/home working where appropriate also initiated/provided. Communication and open discussion groups are being held on a regular basis with employees and their representatives in respect of COVID-19.
- Additional PPE and physical distancing measures have all been put in place and government guidance is regularly reviewed.
- The Company's partner bank has also confirmed that the present RCF facility remains in place should the Company require access to additional working capital.
- Capital and overhead expenditure will be kept under constant review to mitigate any short term cash flow strain.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

Directors' statement of compliance with duty to promote the success of the Company

The directors of the Company, as those of all UK companies, must act in accordance with a set of duties. These duties are detailed in section 172 of the UK Companies Act 2006 summarised as follows;

"A director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to;

- The likely consequences of any decisions in the long-term;
- The interest of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment; and
- The desirability of the Company maintaining a reputation for high standards of business conduct".

All of our directors are aware and briefed on their duties by the Company and if necessary can seek advice at any time (internally via HR or externally). The Company believes it is of the utmost importance that our directors fulfil their duties through the governance framework that guides the organisation's daily decision making.

The following summarises how the directors discharge their duties;

Risk management

The senior management team meets regularly to review the performance of the business and this also includes discussion and consideration of any risks facing the organisation. The senior management team meets to;

- Ensure that the Company has adequate processes in place to identify, report and monitor risk;
- Raise risk awareness through the business; and to
- Ensure that the most effective procedures are put in place to mitigate any risk identified.

Business relationships

Our strategy for growth is to introduce new and innovative products to our existing customers and markets as well as exploring new industries. Maintaining and developing deep and robust relationships with customers is key to success. Many of our relationships with customers are long-standing.

Our suppliers are also key to our future success and are extremely valued by the Company.

People

It is important to the Company that our day to day activities run in line with the expectation of our people. Our people are our employees, customers, suppliers, shareholders, community and society as a whole. The Company places great value on its relationships with all these groups. We meet these expectations through continuous training and development of our employees, to ensure they are able to meet their full potential. In addition we seek feedback from employee and customer surveys (including monitoring our Net Promoter Score) and take positive actions based on their results. The Company embraces responsibility for its actions and encourages a positive impact on all its people.


Community & environment

The local and wider communities with which we interact are very important to the Company. We are a large employer in the local community and share a true affinity with its residents and businesses. We take our responsibility seriously in this area and through providing sustainable employment we hope to strengthen and support the local community.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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C Syversen
Director

Date: 15 September 2022

CREDITSafe BUSINESS SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and the audited financial statements of Creditsafe Business Solutions Limited (the "Company") for the year ended 31 December 2021.

Certain information concerning the review of activities of the business, key performance indicators, future developments and risks to the business are contained within the Strategic Report.

Results and dividends

The profit for the financial year amounted to £7,021,000 (2020: £4,599,000).

A dividend of £Nil was paid during the year (2020: £12,000,000).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

M J Debbage
C Syversen
C Robertson (appointed 2 August 2021)

Qualifying third party indemnity provisions

As permitted by the Articles of Association the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchase and maintained throughout the financial year Directors and Officers liability insurance in respect of itself and its directors.

Going concern

The directors have prepared the financial statements on a going concern basis. The Company meets its day-to-day working capital requirements through the use of cash reserves and also has access to additional funds via bank facilities.

Cash generated by the Company is occasionally utilised within the Group, however 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 activities as required.

The Company has made an operating profit of £7,481,000 for the year ended 31 December 2021 (2020: £5,903,000) and at that date its total assets exceeded its total liabilities by £20,325,000 (2020: £13,304,000).

Our customer base continues to provide a strong debtors book, our cash collection remains buoyant and cash reserves are very healthy.

Based on events post Balance Sheet, internal review, countermeasures already in place and executed, the Company has confidence that it has strong and robust cash flow to continue as a going concern business.

Political donations

The Company made political donations of £9,535 (2020: £Nil) during the year.

Future developments

An indication of likely future developments of the business is included in the Strategic Report on page 2.

Financial instruments

As at 31 December 2021 the Company did not hold any hedging instruments. The Company is not materially exposed to foreign exchange risk.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

Research and development activities

The Company is committed to research and development and continues to invest in these areas. This continues to result in a number of updates and enhancements to existing services. The directors regard continual innovation as fundamental for continuing success in the medium to long term future.

Engagement with employees

Employees are encouraged to understand and participate in all aspects of the business. Regular briefings and events ensure that they are aware of, and have an opportunity to discuss the Company's performance, policies and future plans.

The Company participates in the Group's policies and practices to ensure that employees are informed on all matters. Employee's representatives are consulted regularly on a wide range of matter affecting their interests.

Disabled employees

It is the policy of the Company to offer equal opportunities to disabled persons, within the practical constraints of any individual's disability, and always having due regards for the health and safety of every employee of the Company.

Applications of employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of any members of staff being 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.

Streamline energy and carbon reporting

Emissions data for the 12 months ending 31 December 2021 is shown below;

| Scope | Source | kWh | Tonnes CO2e |
|---------|-----------------------|------------|-------------|
| Scope 2 | Purchased electricity | 168,941.80 | 35,871.41 |

The Company has chosen tCO2e per £ as revenue generated as its intensity ratio. An intensity ratio is a way of defining the Company's emissions data in relation to an appropriate business metric, allowing comparison of energy efficiency performance over time and with other similar types of organisations. During the year, the Company's intensity ratio amounted to 585 kgCO2e per sale.

Measures used in calculating energy and carbon reporting data

The SECR methodology as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting" has been used in conjunction with the UK Government GHG Conversion Factors for Company Reporting 2021.

Scope 2 covers emissions from grid electricity purchased for the Company's own use. The Company's scope 1 and 3 emissions are not material in the context of SECR requirements.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

Streamline energy and carbon reporting (continued)

Measures for increasing the Company's efficiency during the year

We are committed to responsible energy management and will practice energy efficiency throughout our organisation, wherever it is cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions. During the year the Company has implemented energy conservation measures, focusing on energy efficient alternatives and encouraging the use of video-conferencing where possible.

Financial risk management objectives and policy

The Company is exposed to market price risk which comprises five types of risk: interest rate risk, foreign currency risk, credit risk, liquidity risk and capital management risk arising from the financial instruments it holds.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily with respect to its receivables. The Company has established procedures in place with the objective of recovering all receivable amounts.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

Capital management risk

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

Disclosure of information to auditors

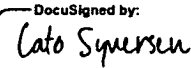
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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C Syversen
Director

Date: 15 September 2022

CREDITSAFE BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDITSAFE BUSINESS SOLUTIONS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Creditsafe Business Solutions Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDITSAFE BUSINESS SOLUTIONS LIMITED (CONTINUED)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory compliance matters and employment regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and the UK Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiry with management and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of correspondence with the Company's regulators, including the Financial Conduct Authority ('FCA');
- Review of minutes of meetings of those charged with governance;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of debtor and the carrying value of investments;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Obtaining third party confirmations of all the Company's banking arrangements.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDITSAFE BUSINESS SOLUTIONS LIMITED (CONTINUED)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

Date: 15 September 2022

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

| | Note | 2021 £000 | 2020 £000 |
|--|-------------|----------------------|----------------------|
| Turnover | 4 | 61,271 | 53,886 |
| Cost of sales | | (12,004) | (10,539) |
| Gross profit | | 49,267 | 43,347 |
| Administrative expenses | | (41,786) | (39,801) |
| Other operating income | 5 | - | 2,357 |
| Operating profit | 6 | 7,481 | 5,903 |
| Interest receivable and similar income | 10 | 914 | 535 |
| Interest payable and similar expenses | 11 | (583) | (711) |
| Profit before taxation | | 7,812 | 5,727 |
| Tax on profit | 12 | (791) | (1,128) |
| Profit for the financial year | | 7,021 | 4,599 |
| Total comprehensive income for the financial year | | 7,021 | 4,599 |

Turnover and operating results relate entirely to continuing operations.

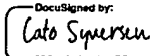
The notes on pages 16 to 31 form part of these financial statements.

CREDITSAFE BUSINESS SOLUTIONS LIMITED
REGISTERED NUMBER: 03836192

BALANCE SHEET
AS AT 31 DECEMBER 2021

| | Note | 2021 £000 | 2020 £000 |
|--|------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 14 | 188 | 754 |
| Investments | 15 | 11,836 | 11,755 |
| | | <u>12,024</u> | <u>12,509</u> |
| Current assets | | | |
| Debtors | 16 | 81,208 | 40,182 |
| Cash at bank and in hand | 17 | 9,393 | 13,568 |
| | | <u>90,601</u> | <u>53,750</u> |
| Creditors: amounts falling due within one year | 18 | (82,300) | (52,955) |
| Net current assets | | <u>8,301</u> | <u>795</u> |
| Total assets less current liabilities | | <u>20,325</u> | <u>13,304</u> |
| Capital and reserves | | | |
| Called up share capital | 21 | 2,000 | 2,000 |
| Profit and loss account | 22 | 18,325 | 11,304 |
| Total shareholders' funds | | <u>20,325</u> | <u>13,304</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 27C2154D68D04D7

C Syversen
 Director

Date: 15 September 2022

The notes on pages 16 to 31 form part of these financial statements.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

| | Called up share capital £000 | Profit and loss account £000 | Total shareholders' funds £000 |
|--|---|---|---|
| At 1 January 2020 | 2,000 | 18,705 | 20,705 |
| Comprehensive income for the financial year | | | |
| Profit for the financial year | - | 4,599 | 4,599 |
| Total comprehensive income for the financial year | - | 4,599 | 4,599 |
| Contributions by and distributions to owners | | | |
| Dividends: Equity capital | - | (12,000) | (12,000) |
| Total transactions with owners | - | (12,000) | (12,000) |
| At 31 December 2020 and 1 January 2021 | 2,000 | 11,304 | 13,304 |
| Comprehensive income for the financial year | | | |
| Profit for the financial year | - | 7,021 | 7,021 |
| Total comprehensive income for the financial year | - | 7,021 | 7,021 |
| At 31 December 2021 | 2,000 | 18,325 | 20,325 |

The notes on pages 16 to 31 form part of these financial statements.

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

1. General information

Creditsafe Business Solutions Limited (the "Company") is a private company, limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Bryn House, Caerphilly Business Park, Van Road, Caerphilly, CF83 3GR.

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Borasco Holding Sarl as at 31 December 2021 and these financial statements may be obtained from 43 Avenue J.F. Kennedy, L-1855, Luxembourg.

2.3 Exemption from preparing consolidated financial statements

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.

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.4 Going concern

The directors have prepared the financial statements on a going concern basis. The Company meets its day-to-day working capital requirements through the use of cash reserves and also has access to additional funds via bank facilities.

Cash generated by the Company is occasionally utilised within the Group, however 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 activities as required.

The Company has made an operating profit of £7,481,000 for the year ended 31 December 2021 (2020: £5,903,000) and at that date its total assets exceeded its total liabilities by £20,325,000 (2020: £13,304,000).

Our customer base continues to provide a strong debtors book, our cash collection remains buoyant and cash reserves are very healthy.

Based on events post Balance Sheet, internal review, countermeasures already in place and executed; the Company has confidence that it has strong and robust cash flow to continue as a going concern business.

2.5 Foreign currency

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 Statement of Comprehensive Income.

2.6 Turnover

Turnover is presented net of value added tax and any trade discounts. The majority of revenue is derived via a 12 month subscription to the Company's online product. Revenue is recognised based upon the portion of the contract that has been fulfilled (irrespective of what has been invoiced). If the invoiced amounts exceed the portion of the contract that has been fulfilled, the excess is recognised as deferred income and held on the Balance Sheet. As a result turnover is calculated as invoiced amounts less deferred income.

The Company receives a share of the value chain in respect of their contribution to the group's residual profits. This is calculated in respect of a group of senior personnel which provide management fee services to the entities. The Company recognises the amount received in other operating income as 'profit fee allocation'.

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

2. Accounting policies (continued)

2.7 Expenses

Operating lease

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the Statement of Comprehensive Income (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

2.8 Research and development

Expenditure on research activities is recognised in the Statement of Comprehensive Income as an expense as incurred.

2.9 Current and deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.9 Current and deferred taxation (continued)

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.10 Tangible assets

Tangible 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.

Where parts of an item of tangible assets have different useful lives, they are accounted for as separate items of tangible assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

The Company assesses at each reporting date whether tangible assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of tangible assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Computer equipment, fixtures and fittings - 3 years

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

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.11 Basic financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

2.12 Impairment excluding deferred tax assets

Financial assets (excluding trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.13 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the Company has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Key estimates and assumptions have been made in the following areas:

- The carrying value of investments is derived after an annual impairment review to identify the occurrence of events or changes in circumstances that indicate that the carrying amount of any investments may not be recoverable. Where indicators are present a full impairment test will be carried out, this testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. Impairment reviews have been undertaken in relation to investments in subsidiaries at the Balance Sheet date and management have concluded that no impairment is necessary. See further details in note 15.

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

4. Turnover

The Company's turnover and operating profit relate entirely to its principal activity.

Analysis of turnover by country of destination:

| | 2021 £000 | 2020 £000 |
|----------------------------|---------------|---------------|
| United Kingdom | 55,758 | 51,213 |
| Central and Eastern Europe | 3,420 | 1,384 |
| Rest of the World | 2,093 | 1,289 |
| | <u>61,271</u> | <u>53,886</u> |

5. Other operating income

| | 2021 £000 | 2020 £000 |
|-----------------------|--------------|--------------|
| Profit fee allocation | - | 2,265 |
| Furlough grant income | - | 92 |
| | <u>-</u> | <u>2,357</u> |

6. Operating profit

The operating profit is stated after charging:

| | 2021 £000 | 2020 £000 |
|---------------------------------|--------------|--------------|
| Depreciation of tangible assets | 584 | 828 |
| Operating lease charges | 666 | 525 |
| | <u>1,250</u> | <u>1,353</u> |

7. Auditors' remuneration

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Fees payable to the Company's auditors for the audit of the Company's annual financial statements | <u>32</u> | <u>30</u> |
| Fees payable to the Company's auditors in respect of: | | |
| Audit-related assurance services | 5 | 5 |
| All other services | 3 | 2 |
| | <u>8</u> | <u>7</u> |

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

| | 2021 | 2020 |
|---------------------------|---------------|---------------|
| | £000 | £000 |
| Wages and salaries | 10,385 | 9,760 |
| Social security costs | 1,108 | 1,146 |
| Other pension costs | 247 | 252 |
| Other staff related costs | 104 | 127 |
| | 11,844 | 11,285 |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2021 | 2020 |
|--------------------------|---------------|---------------|
| | Number | Number |
| Management | 14 | 5 |
| Selling and distribution | 211 | 196 |
| Administration | 57 | 61 |
| | 282 | 262 |

9. Directors' remuneration

| | 2021 | 2020 |
|---------------------------------|-------------|-------------|
| | £000 | £000 |
| Aggregate directors' emoluments | 442 | 294 |
| Defined pension contributions | 16 | 10 |
| | 458 | 304 |

The highest paid director received remuneration of £364,640.

Two (2020: One) of the directors of the Company are remunerated through the Company. The total paid to the directors was £458,000 (2020: £304,000), this amount was made up of salary payments of £411,000 (2020: £274,000), pension payments of £16,000 (2020: £10,000) and £31,000 (2020: £20,000) of other benefits.

The remuneration for one director is paid by a fellow subsidiary which makes no recharge to the Company. Accordingly, the above details include no remuneration in respect of this director.

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

10. Interest receivable and similar income

| | 2021 £000 | 2020 £000 |
|--|----------------------|----------------------|
| Bank interest receivable | - | 9 |
| Interest receivable on intercompany balances | 673 | 526 |
| Net foreign exchange gain | 241 | - |
| | <u>914</u> | <u>535</u> |

11. Interest payable and similar expenses

| | 2021 £000 | 2020 £000 |
|---|----------------------|----------------------|
| Bank interest payable | 95 | 130 |
| Interest payable on intercompany balances | 445 | 97 |
| Net foreign exchange loss | 43 | 484 |
| | <u>583</u> | <u>711</u> |

12. Tax on profit

| | 2021 £000 | 2020 £000 |
|--|----------------------|----------------------|
| Corporation tax | | |
| Current tax on profits for the financial year | 1,532 | 1,216 |
| Adjustments in respect of prior years | (647) | (19) |
| Total current tax | <u>885</u> | <u>1,197</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (38) | (74) |
| Effect of changes in tax rates | (67) | (12) |
| Adjustments in respect of prior years | 11 | 17 |
| Total deferred tax | <u>(94)</u> | <u>(69)</u> |
| Total tax | <u>791</u> | <u>1,128</u> |

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

12. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

| | 2021 | 2020 |
|--|--------------|--------------|
| | £000 | £000 |
| Profit before taxation | 7,812 | 5,727 |
| Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 1,484 | 1,088 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 10 | 54 |
| Adjustments in respect of prior years | (636) | (2) |
| Changes in tax rate | (67) | (12) |
| Total tax charge for the financial year | 791 | 1,128 |

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

13. Dividends

| | 2021 | 2020 |
|----------------------|-------------|---------------|
| | £000 | £000 |
| Final dividends paid | - | 12,000 |

A final dividend has been proposed for the year ended 31 December 2021 of £Nil (2020: £Nil).

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

14. Tangible assets

| | Computer equipment; fixtures and fittings £000 |
|---------------------------------|---|
| Cost | |
| At 1 January 2021 | 4,405 |
| Additions | 18 |
| Disposals | (55) |
| At 31 December 2021 | 4,368 |
| Accumulated depreciation | |
| At 1 January 2021 | 3,651 |
| Charge for the year | 584 |
| Disposals | (55) |
| At 31 December 2021 | 4,180 |
| Net book value | |
| At 31 December 2021 | 188 |
| At 31 December 2020 | 754 |

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

15. Investments

| | Investments in subsidiary companies £000 |
|--------------------------------|--|
| Cost and net book value | |
| At 1 January 2021 | 11,755 |
| Additions | 81 |
| At 31 December 2021 | <u>11,836</u> |

The additions seen in the year relate solely to the provision of ongoing capital provided to Creditsafe Italia S.r.l. in order to further scale the business post initial set up. In the opinion of the directors, the investments in its subsidiary undertakings are not worth less than the value shown in the financial statements.

The recoverable amount of the investment is a source of estimation uncertainty. The recoverable amount was determined using a value-in-use calculation which required the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the directors. If actual cash flows are not in line with budgeted cash flows, additional impairment may result.

Management have performed sensitivity analysis and based on current forecasts there would need to be a reduction in forecast cash flows past 2021 of at least 50% and a discount rate of 45% in order for an indication of impairment.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|--|---|--------------------|-----------------|---------|
| Creditsafe Italia S.r.l. | Str. del Drosso, 33/7, 10135 Torino, Italy | Trading | Ordinary | 100% |
| Creditsafe UK Limited | Caspian Point One, Pierhead Street, Cardiff, CF10 4DQ | Dormant | Ordinary | 100% |
| Creditsafe First Limited | Caspian Point One, Pierhead Street, Cardiff, CF10 4DQ | Dormant | Ordinary | 100% |
| Creditsafe Information Services Limited | Caspian Point One, Pierhead Street, Cardiff, CF10 4DQ | Dormant | Ordinary | 100% |
| Marketsafe.com Limited | Caspian Point One, Pierhead Street, Cardiff, CF10 4DQ | Dormant | Ordinary | 100% |

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

15. Investments (continued)

Subsidiary undertakings (continued)

| Name | Registered office | Principal activity | Class of shares | Holding |
|--------------------|---|--------------------|-----------------|---------|
| Creditsafe Limited | Caspian Point One, Pierhead Street, Cardiff, CF10 4DQ | Dormant | Ordinary | 100% |

16. Debtors

| | 2021 £000 | 2020 £000 |
|------------------------------------|---------------|---------------|
| Trade debtors | 9,083 | 8,496 |
| Amounts owed by group undertakings | 67,711 | 29,240 |
| Other debtors | 1,527 | 116 |
| Corporation tax | 2,064 | 1,624 |
| Deferred taxation (see note 20) | 281 | 187 |
| Prepayments and accrued income | 542 | 519 |
| | 81,208 | 40,182 |

Amounts owed by group undertakings are unsecured and repayable on demand and are charged at an interest rate of LIBOR + 2.05% (2020: LIBOR + 2.05%).

Following the financial crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. The FCA confirmed that the LIBOR fixings would no longer be representative after 31 December 2021 which creates a requirement for contracts which referenced LIBOR to use an alternative benchmark rate.

As at 31 December 2021, the amounts owed by group undertakings have not yet transitioned to an alternative interest rate benchmark. A review is currently in progress to assess the impacted documentation.

17. Cash at bank and in hand

| | 2021 £000 | 2020 £000 |
|--------------------------|--------------|---------------|
| Cash at bank and in hand | 9,393 | 13,568 |

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

18. Creditors: amounts falling due within one year

| | 2021 £000 | 2020 £000 |
|---|---------------|---------------|
| Bank loans and overdrafts (see note 19) | 2,296 | 7,891 |
| Trade creditors | 2,266 | 686 |
| Amounts owed to group undertakings | 56,967 | 20,755 |
| Taxation and social security | 1,905 | 3,388 |
| Other creditors | - | 1,057 |
| Accruals and deferred income | 18,866 | 19,178 |
| | 82,300 | 52,955 |

Amounts owed to group undertakings are unsecured and repayable on demand and are charged at an interest rate of LIBOR + 2.05% (2020: LIBOR + 2.05%).

See note 16 for further detail on the IBOR reform.

19. Loans

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised costs:

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Amounts falling due within one year | | |
| Secured bank loans | 2,296 | 7,891 |

Terms and debt repayment schedule

| | Currency | Nominal interest rate | Year of maturity | Repayment schedule | 2021 £'000 | 2020 £'000 |
|-----------|----------|---|------------------|--------------------|---------------|---------------|
| Bank loan | GBP | LIBOR plus 1.65% for 2019, LIBOR plus 1.65% from January 2020 onwards | 2022 | Maturity | 2,296 | 7,891 |

Creditsafe Business Solutions Limited entered into a £30m RCF with Barclays in April 2016. In December 2018, the arrangement was amended and restated to a £21m RCF with a £29m accordion option. Creditsafe Business Solutions Limited initially drew down £5m and €10.7m (£9.6m) in December 2018 and this amount remained outstanding at the prior year Balance Sheet date.

During 2021, loan repayments of £5.2m were made in the year. Amounts remaining outstanding at the Balance sheet date totaled €2.2m (2020: €8.7m). The interest rate on the utilised portion of the RCF is LIBOR + 1.65%. Interest is also charged on the unutilised portion of the RCF £18.5m (2020: £13.6m) at an interest rate of 40% of LIBOR + 1.65% (approx. 0.7%).

Within the agreement the following group companies are appointed as guarantors of the facility: Creditsafe Cyprus, Creditsafe France, Creditsafe Germany, Creditsafe Netherlands, Creditsafe Sweden, Cyprus Holdco, and Safe Information Group NV.

CREDITSafe BUSINESS SOLUTIONS LIMITED

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

20. Deferred taxation

| | 2021 £000 |
|---------------------------------------|--------------|
| At beginning of year | 187 |
| Credited to profit or loss | 105 |
| Adjustments in respect of prior years | (11) |
| At end of year | 281 |

The deferred tax asset is made up as follows:

| | 2021 £000 | 2020 £000 |
|--------------------------|--------------|--------------|
| Capital allowances | 278 | 178 |
| Other timing differences | 3 | 9 |
| | 281 | 187 |

21. Called up share capital

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Allotted, called up and fully paid | | |
| 2,000,000 (2020: 2,000,000) ordinary shares of £1 (2020: £1) each | 2,000 | 2,000 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

22. Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

23. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £247,000 (2020: £252,000).

CREDITSAFE BUSINESS SOLUTIONS LIMITED

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

24. Commitments under operating leases

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Not later than 1 year | 659 | 551 |
| Later than 1 year and not later than 5 years | 667 | 904 |
| | <u>1,326</u> | <u>1,455</u> |

25. Post balance sheet events

In February 2022 the Company repaid the €2.7m of RCF with Barclays, drew down another €11m on the RCF and took out a €15m term loan for the purchase of Graydon. The purchase of Graydon Holding N.V was completed 28th Feb for consideration of €24,250,000.

The interest on the financial liabilities are referenced to SONIA within the agreement, and there are no accounting implications on the Company as at 31 December 2021 as a result of the IBOR reform.

26. Ultimate parent undertaking and controlling party

The Company's immediate parent company is Safe Information Group Cyprus Limited. The Company's ultimate parent undertaking is Borasco Holding Sarl, which is the smallest and largest group to consolidate these financial statements and is incorporated in Luxembourg. Copies of the consolidated financial statements of Borasco Holding Sarl can be obtained from its registered office at 43 Avenue J.F.Kennedy, L-1855 Luxembourg.

The directors regard the Jordanger family as the ultimate controlling party.