Callcredit Information Group Limited (formerly Skipton Information Group)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2008

(Registered Number 4968328)

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COMPANIES HOUSE

Callcredit Information Group Limited (formerly Skipton Information Group)

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2008.

On 27th May 2008 a special resolution was made to change the name of the holding company from Skipton Information Group to Callcredit Information Group, and this became effective on 29th May 2008.

PRINCIPAL ACTIVITIES
Callcredit Information Group Limited (formerly Skipton Information Group) is a holding company.
The principal activities of its subsidiary companies are as follows:
Callcredit Limited: the provision of credit reference services for businesses and consumers.
DecisionMetrics Limited: bespoke credit scoring solutions, credit decisioning software, scorecard performance and models to measure customer indebtedness.
Legatio Technologies Limited: development of innovative, interactive processing services.
EuroDirect Database Marketing Limited: database development, customer profiling and the marketing information databases.
Broadsystem Limited: marketing services and database specialist services; creation, management and delivery of multi-channel customer communication strategies.
GMAP Limited: geographical modelling and network planning.

All the subsidiary companies will continue with their activities as listed above for the foreseeable future. The Company and its subsidiaries are incorporated in the UK. All the companies in this group are private companies limited by shares.

CALLCREDIT INFORMATION GROUP BUSINESS REVIEW

OVERVIEW OF THE YEAR

Callcredit Information Group (formerly Sipton Information Group) has continued to see excellent growth in 2008, with sales increasing year on year by 73%. Two thirds of this increase has been driven by acquisition and one third by organic growth. Overall both gross and operating margins have remained stable in 2007 and 2008. Full year profits of £4.6M show an uplift of 67% on 2007, which the Directors regard as a positive result given the economic climate, and particularly the uncertain trading conditions in the last 6 months of the year.

A summary review of the significant trading activities is given below.

Callcredit

Callcredit has had another extremely successful year. Revenues have increased year on year by 46% and sales targets have been met, despite challenging conditions in the financial services markets. Whilst there has been a reduction in demand generally for origination products, Callcredit has succeeded in responding to the requirement for counter-cyclical products centred around collections and account management. From a position close to break-even in 2007, Callcredit has generated a profit of £2.9M in 2008, with an improvement in operating margins from 7% to 17%. Callcredit continues to develop its suite of products to meet the needs of its clients, supplying not only the traditional credit checking products but also account management, monitoring and overindebtedness products particularly relevant to this stage in the economic cycle. Callcredit's brand continues to grow along with a reputation for quality and depth in its range of services.

Decisionmetrics
2008 was the first full trading year as part of the Callcredit Information Group (formerly Skipton Information Group), and the Directors are satisfied with its progress to date in the context of the current climate. It continues to provide the Group with excellent credit scoring capabilities.

Legatio
2008 was also Legatio's first full year as part of the Group. Legatio have produced a good result in line with the Directors expectations.

EuroDirect
Challenging market conditions continue to prevail in the marketing services sector, particularly in the area of financial services, but also more generally where marketing spend is regarded as a discretionary expense. EuroDirect has maintained its sales performance at the same levels as 2007, however pressure on margins and exposure to a significant debtor brought down in the buy-to-let slump has resulted in reduced profitability in 2008. EuroDirect continues to build its presence in the international arena and will capitalise on synergistic benefits with Broadsystem, its sister marketing services company.

Broadsystem
On a like for like basis, revenues have increased by 8% in the year under review compared with the previous accounting period. The operating loss in the previous six month period has been turned round to show a profitable position in 2008, and both revenues and net profits have exceeded expectations in Broadsystem's first year under the ownership of the group. This has been achieved despite challenging trading conditions in the Marketing Services sector, principally by Broadsystem offering a broad set of solutions and options for clients and service excellence, leading to a high level of client retention. Costs are managed by careful and targeted resource planning. During the forthcoming year Broadsystem will capitalise further on synergistic benefits to be derived from working closely with the complementary marketing services business, EuroDirect.

GMAP
GMAP has had a disappointing year, and has been affected by the reduction of client spend in the automotive and retail sectors. However with its blue chip client base and an expanding presence in the Japanese market, the Directors are confident of a return to profitability in 2009.

OBJECTIVES AND STRATEGIES
Callcredit Information Group's (formerly Skipton Infonmation Group) business targets and objectives:

The primary objectives of the Group for 2009 are to increase market share in both the credit and marketing sectors and to make further progress in improving its margins as its businesses grow in scale. Now in a cash-generating position, the Group will continue to invest in systems, data, infrastructure, and human resources in order to achieve a high level of turnover growth for its three year plan.

The strategies the Group will pursue to achieve these objectives are:

- Continue to capitalise on Callcredit's links in the financial services markets to expand Group sales
- Capitalise on synergies offered by acquisitions
- Maximise market awareness by branding strategies
- Focus on recruiting, developing and retaining personnel to achieve excellence in all areas of the business

RISKS AND UNCERTAINTIES
The principal risks to the Group are as follows:

1. The directors are vigilant in their monitoring of the prevailing economic conditions and are mindful of the current lack of confidence in the credit markets. Callcredit Information Group's (formerly Skipton Information Group) breadth of portfolio in terms of product, geography, client and sector and its capacity to adapt to change should mitigate the impact of the risk of reducing business volumes arising from the current economic position.
2. Having built a strong position in the market, the Board recognises the negative impact of delivering a delayed or sub-optimal service leading to a loss of confidence. Ensuring highly skilled staff are well motivated and supported and the continuous improvement of systems and processes, underpinned by state of the art technology help to minimise this risk.
3. The risk of loss, theft, wrongful disclosure or corruption of data is a key focus of the Board and a comprehensive set of stringent security measures are in place to mitigate or minimise such risks. These underpin all aspects of the business and are kept under constant review to ensure best practice is achieved.
4. Rapid changes, such as the move away from traditional media to the new electronic media in the Direct Marketing industry, are, wherever possible, anticipated and acted upon by the directors. The Board recognises the very real risk of standing still and actively seeks to capitalise upon the opportunities such changes provide through a combination of innovation, technology and flexibility.

Callcredit Information Group (formerly Skipton Information Group) has robust procedures in place for risk assessment and reporting. The risk profile is reviewed quarterly by the Board, highlighting the key risks facing the business and assessing any improvement or deterioration so that internal controls can be enhanced where necessary to ensure such risks are properly mitigated.

All risks are managed in accordance with Group policies. For further details please refer to Skipton Building Society 2008 Report and Accounts.

Callcredit Information Group Limited (formerly Skipton Information Group)

DIRECTORS' REPORT

KEY PERFORMANCE INDICATORS

Significant key performance indicators are shown as required in the individual company accounts of group companies. The Group's gross margins are as set out above. Revenue per head of staff has increased from £67,000 in 2007 to £69,000 in 2008. Debtor days remain consistent with the previous year.

The Group also monitors its progress and development by further non-financial indicators, including sales effectiveness, marketing response, operational efficiency, production, delivery, availability of online services and customer services. The directors are satisfied with the both the financial and operational performance of the business in 2008.

DIVIDENDS

The directors do not propose to pay a final dividend (2007: £nil).

DIRECTORS

The directors who served during the year were:

J G Goodfellow	Resigned 31st December 2008
DJ Cutter	Appointed 1st January 2009
M J Green	
E A Richards	
R J Twigg	

Messrs J G Goodfellow, DJ Cutter and R J Twigg are also directors of the ultimate parent undertaking Skipton Building Society and the immediate parent undertaking, Skipton Group Holdings Limited.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no political contributions (2007: £nil) during the period. Donations by the Group to UK charities amounted to £6,273 (2007: £6,845).

EMPLOYEES

It is the policy of the Group to disclose to staff at all levels information on matters of concern to them as employees.

CREDITOR PAYMENT POLICY

The Group's policy concerning the payment of suppliers for the next financial year is to agree terms of payment in advance and to make the payment in accordance with agreed terms and any other legal obligations.

As at 31 December 2008 creditor days were 48 days (2007: 60 days).

AUDITORS

A resolution to re-appoint KPMG Audit Plc as auditors will be proposed at the next Annual General Meeting.

By order of the board

E A Richards
Secretary

Elizabeth Richards

2nd February 2009

Callcredit Information Group Limited (formerly Skipton Information Group)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with IFRSs as adopted by the EU and applicable laws.

The group and parent company financial statements are required by law to present fairly the financial position and performance of the group and the company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALLCREDIT INFORMATION GROUP LIMITED

We have audited the group and company financial statements of Skipton Information Group Limited for the year ended 31 December 2007 which comprise the Income Statement, the consolidated and company Balance Sheet, the consolidated and company Cash Flow Statement, the consolidated and company Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors
The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 4.
Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).
We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.
In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.
We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion:
• the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the group's and company's affairs as at 31 December 2008 and of the group's profit for the year then ended;
• the financial statements have been properly prepared in accordance with the Companies Act 1985; and
• the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW
Registered Auditor

2nd February 2009

Callcredit Information Group Limited (formerly Skipton Information Group)

Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Year ended 31 December 2008	Year ended 31 December 2007
		£'000s	£'000s
Revenue	1	49,345	28,557
Cost of sales		(11,073)	(6,923)
Gross profit		**38,272**	**21,634**
Other operating income	5	51	5
Administrative expenses		(32,267)	(17,869)
Profit from operations	2	**6,056**	**3,770**
Financial income	3	11	1
Finance costs	4	(1,453)	(1,019)
Profit before tax		**4,614**	**2,752**
Taxation	8	(1,504)	(977)
Profit for the period		**3,110**	**1,775**

In both the current and preceding period the Group had no discontinued operations.

The Income Statement is prepared on an unmodified historical cost basis.

The notes on pages 10 to 27 form part of these financial statements.

Callcredit Information Group Limited (formerly Skipton Information Group)

Balance Sheets

AS AT 31 DECEMBER 2008

	Notes	31 December 2008 Group	31 December 2008 Company	31 December 2007 Group	31 December 2007 Company
		£'000s	**£'000s**	**£'000s** *Restated*	**£'000s**
Current assets					
Trade and other receivables	10	15,296	20,042	11,744	19,992
Income tax receivable		316	85	41	41
Cash and cash equivalents	9	391	2	727	9
		16,003	**20,129**	**12,512**	**20,042**
Non-current assets					
Intangible assets	11	43,472	-	42,000	-
Property, plant and equipment	12	2,599	-	2,525	-
Investments	13	-	44,702	-	44,578
Deferred tax assets	14	299	-	1,363	-
Total assets		**62,373**	**64,831**	**58,400**	**64,620**
Current liabilities					
Trade and other payables	15	7,579	5	7,046	163
Income tax payable		166	-	546	-
Amounts owed to group undertakings	15	24,572	32,976	24,105	32,856
		32,317	**32,981**	**31,697**	**33,019**
Long term liabilities					
Loans and borrowings	16	386	-	386	-
Other	16	1,797	1,797	1,554	1,554
		2,183	**1,797**	**1,940**	**1,554**
Equity					
Share capital	17,18	667	667	667	667
Share premium account	18	900	900	900	900
Capital redemption reserve	18	28,433	28,433	28,433	28,433
Retained earnings	18	(2,127)	53	(5,237)	47
		27,873	**30,053**	**24,763**	**30,047**
Total equity and liabilities		**62,373**	**64,831**	**58,400**	**64,620**

These accounts were approved by the board of Directors on 2nd February 2009 and signed on its behalf by :

D J Cutter
Director

M J Green
Director

The notes on pages 10 to 27 form part of these accounts.

Callcredit Information Group Limited (formerly Skipton Information Group)

Consolidated Cash Flow Statement

FOR THE YEAR ENDING 31 DECEMBER 2008

	Note	Year ended 31 December 2008	Year ended 31 December 2007
		£'000s	**£'000s**
Cash Flows from Operating Activities			
Profit before taxation		4,614	2,752
Adjustments for:			
Depreciation and amortisation charges	11,12	3,878	2,997
Profit on sale of tangible fixed assets		(11)	(11)
Financial income	3	(11)	(1)
Interest expense	4	1,453	1,019
Increase in trade and other receivables	10	(3,552)	(3,840)
Increase in trade and other payables	15,16	1,243	11,354
Cash generated from operating activities		7,614	14,270
Interest paid	4	(1,453)	(1,019)
Income taxes paid		(1,095)	(192)
Net cash from operating activities		**5,066**	**13,059**
Cash Flows from Investing Activities			
Acquisition of subsidiaries	19	-	(7,881)
Interest received	3	11	1
Proceeds on disposal of property, plant and equipment		194	25
Purchases of property, plant and equipment	12	(1,256)	(1,501)
Purchases of intangible assets	11	(4,351)	(3,403)
Cash acquired with subsidiaries	19	-	79
Net cash from investing activities		**(5,402)**	**(12,680)**
Cash Flows from Financing Activities		-	-
Net cash from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(336)	379
Cash and Cash equivalents at 1 January		727	348
Cash and cash equivalents at 31 December	9	**391**	**727**

Callcredit Information Group Limited (formerly Skipton Information Group)

Company Cash Flow Statement

FOR THE YEAR ENDING 31 DECEMBER 2008

	Note	Year ended 31 December 2008 £'000s	Year ended 31 December 2007 £'000s
Cash Flows from Operating Activities			
Loss before taxation		(991)	(457)
Adjustments for:			
Financial income		(1,059)	(1,063)
Interest expense		1,864	1,490
Increase in trade and other receivables	10	(50)	(3,337)
Increase in trade and other payables	15,16	205	11,197
Cash generated from operating activities		**(31)**	**7,830**
Income taxes received		203	86
Interest paid		(1,864)	(1,490)
Net cash (outflow)/inflow from operating activities		**(1,692)**	**6,426**
Cash Flows from Investing Activities			
Acquisition of subsidiaries	13	(124)	(7,881)
Interest received		1,059	1,063
Dividend received		750	400
Net cash inflow/(outflow) from investing activities		**1,685**	**(6,418)**
Net (decrease)/increase in cash and cash equivalents		(7)	8
Cash and cash equivalents at 1 January		9	1
Cash and cash equivalents at 31 December	9	**2**	**9**

Callcredit Information Group Limited (formerly Skipton Information Group)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's accounts:

(a) Basis of accounting
The financial statements are presented in accordance with International Financial Reporting Standards and its interpretations as adopted by the EU and effective at 31 December 2008.
The Directors have adopted IFRIC 14 - IAS 19 - *The Limit of a Defined Benefit Asset Minimum Funding Requirements and their Interaction* and IAS 39, *Financial Instruments: Recognition and Measurement* and IFRS 7, *Financial Instruments: Discolusures - Amendments*. There is no impact on these financial statements.

The Directors have not adopted IAS 1, *Presentation of Financial Statements (2007)*, IFRS 8, *Operating Segments*, IAS 23, *Borrowing Costs (Revised)* which although endorsed by the EU, are currently not mandatory.

The accounting polices applied in 2008 are consistent with those applied in the previous year.

As part of the Group's acquisition strategy, within a number of subsidiaries which have less than 100% ownership, there is an option for minority shareholders to sell their shares to the Group at defined future dates. In accordance with of IAS 32 *Financial Instruments: Presentation* and emerging accounting practice, the Group accounting policy for these transactions is to recognise the present value of minorities' options as a financial obligation, along with recognition of further goodwill on the purchase of remaining minority interests.

Under this revised accounting policy the Group consolidates 100% of the results of affected subsidiaries to reflect the 100% ownership implicit in the recording of the future purchase of minorities' remaining shareholdings. The impact on the income statement is the recognition of the interest expense, being the accretion of the liability.

The Group Accounts consolidate the accounts of Callcredit Information Group Limited and all its subsidiary undertakings.
The acquisition method of accounting has been adopted, under which the results of subsidiary undertakings acquired or disposed of during the year are included in the Income Statement from the date of acquisition or up to the date of disposal. All Group undertakings prepare accounts to 31 December annually.
Prior year comparitives have been restated to reflect hindsight adjustments made in relation to a prior year acquisition. The impact of these adjustments is shown in Note 19.
In accordance with Section 230(4) of the Companies Act 1985, the Company is exempt from the requirement to present its own profit and loss account. The Company's profit for the year is disclosed in note 18 to the accounts.

The financial statements are drawn up under the historic cost convention and in accordance with applicable accounting standards.

(b) Going Concern
The financial statements have been prepared on a going concern basis assuming the continued support of the Group's ultimate parent undertaking. The directors have reviewed the results of the Group's operations in the period 1 January 2009 to the date of approval of the financial statements and have made forecasts of its performance in the subsequent 12 months They have also received assurances of continued financial support from the ultimate parent undertaking. In view of this the directors consider that the Group will continue to be able to meet its liabilities as they fall due and that the financial statements can therefore be prepared on a going concem basis.

(c) Revenue Recognition
Revenue is generally recognised when all contractual obligations have been met in accordance with IAS18. Normally this occurs at the point when the sale is invoiced. The specific treatment for each category of revenue is set out below:

License and prepaid revenue is non-recourse and therefore recognised at the date of invoice, as are contracted minimum revenues. Revenue which is transactional is invoiced and recognised in the month of usage. Interest income is recognised on an accruals basis. Where a project spans more than one period or year, the revenue is recognised when all of the following have occurred:
(a) the revenue can be reliably measured;
(b) it is probable that the economic benefits will flow to the company;
(c) at the balance sheet date the stage of completion can be measured reliably;
(d) transaction costs and costs to completion can be measured reliably.

(d) Property, plant and equipment
Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and any provision for impairment. Depreciation is calculated to write off the cost of tangible fixed assets less estimated residual value over their estimated useful lives as set out below on a straight line basis unless stated otherwise.

Leasehold Improvements	-10% straight line
Office Equipment	-20-50% straight line
Motor Vehicles	-25% reducing balance

Fixed asset purchases are depreciated on a monthly basis from the date the asset is available for utilisation.
Profits and losses on the sale of these assets are included within the depreciation charge except where these are material when they are separately disclosed.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

(e) Goodwill
Goodwill is stated at cost less any accumulated impairment losses. Any negative goodwill arising on an acquisition is recognised directly in profit or loss. Expenditure on internally generated goodwill is recognised in the Income Statement as an expense as incurred. In accordance with IAS 36 'Impairment of Assets', goodwill is not amortised but is tested annually for impairment. The results of the impairment review undertaken for the year ended 31 December 2008 confirm that no impairment has occurred.

(f) Critical accounting estimates and judgements
The recoverable amount of goodwill is determined from value in use calculations. The value in use calculations are carried out by discounting the future cashflows of the cash generating unit, usually the subsidiary undertaking and comparing this to value in use. The key assumptions used in these calculations are those regarding discount rates (4%) and future growth in profitability of the cash generating units. Callcredit Information Group Limited estimates discount rates based on its current cost of capital whilst profitability is based upon projected future cashflows (excluding those related to interest and taxation) taken from approved budgets for the next three years extrapolated forward up to 20 years based upon the long term expected growth rate of 2%.

(g) Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less any impairment in value. In accordance with IAS 36 'Impairment of Assets' the investments are reviewed annually to identify any indicators of impairment. Where any indication of impairment is identified, then impairment testing is carried out in accordance with the guidance in this standard. For the year ended 31 December 2008 no indications of impairment were found.

(h) Intangible assets
Intangible assets include deferred development costs, internally created databases and purchased data assets that in the opinion of the directors meet the definition of an intangible asset as defined in IAS 38 'Intangible Assets'. Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the day they are available for use. The estimated useful lives are as follows:

Databases and purchased data assets - straight line depreciation over 1-6 years
Deferred development costs - straight line depreciation over 3 - 10 years
Customer contracts - over period of the contract

Internally created databases comprise the data purchase and capture costs of internally developed databases, for use by customers to determine the credit-worthiness of individuals. The costs are capitalised as development costs in accordance with IAS38.
Purchased data assets comprise data sets purchased externally for resale on a licensed basis and incorporation into the Group's products which fulfil the IAS38 definition of intangible assets.
Deferred development expenditure comprises the product development costs of commercially exploitable systems to the extent that they are recoverable.

An annual review is undertaken of intangible fixed assets to establish whether there are any indications of impairment. Should this be the case an impairment review is performed in accordance with IAS 36 by comparing the carrying value to the net present value of future cash flows. The results of the impairment review performed at the 31 December 2008 year end confirmed that no indications of impairment were present. IAS 36 further requires impairment testing of any intangible assets not yet available for use. Within Legatio and GMAP certain developments fall into this category and impairment testing has been carried out on these in accordance with IAS 36. No indications of impairment were identified by this testing.

(i) Operating leases
Costs of operating leases are charged to the Income Statement on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies (continued)

(j) Taxation
Income tax on the profits for the year comprises current tax and deferred tax. Income tax is recognised in the Income Statement except where items are recognised directly in equity, in which case the associated income tax asset or liability is recognised via equity.

Current tax is the expected tax payable on the income for the year, using tax rates enacted or substantially enacted on the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, which recognises temporary differences between the date. carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet.

(k) Pensions
The majority of company employees are members of the Skipton Building Society Group stakeholder pension scheme, and in addition a defined contribution scheme is in operation for certain EuroDirect and GMAP employees. Under both arrangements the assets are held in an independently administered scheme. Contributions are charged to the Income Statement and are included in staff costs.

(l) Foreign currency
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair values are translated to sterling at foreign exchange rates ruling at the dates the fair value was determined.

(m) Financial instruments and derivatives

The group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement.

(n) Cash and cash equivalents
For the purpose of the cash flow statement, cash comprises cash in hand and loans and advances to credit institutions repayable on demand, and cash and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

The cash flow statement has been prepared using the indirect method.

(o) Net financing costs
Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest rate method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

2. Profit from operations

	Group	Group
	Year ended 31 December 2008	Year ended 31 December 2007
	£'000s	£'000s
Profit from operations has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	1,176	843
Amortisation of intangibles	2,702	2,154
Staff costs (see note 6)	19,527	12,037
Rentals payable under operating leases	1,096	543
Foreign exchange currency differences	(73)	-
Profit on disposal of property, plant and equipment	(11)	(11)
Auditors' remuneration and expenses:		
Group		
Audit of these financial statements	77	54
Company		
Audit of these financial statements	5	5

3. Financial income

	Group	Group
	Year ended 31 December 2008	Year ended 31 December 2007
	£'000s	£'000s
Other interest	11	1
	11	1

4. Finance Costs

	Group	Group
	Year ended 31 December 2008	Year ended 31 December 2007
	£'000s	£'000s
Put option - unwind of discount	15	5
Interest payable to group undertakings	1,412	1,013
Other	26	1
	1,453	1,019

5. Other operating income

	Group	Group
	Year ended 31 December 2008	Year ended 31 December 2007
	£'000s	£'000s
Rents receivable under operating leases	51	5
	51	5

6. Staff numbers and costs

The average monthly number of persons employed by the Group (including executive directors but excluding non-executive directors) during the period was as follows:

	Group	
	Year ended 31 December 2008	**Year ended 31 December 2007**
Sales	144	124
Operations	336	148
Administration	160	140
	640	412

The aggregate payroll costs of these persons was as follows:	**£'000s**	**£'000s**
Wages and salaries	18,392	11,412
Social security costs	2,098	1,159
Other pension costs	951	567
	21,441	13,138

During the year £1,914,000 which has been included in the staff costs set out above was capitalised within additions to deferred development assets as shown in note 11 (2007: £1,101,000).

Pension costs include £18,000 (2007: £18,000) contributions to the ultimate parent company defined benefit pension scheme. The assets and liabilities of the scheme are disclosed in the accounts of the ultimate parent undertaking (note 22). The Group is unable to identify its share of the defined benefit pension scheme assets and liabilities and on this basis all contributions to the scheme are accounted for on a defined contribution basis.

The Company had no employees and therefore no staff costs during the current or preceding periods.

	Group	
7. Directors' remuneration and transactions	**Year ended 31 December 2008**	**Year ended 31 December 2007**
	£'000s	**£'000s**
Remuneration		
The remuneration of the directors was as follows:		
Emoluments	445	385
Pension costs	25	16
	470	401
Highest paid director		
The above amounts for remuneration include the following in respect of the highest paid director:		
Emoluments	303	256
Payments to defined contribution schemes	17	10
	320	266
Pensions		
Retirement benefits are accruing to the following number of directors:		
Defined contribution schemes	2	2

Callcredit Information Group Limited (formerly Skipton Information Group)

NOTES TO THE ACCOUNTS

8. Taxation

A reconciliation of current tax on profit /(loss) on ordinary activities at the standard UK corporation tax rate to the actual tax expense / (income) is as follows:

	Group	
	Year ended 31 December 2008	**Year ended 31 December 2007**
	£'000s	**£'000s**
a) Analysis of tax expense in the year		
Current tax		
Current tax at 28% (2007: 30%)	443	914
Total Current Tax	443	914
Deferred tax		
Origination and reversal of temporary differences	1,061	(142)
Recovery to taxable losses	-	208
Other	-	(3)
Total Deferred Tax	1,061	63
Income tax expense / (credit)	1,504	977

b) Factors affecting current tax expense / (income) in the year

A reconciliation of tax on the profit / (loss) on ordinary activities at the standard UK corporation tax rate to actual tax expense / (credit) is as follows:

Profit on ordinary activities before tax	4,614	2,752
Tax on profit on ordinary activities at UK standard rate of 28% (2007: 30%)	1,292	826
Effects of:		
- Origination and reversal of temporary differences	-	-
- expenses not deductible for tax purposes	340	77
- utilisation of tax losses		
- adjustment to deferred tax in respect of prior periods	(45)	5
- Other	(83)	69
Income tax charge / (credit)	**1,504**	**977**

9. Cash and cash equivalents

	Group		Company	
	Year ended 31 December 2008	**Year ended 31 December 2007**	**Year ended 31 December 2008**	**Year ended 31 December 2007**
	£'000s	**£'000s**	**£'000s**	**£'000s**
Bank balances	391	727	2	9
Cash and cash equivalents	**391**	**727**	**2**	**9**

NOTES TO THE ACCOUNTS

10. Trade and other receivables

	Group	
	Year ended 31 December 2008 £'000s	Year ended 31 December 2007 £'000s *Restated*
Prepayments and accrued income	2,506	2,463
Trade debtors	12,806	9,090
Amounts owed by Group undertakings	10	54
Other	420	184
Bad debt provision	(446)	(47)
Total	15,296	11,744

The ageing of trade debtors at the reporting date was:

	2008 £'000s Gross	2008 £'000s Impairment	2007 £'000s Gross	2007 £'000s Impairment
Not past due	7,885	(28)	4,612	-
Past due 0-30 days	2,806	(18)	2,208	-
Past due 31-120 days	936	(1)	2,116	-
Past due 120 days plus	1,179	(399)	154	(47)
Total	12,806	(446)	9,090	(47)

The movement in the allowance for impairment in respect of trade debtors during the year was as follows:

	2008 £'000s	2007 £'000s
At 1 January	(47)	(132)
Provisions made during the year	(483)	(20)
Debtors written off during the year	84	-
Provisions no longer required	-	105
At 31 December	(446)	(47)

	Company	
	Year ended 31 December 2008 £'000s	Year ended 31 December 2007 £'000s
VAT	20	-
Amounts owed by Group undertakings	19,878	19,992
Other	144	-
Total	20,042	19,992

None of the amounts owed to the Company are in respect of trading balances

Callcredit Information Group Limited (formerly Skipton Information Group)

NOTES TO THE ACCOUNTS

11. Intangible assets

	Group				
	Goodwill £'000s	Customer Contracts	Databases & Purchased Data Assets £'000s	Deferred Development Expenditure £'000s	Total £'000s
Cost					
At 1 January 2008	31,067	373	5,994	10,904	48,338
Minority Interest/Put Option	224	-	-	-	224
Additions	-	-	2,213	1,914	4,127
Disposals	(160)	-	-	(26)	(186)
At 31 December 2008	31,291	373	8,207	12,792	52,503
Amortisation and impairment losses					
At 1 January 2008	-	-	2,969	3,369	6,338
Amortisation for the year	-	124	1,144	1,434	2,702
Eliminated on Disposal	-	-	-	(9)	(9)
At 31 December 2008	-	124	4,113	4,794	9,031
Carrying amounts					
At 1 January 2008	31,067	373	3,025	7,535	42,000
At 31 December 2008	31,291	249	4,094	7,998	43,472

	Group				
	Goodwill £'000s *Restated*	Customer Contracts £'000s *Restated*	Databases & Purchased Data Assets £'000s	Deferred Development Expenditure £'000s	Total £'000s
Cost					
At 1 January 2007	22,497	-	4,386	9,109	35,992
Initially recognised on acquisition of subsidiaries	9,188	-	-	-	9,188
Restatement (Note 19)	(618)	373	-	-	(245)
Additions	-	-	1,608	1,795	3,403
At 31 December 2007	31,067	373	5,994	10,904	48,338
Amortisation and impairment losses					
At 1 January 2007	-	-	1,768	2,416	4,184
Amortisation for the year	-	-	1,201	953	2,154
At 31 December 2007	-	-	2,969	3,369	6,338
Carrying amounts					
At 1 January 2007	22,497	-	2,618	6,693	31,808
At 31 December 2007	31,067	373	3,025	7,535	42,000

The Company holds no intangible fixed assets.

Callcredit Information Group Limited (formerly Skipton Information Group)

NOTES TO THE ACCOUNTS

12. Property, plant and equipment

Group

	Leasehold Improvements £'000s	Office Equipment £'000s	Motor Vehicles £'000s	Total £'000s
Cost				
At 1 January 2008	1,407	2,980	66	4,453
Additions	205	1,051	-	1,256
Disposals	-	(8)	-	(8)
At 31 December 2008	**1,612**	**4,023**	**66**	**5,701**
Accumulated Depreciation and impairment				
At 1 January 2008	302	1,601	25	1,928
Depreciation charge for the year	226	935	15	1,176
Eliminated on Disposals	-	(2)	-	(2)
At 31 December 2008	**528**	**2,534**	**40**	**3,102**
Carrying amounts				
At 31 December 2008	**1,084**	**1,489**	**26**	**2,599**
At 1 January 2008	1,105	1,379	41	2,525

Group

	Leasehold Improvements £'000s	Office Equipment £'000s	Motor Vehicles £'000s	Total £'000s
Cost				
At 1 January 2007	588	2,086	147	2,821
Additions	819	682	-	1,501
Acquired with subsidiaries	-	213	-	213
Disposals	-	(1)	(81)	(82)
At 31 December 2007	**1,407**	**2,980**	**66**	**4,453**
Accumulated Depreciation and impairment				
At 1 January 2007	174	913	67	1,154
Depreciation charge for the year	128	688	27	843
Eliminated on Disposals	-	-	(69)	(69)
At 31 December 2007	**302**	**1,601**	**25**	**1,928**
Carrying amounts				
At 31 December 2007	**1,105**	**1,379**	**41**	**2,525**
At 1 January 2007	**414**	**1,173**	**80**	**1,667**

The Company holds no tangible fixed assets.

None of the assets included above are held under finance leases.

13. Investments

Shares in Subsidiary Undertakings	Company Year ended 31 December 2008	Company Year ended 31 December 2007
	£'000s	£'000s
Cost and Net Book Value		
At start of period	44,578	35,000
Additions in the period	284	9,578
Minority interest in Broadsystem Limited	(160)	-
At end of period	**44,702**	**44,578**

At 31st December 2008 the Company held interests in the following principal subsidiary undertakings. The interests remain unchanged from the previous year end in respect of Callcredit, EuroDirect, GMAP, Legatio and DecisionMetrics. A minority interest was created in Broadsystem during June 2008 where 2.29% shares were sold to the company's senior management.

Name of subsidiary	Principal Business Activity	Type of Shares Held	Proportion of Shares Held	Immediate Parent
Callcredit Limited	Credit Referencing	Ordinary Shares	100% [50% directly owned and 50% indirectly owned through EuroDirect]	Callcredit Information Group Limited
EuroDirect Database Marketing Limited	Database Marketing	Ordinary Shares	100%	Callcredit Information Group Limited
GMAP Limited	Geographical modelling and planning	Ordinary Shares	100%	EuroDirect Database Marketing Limited
Legatio Technologies Limited	Identity checking and data processing	Ordinary Shares	75%	Callcredit Information Group Limited
DecisionMetrics Limited	Scorecard building and data analysis	Ordinary Shares	75%	Callcredit Information Group Limited
Broadsystem Limited	Database Marketing	Ordinary Shares	98%	Callcredit Information Group Limited
N & P	Dormant company	Ordinary Shares	100%	EuroDirect Database Marketing Limited
Call@credit plc	Dormant company	Ordinary Shares	100%	Callcredit Information Group Limited

All the above companies are incorporated and registered in England and operate in the United Kingdom.

14. Deferred tax

The movement on the deferred tax account is as shown below:	Group Deferred tax asset Year ended 31 December 2008	Group Deferred tax asset Year ended 31 December 2007 *Restated*
	£'000s	£'000s
At start of period	(1,360)	(566)
Income statement charge/(credit)	1,061	63
Acquired with subsidiary	-	(857)
At end of period	**(299)**	**(1,360)**

14. Deferred tax (continued)

Deferred tax assets	**Capital allowances £'000s**	**Tax Losses £'000s**	**Other £'000s**	**Provisions £'000s**	**Total £'000s**
At 1 January 2007	-	(1,384)	(5)	-	(1,389)
Acquired with subsidiary	(594)	(55)	5	6	(638)
Charged/(credited) to profit and loss account	-	208	-	(6)	202
At 31 December 2007	(594)	(1,231)	-	-	(1,825)
Charged/(credited) to profit and loss account	-	1,084	-	-	1,084
At 31 December 2008	**(594)**	**(147)**	**-**	**-**	**(741)**

Deferred tax liabilities

At 1 January 2007	823	-	-	-	823
Acquired with subsidiary	(219)	-	-	-	(219)
Charged/(credited) to profit and loss account	(139)	-	-	-	(139)
At 31 December 2007	465	-	-	-	465
Charged/(credited) to profit and loss account	(23)	-	-		(23)
At 31 December 2008	**442**	**-**	**-**	**-**	**442**

Net deferred tax liability/(asset)

At 31 December 2008	**(152)**	**(147) -**	**-**	**-**	**(299)**
At 31 December 2007 restated	(129)	(1,231)	-	-	(1,360)

15. Trade and other payables

	Group		**Company**	
	Year ended 31 December 2008	**Year ended 31 December 2007** ***Restated***	**Year ended 31 December 2008**	**Year ended 31 December 2007**
	£'000s	**£'000s**	**£'000s**	**£'000s**
Trade creditors	1,646	2,371	-	-
Amounts owed to group undertakings	24,572	24,105	32,976	32,856
VAT	1,779	1,406	-	13
Accruals and deferred income	4,154	3,269	5	150
	32,151	**31,151**	**32,981**	**33,019**

NOTES TO THE ACCOUNTS

16. Long term liabilities

	Group		Company	
	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2008	Year ended 31 December 2007
	£'000s	£'000s	£'000s	£'000s
Long term loan	386	386	-	-
Put option liability	648	405	648	405
Deferred consideration upon acquisitions	1,149	1,149	1,149	1,149
	2,183	1,940	1,797	1,554

The first tranche of the deferred consideration falls due on 31st March 2009 with a further payment due on 31st March 2010.

The long term loan relates to a funding arrangement of the subsidiary company, DecisionMetrics. The loan becomes fully repayable in the year in which DecisionMetrics achieves a predetermined profit level. This is not forecast to be reached in the next twelve months.

During the year Callcredit Information Group sold 2.29% of it's shares in Broadsystem Limited to senior management. The main put option movement relates to these shares reflecting Callcredit Information Group's obligation to repurchase the shares in the future.
Under the terms of the sale and purchase agreements, Legatio, DecisionMetrics and Broadsystems minority shareholders have the option to sell up to 100% of their remaining shares to Callcredit Information Group Limited in tranches on predetermined dates. The first opportunity that part of the put option can be exercised is 31st December 2009. The financial liability above represents the present value of these put options.

A maturity analysis of these financial liabilities is set out below:

Maturity analysis - Group	**0-3 months £'000s**	**3-12 months £'000s**	**1-5 years £'000s**
Amounts owed to group companies	-	-	-
Amounts owed to external parties	-	-	386
Put option liability	-	-	648
Deferred consideration upon acquisitions	-	300	849
Total Liabilities	-	300	1,883

Maturity analysis - Company	**0-3 months £'000s**	**3-12 months £'000s**	**1-5 years £'000s**
Amounts owed to group companies	-	-	-
Amounts owed to external parties	-	-	
Put option liability	-	-	648
Deferred consideration upon acquisitions	-	300	849
Total Liabilities	-	300	1,497

NOTES TO THE ACCOUNTS

17. Share Capital

	Group and Company	
	31 December 2008	31 December 2007
	£'000s	£'000s
Authorised		
300,000,000 ordinary 10p shares	30,000	30,000
	30,000	30,000
Issued and fully paid		
6,666,240 ordinary 10p shares	667	667
	667	667

The rights attached to the new class of 10p ordinary shares are set out below:

Dividends
Any profits which the company determines to distribute shall be applied pari passu according to the number of ordinary shares actually held by each shareholder.

Capital

On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the company remaining after payment of all its liabilities shall be applied to each shareholder, first, any dividends in respect of his ordinary shares which have been declared but are unpaid and, secondly, an amount equal to the issue price of each share held by him.

Voting

Each shareholder is entitled to received notice of and to attend and speak at any general meeting of the company. The shareholders who are present in person or by proxy or who are represented by a duly authorised representative shall, on a show of hands, have one vote each, and, on a poll, have one vote for each share of which he is the holder.

Redemption of Ordinary Shares
Subject to the provisions of the Companies Act:

(a) A shareholder may by giving notice in writing to the company require the company to redeem some or all of his ordinary shares immediately prior to and conditionally upon the occurrence of a Listing.

(b) The company shall pay on each share redeemed (exclusive of the related associated tax credit) an amount equal to the issue price thereof.

(c) The company shall pay to each registered holder of ordinary shares which are to be redeemed on that date the amount payable in respect of such redemption. Upon receipt of that amount, the holder shall deliver to the company for cancellation the certificate(s) for those ordinary shares or an indemnity in form reasonably satisfactory to the company in respect of any missing share certificate.

(d) If the company is permitted by the Companies Act to redeem only some of the ordinary shares which would otherwise be redeemed at the time, the company shall only redeem the number of such ordinary shares that it can so redeem at that time. The company shall redeem as soon thereafter as it may do so all the remaining ordinary shares which would otherwise have been redeemed and pending such redemption shall not pay any dividend.

18. Reconciliation of movement in capital and reserves

Group

	Share Capital £'000s	Share Premium £'000s	Retained Earnings £'000s	Capital Redemption Reserve £'000s	Total Equity £'000s
Balance at 1 January 2008	667	900	(5,237)	28,433	24,763
Profit for the period	-	-	3,110	-	3,110
Balance at 31 December 2008	**667**	**900**	**(2,127)**	**28,433**	**27,873**
Balance at 1 January 2007	667	900	(7,012)	28,433	22,988
Profit for the period	-	-	1,775	-	1,775
Balance at 31 December 2007	**667**	**900**	**(5,237)**	**28,433**	**24,763**

Company

	Share Capital £'000s	Share Premium £'000s	Retained Earnings £'000s	Capital Redemption Reserve £'000s	Total Equity £'000s
Balance at 1 January 2008	667	900	47	28,433	30,047
Profit for the period	-	-	6	-	6
Balance at 31 December 2008	**667**	**900**	**53**	**28,433**	**30,053**
Balance at 1 January 2007	667	900	-	28,433	30,000
Profit for the period	-	-	47	-	47
Balance at 31 December 2007	**667**	**900**	**47**	**28,433**	**30,047**

19. Acquisition of subsidiary companies

Broadsystem Limited
Due to the timing of the acquisition of Broadsystem on 28th December 2007, provisional values were attributed to the assets and liabilities acquired in the prior year. During 2008 a detailed review of the fair values previously reported was undertaken resulting in a revision to theses numbers as set out below:

	Opening Fair Value 2007 £'000s	Customer Contracts £'000s	Restatement £'000s	Revised Fair Value 2007 £'000s
Property, Plant and Equipment	198	-	-	198
Deferred tax	252	-	436	688
Prepayments	521	-	87	608
Trade payables	(92)	-	(217)	(309)
sub total	*879*	-	*306*	*1,185*
Trade receivables	4,049	-	(4,049)	-
Trade payables	(34)	-	34	-
Accruals	(1,623)	-	1,623	-
Long term debt	(2,392)	-	2,392	-
Net Assets	**879**	-	**306**	**1,185**
Consideration payable at date of acquisition	7,000	-	-	7,000
Costs of acquisition	180	-	61	241
Total Purchase price	7,180	-	61	7,241
Goodwill arising on acquisition	6,301	(373)	(245)	5,683
Customer contracts arising on acquisition	-	373	-	373
Total Intangible assets arising on acquisition	**6,301**	**-**	**(245)**	**6,056**
comprising:				
Cash paid	7,035	-	206	7,241
consideration accrued for	145	-	(145)	-
Increase in net assets	(879)	-	(306)	(1,185)
Goodwill arising on acquisition	6,301	(373)	(245)	5,683
Customer contracts arising on acquisition	-	373		373
Total Intangible assets arising on acquisition	**6,301**	**-**	**(245)**	**6,056**

The provisional goodwill of £6,301,000 has been revised by £618,000 to £5,683,000.
£373,000 was identified as customer contracts and reclassified as intangible assets (Note 11). £245,000 has been restated, principally due to the following:

- The sale and purchase agreement specified that trading assets and liabilities be retained by the former owner of Broadsystem Ltd
- The deferred tax asset was re-analysed resulting in the increased value

Callcredit Information Group Limited (formerly Skipton Information Group)

NOTES TO THE ACCOUNTS

20. Related Party Transactions

The Group has related party relationships with its ultimate parent company (note 22) and other subsidiaries within the Skipton Group as detailed below. All such transactions are priced on an arms-length basis.

Transaction	2008 £'000s	2007 £'000s
a) Net Interest		
Interest payable	1,453	1,013
Total	**1,453**	**1,013**
b) Sales of goods and services		
Trade sales	357	369
Office Rental	36	5
Total	**393**	**374**
c) Purchase of goods and services		
Recharges of salaries and services	(418)	(98)
Total	**(418)**	**(98)**
d) Outstanding balances		
Sales of goods and services	(10)	54
Purchase of goods and services	(309)	(12)
Funding	(24,263)	(24,093)
Total	**(24,582)**	**(24,051)**

The Group has a funding arrangement with the ultimate parent company. When surplus funds are available, they are deposited with the parent company's treasury. The year end balances are illustrated above.

There are no provisions in respect of sales of goods and services to Related Parties, either at 31 December 2007 or at 31 December 2008

Callcredit Information Group Limited (formerly Skipton Information Group)

NOTES TO THE ACCOUNTS

20. Related Party Transactions (continued)

The Company has related party relationships with other subsidiaries within the Skipton Group as detailed below.
All such transactions are priced on an arms-length basis.

Transaction	**Amount**	
	2008	**2007**
	£'000s	**£'000s**
a) Net Interest		
Interest receivable	1,054	1,063
Interest payable	(1,864)	(1,490)
Total	**(810)**	**(427)**
b) Sales of goods and services		
Recharges of salaries and services	1,229	928
Total	**1,229**	**928**
c) Purchases of goods and services:		
Recharges of salaries and services	(158)	(26)
Total	**(158)**	**(26)**
d) Outstanding balances		
Interest payable	(15)	(44)
Recharge of salaries and services	142	84
Funding	(32,981)	(32,856)
Monies deposited	19,736	19,952
Total	**(13,118)**	**(12,864)**

Callcredit Information Group Limited has a funding arrangement with the ultimate parent company. When surplus funds are available they are deposited with the parent company's treasury. The year end balances are illustrated above.

NOTES TO THE ACCOUNTS

21. Capital Commitments

The Group has total commitments due under operating leases. At the balance sheet date these were as follows:

	Year ended 31 December 2008	Year ended 31 December 2007
Land and Buildings	**£'000s**	**£'000s**
On leases expiring		
Within one year	1,340	38
Within two to five years	5,068	988
Later than 5 years	-	3,869
	6,408	**4,895**

	Year ended 31 December 2008	Year ended 31 December 2007
Other	**£'000s**	**£'000s**
On leases expiring		
Within one year	106	18
Within two to five years	134	355
	240	**373**

The Company had no capital commitments at either the current or previous period end.
The Company and Group are party to Skipton Building Society group banking arrangements involving the pooling of funds with other group companies.

22. Ultimate Parent Undertaking

The company is a 94.43% owned subsidiary of Skipton Group Holdings Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. A copy of the group annual report and accounts into which the results of this company are consolidated is available from:-

The Secretary
Skipton Building Society
The Bailey
Skipton
North Yorkshire
BD23 1DN