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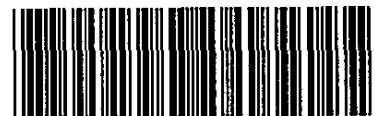
## **Callcredit Information Group Limited**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

31 December 2012

(Registered Number 04968328 )

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# Callcredit Information Group Limited

## DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

Callcredit Information Group Limited operates in the credit solutions and marketing solutions arenas. The Credit Solutions Division comprises Callcredit (providers of credit referencing services for business and consumers), DecisionMetrics (specialists in scorecard development and multi-bureau solutions), process benchmarking limited (providers of executive benchmarking services), Tenant ID (tenant and landlord referencing services) and Noddle (consumer credit referencing). The Marketing Solutions Division supplies marketing data database hosting and marketing fulfilment services, international market analysis and network planning.

## BUSINESS REVIEW

### OVERVIEW OF THE YEAR

Callcredit Information Group has continued to see excellent growth in 2012, with sales increasing year on year by 25%. Full year EBITDA of £24.4m shows an uplift of 30% on 2011. The Directors regard this as a very positive result given the economic climate and, particularly the uncertain trading conditions.

A summary review of the companies' trading activities is given below.

#### Callcredit

Callcredit has had another extremely successful year. Revenues have increased year on year by 29% and sales targets have been exceeded, despite challenging conditions in the financial services markets. Callcredit has generated EBITDA of £23.2m in 2012, up from £16.6m in 2011. Callcredit continues to develop its suite of products to meet the needs of its clients. Callcredit's brand continues to grow along with a reputation for quality and depth in its range of services.

#### DecisionMetrics

DecisionMetrics has demonstrated strong performance, with sales 43% higher than in 2011. EBITDA has risen to £3.5m from £2.5m in the prior year and the company continues to provide the Group with excellent credit scoring capabilities.

#### process benchmarking

process benchmarking limited has contributed revenue of £1.3m (2011: £1.1m) and has had strong synergies with the rest of the Callcredit Group, including sales increases in Callcredit Limited as well as cost savings across the group structure.

#### Callcredit Marketing

Challenging market conditions continue to prevail in the marketing services sector. The directors regard the gross profit increase of 39% as a strong performance, though this includes the trade of Callcredit Marketing Solutions Limited which was transferred on 13th January 2012. Callcredit Marketing continues to build its presence in the international arena and capitalise on synergistic benefits with The Trading Floor, and Latitude Digital Marketing, its sister marketing services companies as well as Callcredit Limited.

The directors believe that Callcredit Marketing has performed relatively well compared with its competition, offering a broad set of solutions and options for clients and service excellence, leading to a high level of client retention.

During 2012, the Company has focused on reducing costs in low-margin areas and the directors believe that the benefits of this will be seen from 2013 onwards.

#### Tenant ID

The company currently has no revenues but through 2013 this business will grow and provide the Group with synergies and cross-selling opportunities as well as providing a unique data set to its sister companies.

#### GMAP Japan KK

GMAP Japan KK has continued to trade profitably and offers the Group a unique international perspective on data. The company is continuing to diversify its sales across East Asian markets through 2013.

#### Callcredit Operations UAB

Callcredit Operations UAB was incorporated in Lithuania on 24th November 2011. This company has been providing a variety of back-office operational activities supporting Callcredit Information Group. These include, but are not limited to data processing, Software and Database Development, Quality Assurance of systems built, IT Infrastructure administration and monitoring, and Data Analytics. The subsidiaries of Callcredit Information Group are the only clients of this company.

#### The Trading Floor

Orbitron Limited and its trading subsidiary *The Trading Floor Limited* provides data broking services. The Trading Floor has had a successful year, contributing £5.5m revenue and £1.3m profit during the year as well as offering strong synergies with Callcredit Marketing Limited. The Trading Floor is expected to continue to improve turnover and profits in 2013.

#### Latitude Digital Marketing

Latitude Digital Marketing provides search engine optimisation and pay per click advertising, and provides the Group with a strong presence in the internet marketing space. Latitude has contributed turnover of £22.9m to the group and operating profits of £1.3m, showing strong growth on the 2011 figures.

#### Noddle

On 23rd December 2011, Noddle Limited was incorporated. This subsidiary focuses on consumer credit referencing, with its innovative Noddle product offering free credit reports for consumers in its start-up phase during 2012. The Group expects Noddle to break even over the next two financial years.

# **Callcredit Information Group Limited**

## **DIRECTORS' REPORT**

### **OBJECTIVES AND STRATEGIES**

Callcredit Information Group's business targets and objectives

The primary objectives of the Group for 2013 continue to be 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.

### **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 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 has robust procedures in place for risk assessment and reporting. The risk profile is reviewed quarterly by the Board, including financial risk, but also 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.

The Directors have noted the main financial risks to the Group to be Credit risk and Liquidity risk. All risks are managed in accordance with the established risk policy, and further details of this mitigation are in note 20.

# Callcredit Information Group Limited

## DIRECTORS' REPORT

### DIVIDENDS

The directors do not propose to pay a final dividend (2011 £nil)

### DIRECTORS

The directors who served during the year were

M J Green  
E A Richards  
J F McAndrew

### OVERSEAS SUBSIDIARIES

The Group has two overseas subsidiaries at the balance sheet date, in Japan and Lithuania. The Lithuanian subsidiary provides a variety of back-office operational activities supporting Callcredit Information Group and its subsidiaries, and the Japanese subsidiary forms part of the Marketing division of the Group and offers bespoke marketing services to the East Asian market.

### DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 auditor is aware of that information.

### POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no political contributions (2011 £nil) during the period. Donations by the Group to UK charities amounted to £50,448 (2011 £11,009).

### EMPLOYEES

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

The company gives full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. The training, career development and promotion of disabled persons employed by the company is an integral part of the policy applicable to all employees.

### ACTIVITIES IN RESEARCH AND DEVELOPMENT

The company undertakes significant research and development activities in the area of software development, where new products are developed in order to provide innovative products to its customers ahead of its competitors.

### 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.

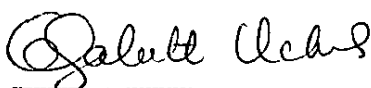
Creditor days at 31 December 2012 were 26 days (2011 37 days).

### AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board

E A Richards  
Secretary



26 March 2013

## Callcredit Information Group Limited

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with IFRSs as adopted by the EU 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALLCREDIT INFORMATION GROUP LIMITED**

We have audited the financial statements of Callcredit Information Group Limited for the year ended 31 December 2012 set out on pages 6 to 29. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

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

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

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

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

**Mike Barradell (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
*Chartered Accountants*  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

26 March 2013

# Callcredit Information Group Limited

## Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Year ended 31 December 2012 £'000s	Year ended 31 December 2011 £'000s
Revenue	1	114,187	91,676
Cost of sales		(33,524)	(25,494)
<b>Gross profit</b>		<b>80,663</b>	<b>66,182</b>
Other operating income	5	36	36
Administrative expenses		(63,392)	(53,846)
<b>Profit from operations</b>	2	<b>17,307</b>	<b>12,372</b>
Financial income	3	17	12
Finance costs	4	(1,061)	(1,406)
<b>Profit before tax</b>		<b>16,263</b>	<b>10,978</b>
Taxation	8	(4,091)	(2,906)
<b>Profit for the period</b>	19	<b>12,172</b>	<b>8,072</b>
Attributable to			
Owners of the Company	19	12,025	8,130
Non-controlling interests	19	147	(58)
		<b>12,172</b>	<b>8,072</b>

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

The Consolidated Statement of Comprehensive Income is prepared on an unmodified historical cost basis

The notes on pages 9 to 29 form part of these financial statements

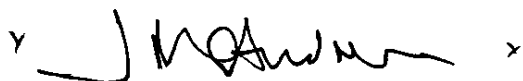
# Callcredit Information Group Limited

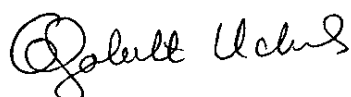
## Statements of Financial Position

AS AT 31 DECEMBER

	Notes	31 December 2012		31 December 2011	
		Group	Company	Group	Company
		£'000s	£'000s	£'000s	£'000s
<b>Current assets</b>					
Trade and other receivables	10	29,677	5,639	24,727	12,013
Income tax receivable		-	308	-	-
Cash and cash equivalents	9	7,423	2,892	5,491	1,923
		<b>37,100</b>	<b>8,839</b>	<b>30,218</b>	<b>13,936</b>
<b>Non-current assets</b>					
Intangible assets	11	63,410	-	62,646	-
Property, plant and equipment	12	7,329	-	4,078	-
Investments	13	-	58,552	-	56,409
<b>Total assets</b>		<b>107,839</b>	<b>67,391</b>	<b>96,942</b>	<b>70,345</b>
<b>Current liabilities</b>					
Trade and other payables	15	20,616	2,643	21,528	3,772
Income tax payable		3,909	-	3,337	-
Amounts owed to group undertakings	15	21,424	34,185	23,718	35,984
		<b>45,949</b>	<b>36,828</b>	<b>48,583</b>	<b>39,756</b>
<b>Long term liabilities</b>					
Deferred tax liabilities	14	179	-	313	-
Other	16	342	342	317	317
		<b>521</b>	<b>342</b>	<b>630</b>	<b>317</b>
<b>Equity</b>					
Share capital	17,19	667	667	667	667
Share premium account	19	900	900	900	900
Capital redemption reserve	19	28,433	28,433	28,433	28,433
Retained earnings	19	30,740	221	17,787	272
<b>Equity attributable to the owners of the Company</b>		<b>60,740</b>	<b>30,221</b>	<b>47,787</b>	<b>30,272</b>
Non-controlling interests	19	629	-	(58)	-
<b>Total equity</b>		<b>61,369</b>	<b>30,221</b>	<b>47,729</b>	<b>30,272</b>
<b>Total equity and liabilities</b>		<b>107,839</b>	<b>67,391</b>	<b>96,942</b>	<b>70,345</b>

These accounts were approved by the board of Directors on 26 March 2013 and signed on its behalf by





J F McAndrew  
Director

E A Richards  
Director

Company Registration Number 4968328

The notes on pages 9 to 29 form part of these accounts



# Callcredit Information Group Limited

## Consolidated Statement of Cash Flows

	Note	Group		Company	
		Year ended 31 December	Year ended 31 December	Year ended 31 December	Year ended 31 December
		2012	2011	2012	2011
		£'000s	£'000s	£'000s	£'000s
<b>Cash Flows from Operating Activities</b>					
Profit/(loss) before taxation		16,263	10,978	(1,468)	(1,673)
Adjustments for					
Depreciation and amortisation charges	11,12	7,095	6,374	-	-
Loss/(Profit) on sale of tangible fixed assets		15	(61)	-	-
Financial income	3	(17)	(12)	(9)	(79)
Interest expense	4	1,061	1,406	1,161	1,371
(Increase)/Decrease in trade and other receivables		(4,950)	(4,116)	6,397	(908)
(Decrease)/Increase in trade and other payables		(515)	4,427	(233)	6,870
Cash generated from operating activities		18,952	18,996	5,848	5,581
Interest paid		(1,027)	(1,321)	(1,154)	(1,371)
Income taxes (paid)/received		(3,653)	(2,461)	(291)	384
<b>Net cash from operating activities</b>		<b>14,272</b>	<b>15,214</b>	<b>4,403</b>	<b>4,594</b>
<b>Cash Flows from Investing Activities</b>					
Interest received		17	12	9	79
Purchase of shares in subsidiary undertaking		(4,357)	-	(4,357)	-
Acquisition of subsidiaries		-	(6,030)	-	(6,030)
Deferred Consideration		(486)	(388)	(486)	(388)
Proceeds on disposal of property, plant and equipment		22	154	-	-
Purchases of property, plant and equipment	12	(3,130)	(1,776)	-	-
Purchases of intangible assets		(4,406)	(6,648)	-	-
Dividend received		-	-	1,400	1,400
Cash acquired with subsidiary		-	466	-	-
<b>Net cash from investing activities</b>		<b>(12,340)</b>	<b>(14,210)</b>	<b>(3,434)</b>	<b>(4,939)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,932</b>	<b>1,004</b>	<b>969</b>	<b>(345)</b>
<b>Cash and Cash equivalents at 1 January</b>		<b>5,491</b>	<b>4,487</b>	<b>1,923</b>	<b>2,268</b>
<b>Cash and cash equivalents at 31 December</b>	<b>9</b>	<b>7,423</b>	<b>5,491</b>	<b>2,892</b>	<b>1,923</b>

# Callcredit Information Group Limited

## 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 have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation

Callcredit Information Group limited is exempt from the requirement to present its own profit and loss account under CA 2006 s408

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below

#### *Standards not affecting the reported results nor the financial position*

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements

**Amendments to IAS 1 Presentation of financial statements (amended June 2011)** - The amendment increases the required level of disclosure within the statement of comprehensive income between items that will not be reclassified subsequently to profit or loss and items that will be reclassified subsequently to profit or loss in accordance with the respective IFRS standard to which the item relates. The application of the amendments to IAS 1 do not result in any impact on profit or loss, comprehensive income and total comprehensive income

**IAS 19 Employee Benefits (revised June 2011)** - The amendments to IAS 18 change the accounting for defined benefit schemes and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and scheme assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of scheme assets when they occur. The amendments do not result in any impact on profit or loss, comprehensive income and total comprehensive income

**Amendments to IFRS 7 - Financial Instruments: Disclosures** - The amendments to IFRS 7 increase the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred. During the year, the Company has not transferred any financial assets and as such the amendments do not result in any impact on profit or loss, comprehensive income and total comprehensive income

**Amendments to IAS 12 - Income Taxes** - The Group has applied the amendments to IAS 12 (December 2010) titled *Deferred Tax Recovery of Underlying Assets*. The amendments provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale

#### *Recently issued standards*

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

IFRS 1 (amended) - Government Loans, IFRS 7 (amended) Disclosure - Offsetting Financial Assets and Financial Liabilities, IFRS 9 - Financial Instruments, IFRS 10 - Consolidated Financial Statements, IFRS 10, IFRS 12 and IAS 27 (amended) - Investment Entities, IFRS 11 - Joint Arrangements, IFRS 12 - Disclosure of Interests in Other Entities, IFRS 13 - Fair Value Measurement, IAS 27 (revised) - Separate Financial Statements, IAS 28 (revised) - Investments in Associates and Joint Ventures, IAS 32 (amended) - Offsetting Financial Assets and Financial Liabilities, and IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine

The directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Group in future periods

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

# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies (continued)

#### (b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

#### (c) Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1.

Standard financial covenants apply to the Group in respect of the Group debt in relation to cashflow and interest cover, leverage and capital expenditure. There are six years left on these facilities.

The Directors have prepared detailed forecasts for the next 3 years. These forecasts have been reviewed during the approval of these accounts, and the Directors are confident that, taking account of reasonably possible changes in trading performance, the Group will be able to operate within the level of its current facility and meet all relevant covenants.

The Directors have a reasonable expectation that the Company and its investments have adequate resources to trade profitably for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Policies (continued)

#### (d) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred for any combinations which occurred after 2008.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date.

#### (e) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit and loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### (f) 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, and this occurs when the majority of responsibilities are fulfilled and the majority of the costs have been incurred. 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.

# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies (continued)

#### (g) Leasing

##### *The group as lessor*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### *The group as lessee*

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where a more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### (h) Foreign currency

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items which are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

#### (i) 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.

#### (j) Retirement Benefit Costs

The majority of company employees are members of the Callcredit Information Group stakeholder pension scheme where the assets are held in an independently administered scheme. Contributions are charged to the Income Statement and are included in

# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies (continued)

#### (k) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

##### Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is dealt with in other comprehensive income.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### (l) 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	- 10-50% 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

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.

# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies (continued)

#### (m) 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 6-10 years

Deferred development costs - straight line depreciation over 7 -10 years

Customer contracts - over the expected average length 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 2010 period 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 Callcredit Marketing and Legatio 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.

#### (n) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

##### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting Policies (continued)

#### (o) Equity

Equity comprises the following

- Share capital represents the nominal value of equity shares
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue
- Retained earnings represent retained profits

#### (p) 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 period ended 31 December 2011 no indications of impairment were found.

#### (q) 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 and future growth in profitability of the cash generating units. Callcredit Information Group Limited estimates discount rates based on the market participant's 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 3%.

The valuation of intangible assets on acquisition has been derived using the updated IFRS 3(2008) - *Business Combinations* standard, and identifies separable intangible assets as disclosed in Note 11.

The useful economic lives for these intangible assets have been derived based on the expected period under which the assets could have been used to generate cash flows for the company as at the date of acquisition.



# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Profit from operations

	Group	Group
	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
Profit from operations has been arrived at after charging (crediting)		
Depreciation of property, plant and equipment	2,877	2,355
Amortisation of intangibles	4,218	4,019
Staff costs (see note 6)	43,192	34,590
Rentals payable under operating leases	1,366	1,598
Loss / (Profit) on disposal of property, plant and equipment	15	(61)
Auditor's remuneration and expenses		
<b>Group</b>		
Audit of these financial statements	86	98
<b>Company</b>		
Audit of these financial statements	5	5

Fees payable to KPMG Audit Plc and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the ultimate parent undertaking are required to disclose such fees on a consolidated basis

### 3 Financial income

	Group	Group
	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
Other interest	17	12
	<b>17</b>	<b>12</b>

### 4 Finance Costs

	Group	Group
	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
Interest payable to group undertakings	1,027	1,235
Unwind of Put Option	-	85
Other	34	86
	<b>1,061</b>	<b>1,406</b>

### 5. Other operating income

	Group	Group
	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
Rents receivable under operating leases	36	36
	<b>36</b>	<b>36</b>

# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 6 Staff numbers and costs

The average 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 2012	Year ended 31 December 2011
Sales and Operations	758	617
Administration	104	173
	<b>862</b>	<b>790</b>

The aggregate payroll costs of these persons was as follows	£'000s	£'000s
Wages and salaries	39,990	31,983
Social security costs	4,261	3,183
Other pension costs	1,651	1,440
	<b>45,902</b>	<b>36,606</b>

During the year £2,710k which has been included in the staff costs set out above was capitalised within additions to deferred development assets as shown in note 11 (2011 £2,206k)

In 2012 staff costs include overtime, commissions and bonuses which were not included in the comparative figures

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

	Group	
	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
<b>7 Directors' remuneration and transactions</b>		
<i>Remuneration</i>		
The remuneration of the directors was as follows		
Emoluments	639	448
Pension costs	51	29
	<b>690</b>	<b>477</b>

#### *Remuneration*

Remuneration for other key management personnel not included above is as follows

Emoluments	585	494
	<b>585</b>	<b>494</b>

#### *Highest paid director*

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

Emoluments	261	225
Pension costs	21	18
	<b>282</b>	<b>243</b>

#### *Pensions*

Retirement benefits are accruing to the following number of directors

Defined contribution schemes	2	2
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# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 8 Taxation

	Group	
	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
<b>a) Analysis of tax expense in the year</b>		
<b>Current tax</b>		
Current tax on income for the period	4,460	3,697
Adjustment for prior years	(234)	(14)
<b>Total Current Tax</b>	<b>4,226</b>	<b>3,683</b>
<b>Deferred tax</b>		
Current year adjustments	(258)	(543)
Prior year adjustments	202	(199)
Effect of change in deferred tax rate	(79)	(35)
<b>Total Deferred Tax</b>	<b>(135)</b>	<b>(777)</b>
<b>Income tax expense</b>	<b>4,091</b>	<b>2,906</b>

### b) Factors affecting tax expense in the year

A reconciliation of tax on the profit on ordinary activities at the standard UK corporation tax rate to actual tax expense is as follows

Profit on ordinary activities before tax	16,263	10,978
Tax on profit on ordinary activities at UK standard rate of 24.5% (2011: 26.49%)	3,984	2,908
Effects of		
- non taxable income	169	(1)
- expenses not deductible for tax purposes	312	394
- unrelieved tax losses	7	10
- adjustment to tax in respect of prior periods	(236)	323
- short term timing differences	(4)	(15)
- change in deferred tax rate	-	12
- deferred tax not recognised	-	-
- depreciation in excess of allowances	47	23
- other	(53)	29
<b>Current tax charge</b>	<b>4,226</b>	<b>3,683</b>

### 9 Cash and cash equivalents

	Group		Company	
	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s	£'000s	£'000s
Bank balances	7,423	5,491	2,892	1,923
<b>Cash and cash equivalents</b>	<b>7,423</b>	<b>5,491</b>	<b>2,892</b>	<b>1,923</b>

# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 10 Trade and other receivables

	Group	
	Year ended 31 December 2012 £'000s	Year ended 31 December 2011 £'000s
Trade debtors	25,555	21,535
Prepayments and accrued income	3,793	3,024
Other	329	168
<b>Total</b>	<b>29,677</b>	<b>24,727</b>

The ageing of trade debtors at the reporting date was

	2012 £'000s Gross	2012 £'000s Impairment	2011 £'000s Gross	2011 £'000s Impairment
Not past due	19,868	(31)	17,165	-
Past due 0-30 days	5,334	(650)	3,116	(20)
Past due 31-120 days	1,307	(529)	1,221	(214)
Past due 120 days plus	900	(644)	951	(684)
<b>Total</b>	<b>27,409</b>	<b>(1,854)</b>	<b>22,453</b>	<b>(918)</b>

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

	2012 £'000s	2011 £'000s
At 1 January	(918)	(866)
Provisions acquired with acquisitions	-	(125)
Provisions made during the year	(2,177)	(1,296)
Debtors written off during the year	963	515
Provisions no longer required	278	854
<b>At 31 December</b>	<b>(1,854)</b>	<b>(918)</b>

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible, at that point the amounts considered irrecoverable are written off against the trade receivables directly

	Company	
	Year ended 31 December 2012 £'000s	Year ended 31 December 2011 £'000s
VAT	11	5
Amounts owed by Group undertakings	5,536	11,990
Prepayments	51	-
Other	41	18
<b>Total</b>	<b>5,639</b>	<b>12,013</b>

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

# Calcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 11 Intangible assets

	Group						
	Assets in the Course of Construction £'000s	Goodwill £'000s	Customer Contracts £'000s	Software £'000s	Databases & Purchased Data Assets £'000s	Deferred Development Expenditure £'000s	Total £'000s
<b>Cost</b>							
At 1 January 2012	-	41,702	3,865	845	15,281	19,136	80,829
Acquired from non-controlling interests	-	3,611	-	-	-	-	3,611
Additions	1,725	-	-	-	724	1,915	4,364
Transfers	-	-	-	-	(4,412)	4,412	0
Transfer to tangible fixed assets	-	-	-	-	188	(3,181)	(2,993)
<b>At 31 December 2012</b>	<b>1,725</b>	<b>45,313</b>	<b>3,865</b>	<b>845</b>	<b>11,781</b>	<b>22,282</b>	<b>85,811</b>
<b>Amortisation and impairment losses</b>							
At 1 January 2012	-	-	534	187	7,369	10,093	18,183
Amortisation for the year	-	-	567	207	1,154	2,290	4,218
<b>At 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>1,101</b>	<b>394</b>	<b>8,523</b>	<b>12,383</b>	<b>22,401</b>
<b>Carrying amounts</b>							
At 1 January 2012	-	41,702	3,331	658	7,912	9,043	62,646
<b>At 31 December 2012</b>	<b>1,725</b>	<b>45,313</b>	<b>2,764</b>	<b>451</b>	<b>3,258</b>	<b>9,899</b>	<b>63,410</b>

The balance of goodwill acquired from non-controlling interests relates to the difference between the estimated value of the non-controlling interest as at 31st December 2011 and the amount paid on 31st August 2012 for the non-controlling interest

	Group						
	Goodwill £'000s	Customer Contracts £'000s	Software £'000s	Commercial Agreements £'000s	Databases & Purchased Data Assets £'000s	Deferred Development Expenditure £'000s	Total £'000s
<b>Cost</b>							
At 1 January 2011	34,284	699	-	-	9,806	18,062	62,851
Minority Interest/Put Option	864	-	-	-	-	-	864
Additions	-	-	-	-	5,530	1,118	6,648
Acquired with Subsidiaries	6,554	3,166	845	24	-	-	10,589
Eliminated on Disposal	-	-	-	(24)	(55)	(44)	(123)
<b>At 31 December 2011</b>	<b>41,702</b>	<b>3,865</b>	<b>845</b>	<b>-</b>	<b>15,281</b>	<b>19,136</b>	<b>80,829</b>
<b>Amortisation and impairment losses</b>							
At 1 January 2011	-	6	-	-	6,125	8,114	14,245
Amortisation for the year	-	528	187	24	1,257	2,023	4,019
Eliminated on Disposal	-	-	-	(24)	(13)	(44)	(81)
<b>At 31 December 2011</b>	<b>-</b>	<b>534</b>	<b>187</b>	<b>-</b>	<b>7,369</b>	<b>10,093</b>	<b>18,183</b>
<b>Carrying amounts</b>							
At 1 January 2011	34,284	693	-	-	3,681	9,948	48,606
<b>At 31 December 2011</b>	<b>41,702</b>	<b>3,331</b>	<b>658</b>	<b>-</b>	<b>7,912</b>	<b>9,043</b>	<b>62,646</b>

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. These assumptions have been revised in the year in light of the future market performance expected. Management estimates discount rates using the pre-tax rates that reflect current market assessments of the time value of money. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next three years and extrapolates cash flows for the following years based on an estimated growth rate. This is a prudent rate which does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the CGUs is 9.26%.

The Company holds no intangible fixed assets.

# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### Group

#### 12. Property, plant and equipment

	Assets in the Course of Construction £'000	Leasehold Improvements £'000s	Office Equipment £'000s	Motor Vehicles £'000s	Total £'000s
<b>Cost</b>					
At 1 January 2012	-	1,673	11,678	2	13,353
Additions	1,023	-	2,107	-	3,130
Transfer from Intangible Fixed Assets	-	-	2,993	-	2,993
Disposals	-	-	(4,715)	(2)	(4,717)
<b>At 31 December 2012</b>	<b>1,023</b>	<b>1,673</b>	<b>12,063</b>	<b>-</b>	<b>14,759</b>
<b>Accumulated Depreciation and impairment</b>					
At 1 January 2012	-	1,312	7,962	1	9,275
Depreciation charge for the year	-	232	2,645	-	2,877
Eliminated on Disposals	-	-	(4,721)	(1)	(4,722)
<b>At 31 December 2012</b>	<b>-</b>	<b>1,544</b>	<b>5,886</b>	<b>-</b>	<b>7,430</b>
<b>Carrying amounts</b>					
<b>At 31 December 2012</b>	<b>1,023</b>	<b>129</b>	<b>6,177</b>	<b>-</b>	<b>7,329</b>
At 1 January 2012	-	361	3,716	1	4,078

### Group

	Leasehold Improvements £'000s	Office Equipment £'000s	Motor Vehicles £'000s	Total £'000s
<b>Cost</b>				
At 1 January 2011	1,666	8,792	15	10,473
Additions	7	1,769	-	1,776
Acquired with subsidiaries	-	1,225	-	1,225
Disposals	-	(108)	(13)	(121)
<b>At 31 December 2011</b>	<b>1,673</b>	<b>11,678</b>	<b>2</b>	<b>13,353</b>
<b>Accumulated Depreciation and impairment</b>				
At 1 January 2011	1,062	4,911	13	5,986
Depreciation charge for the year	250	2,105	-	2,355
Acquired with subsidiaries	-	962	-	962
Eliminated on Disposals	-	(16)	(12)	(28)
<b>At 31 December 2011</b>	<b>1,312</b>	<b>7,962</b>	<b>1</b>	<b>9,275</b>
<b>Carrying amounts</b>				
<b>At 31 December 2011</b>	<b>361</b>	<b>3,716</b>	<b>1</b>	<b>4,078</b>
At 1 January 2011	604	3,881	2	4,487

The Company holds no tangible fixed assets

None of the assets included above are held under finance leases

# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 13 Investments

Shares in Subsidiary Undertakings	Company	
	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
<b>Cost and Net Book Value</b>		
At start of period	56,409	44,959
Additions	2,143	1,558
Movement in value of put options	-	2,528
<b>At end of period</b>	<b>58,552</b>	<b>56,409</b>

At 31st December 2012 the Company held interests in the following principal subsidiary undertakings. The interests remain unchanged from the previous year end in respect of all companies other than DecisionMetrics Limited.

During 2012, the Company acquired 18.7% of the non-controlling interest in DecisionMetrics Limited, leaving 6.3% controlled by a member of management of DecisionMetrics Limited.

Name of subsidiary	Principal Business Activity	Type of Shares Held	Proportion of Shares Held	Immediate Parent	Country of Incorporation, Registration and Operation
Callcredit Limited	Credit Referencing	Ordinary Shares	100% [50% directly owned and 50% indirectly owned through EuroDirect]	Callcredit Information Group Limited	England and Wales
Callcredit Marketing Limited	Database Marketing	Ordinary Shares	100%	Callcredit Information	England and Wales
GMAP Limited	Dormant company	Ordinary Shares	100%	Callcredit Marketing Limited	England and Wales
Legatio Technologies Limited	Non-trading company	Ordinary Shares	100%	Callcredit Information Group Limited	England and Wales
DecisionMetrics Limited	Scorecard building and data analysis	Ordinary Shares	94%	Callcredit Information Group Limited	England and Wales
Callcredit Marketing Solutions Limited	Database Marketing	Ordinary Shares	100%	Callcredit Information Group Limited	England and Wales
process benchmarking limited	Benchmarking activities	Ordinary Shares	100%	Callcredit Information Group Limited	England and Wales
Call@credit plc	Dormant company	Ordinary Shares	100%	Callcredit Information Group Limited	England and Wales
Orbitron Limited	Holding company	Ordinary Shares	100%	Callcredit Information Group Limited	England and Wales
The Trading Floor Limited	Database Marketing	Ordinary Shares	100%	Orbitron Limited	England and Wales
The Companions Limited	Non-trading Company	Ordinary Shares	100%	Orbitron Limited	England and Wales
Logicbox Limited	Dormant Company	Ordinary Shares	100%	The Trading Floor Limited	England and Wales
Listknife Limited	Dormant Company	Ordinary Shares	100%	The Trading Floor Limited	England and Wales
Latitude Digital Marketing Limited	Internet analytics	Ordinary Shares	89%	Callcredit Information Group Limited	England and Wales
Tenant ID Limited	Tenant Referencing	Ordinary Shares	75%	Callcredit Information Group Limited	England and Wales
Noddle Limited	Consumer Credit	Ordinary Shares	100%	Callcredit Information Group Limited	England and Wales
GMAP Japan KK	Database Marketing	Ordinary Shares	100%	Callcredit Information Group Limited	Japan
Callcredit Operations UAB	Operational Activities	Ordinary Shares	100%	Callcredit Information Group Limited	Lithuania

# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 14 Deferred tax

	Group	
	Deferred tax (asset)/liability	
	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
The movement on the deferred tax account is as shown below		
At start of period	313	(173)
Acquired with subsidiary	-	1,263
Income statement (credit) relating to current period	(258)	(543)
Income statement charge/(credit) relating to previous period	204	(199)
Effect of change in deferred tax rate	(80)	(35)
<b>At end of period</b>	<b>179</b>	<b>313</b>

Deferred tax assets	Capital allowances £'000s	Other £'000s	Total £'000s
At 1 January 2011	(456)	(37)	(493)
Acquired with subsidiary	(11)	-	(11)
Charged/(credited) to profit and loss account	(181)	5	(176)
At 31 December 2011	(648)	(32)	(680)
Charged/(credited) to profit and loss account	130	(10)	120
Acquired with subsidiary	-	-	-
<b>At 31 December 2012</b>	<b>(518)</b>	<b>(42)</b>	<b>(560)</b>

Deferred tax liabilities			
At 1 January 2011	320	-	320
Acquired with subsidiary	-	1,273	1,273
Charged to profit and loss account	(320)	(280)	(600)
At 31 December 2011	-	993	993
Acquired with subsidiary	-	-	-
Charged to profit and loss account	-	(254)	(254)
<b>At 31 December 2012</b>	<b>-</b>	<b>739</b>	<b>739</b>

### Net deferred tax liability/(asset)

<b>At 31 December 2012</b>	<b>(518)</b>	<b>697</b>	<b>179</b>
<b>At 31 December 2011</b>	<b>(648)</b>	<b>961</b>	<b>313</b>

The deferred tax assets and liabilities are calculated at a rate of 23% as this is the rate at which they are expected to reverse under current UK tax legislation. The impact of the rate change from 25% to 23% is reflected within the deferred tax movements in the year and is disclosed separately in note 8.

### 15 Trade and other payables

	Group		Company	
	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s	£'000s	£'000s
Trade creditors	4,254	5,429	72	19
Amounts owed to group undertakings	21,425	23,718	34,185	35,994
VAT	2,978	2,459	-	-
Put Option liability	-	2,214	-	2,214
Deferred consideration	-	481	-	481
Accruals and deferred income	13,383	10,945	2,571	1,048
	<b>42,040</b>	<b>45,246</b>	<b>36,828</b>	<b>39,756</b>



# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 16 Long term liabilities

	Group		Company	
	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s	£'000s	£'000s
Other option liability	342	317	342	317
	<b>342</b>	<b>317</b>	<b>342</b>	<b>317</b>

The Other option liability relates to the acquisition of Tenant ID Limited. As part of this acquisition, there is an option in place where Callcredit Information Group must acquire the minority interest of 25% before October 2014. The value of this transaction is based on the performance of the company and could range from £0 to £500,000. The liability is based on the Group's best estimates of the amount which will be due to the member of management discounted at a discount rate of 9.26%.

A maturity analysis of these financial liabilities is set out below

Maturity analysis - Group and Company	1-5 years £'000s
Other Option liability	342
<b>Total Liabilities</b>	<b>342</b>

# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 17 Share Capital

	Group and Company	
	31 December 2012	31 December 2011
	£'000s	£'000s
<b>Allotted, called up and fully paid</b>		
6,666,240 ordinary 10p shares	667	667
	<b>667</b>	<b>667</b>

The rights attached to the 10p ordinary shares are set out below

#### Dividends

Any profits which the company determines to distribute shall be applied *par 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 receive 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 Post Balance-sheet events

On 15th February 2013, Callcredit Information Group acquired 75% of the share capital of Lifestyles Online Limited, obtaining control of Lifestyles Online Limited. Lifestyles Online Limited was acquired as it offered strong synergies with our current Marketing Division and the services it provides fit in well with the current Group objectives

The consideration paid for Lifestyles Online Limited was £1.4m, and the book value of the Company was approximately £441k. As of the date of signing, final completion accounts have not been confirmed, and fair value adjustments are to be determined

On 13th March 2013 the company disposed of the trade and assets relating to a contact centre held in Callcredit Marketing Limited. The Group wanted to concentrate on the core Marketing Solutions business as well as the new acquisition which fits into the product and data range offered by the division more appropriately had greater synergies with the Group. The Group received £1.1m for the trade and assets, which had a book value of approximately £0.9m at the date of sale. As of the date of signing, final completion accounts have not been confirmed

# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 19 Reconciliation of movement in capital and reserves

	Group					
	Share Capital £'000s	Share Premium £'000s	Retained Earnings £'000s	Capital Redemption Reserve £'000s	Non-controlling Interests £'000s	Total Equity £'000s
Balance at 1 January 2012	667	900	17,787	28,433	(58)	47,729
Arising on acquisition of non-controlling interest	-	-	928	-	540	1,468
Profit for the period	-	-	12,025	-	147	12,172
<b>Balance at 31 December 2012</b>	<b>667</b>	<b>900</b>	<b>30,740</b>	<b>28,433</b>	<b>629</b>	<b>61,369</b>
Balance at 1 January 2011	667	900	9,657	28,433	-	39,657
Profit for the period	-	-	8,130	-	(58)	8,072
<b>Balance at 31 December 2011</b>	<b>667</b>	<b>900</b>	<b>17,787</b>	<b>28,433</b>	<b>(58)</b>	<b>47,729</b>

During 2012, Callcredit Information Group Limited acquired 18.7% of the non-controlling interest in DecisionMetrics Limited, leaving 6.3% controlled by a member of management of DecisionMetrics Limited. This has resulted in the movements in the line "Arising on acquisition of non-controlling interest" due to the difference in value of the company between the initial acquisition of the controlling interest in DecisionMetrics Limited and the date of acquisition of the non-controlling interest in 2012.

	Company				
	Share Capital £'000s	Share Premium £'000s	Retained Earnings £'000s	Capital Redemption Reserve £'000s	Total Equity £'000s
Balance at 1 January 2012	667	900	272	28,433	30,272
Loss for the period	-	-	(51)	-	(51)
<b>Balance at 31 December 2012</b>	<b>667</b>	<b>900</b>	<b>221</b>	<b>28,433</b>	<b>30,221</b>
Balance at 1 January 2011	667	900	189	28,433	30,189
Profit for the period	-	-	83	-	83
<b>Balance at 31 December 2011</b>	<b>667</b>	<b>900</b>	<b>272</b>	<b>28,433</b>	<b>30,272</b>

# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Financial Instruments

#### *Fair values of financial instruments*

The group's financial instruments include trade and other receivables, trade and other payables, cash and cash equivalents and interest bearing borrowings. The fair values for each class of financial assets and financial liabilities together are not materially different from their carrying amount.

#### *Trade and other receivables and trade and other payables, debt and cash*

The fair value of trade and other receivables, trade and other payables and debt are assessed based upon discounted cashflows at prevailing interest rates. Cash and cash equivalents approximate to their book values.

#### *Derivative financial instruments*

The group has no derivative financial instruments.

#### *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, mainly banking institutions and large companies in markets such as news, credit providers and government agencies.

Banking institutions are not considered to be a significant credit risk due to their size and financial resources. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the balance sheet date, the directors believe that there were no significant concentrations of credit risk based on the size, age and nature of trade receivable balances as well as the historical recovery rates with these companies. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

#### *Interest rate risk*

Interest expense reflects the cost of the Group's borrowings. Interest income arises from investment of cash and short term deposits held by the group. Interest rate risk is managed by monitoring market rates to ensure that optimal returns are achieved.

#### *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group finances its operations through a mixture of cash from retained profits and bank borrowings. The Group has continued with its policy of ensuring that there are sufficient funds to meet the expected funding requirements of the Group's operations and investment opportunities. The Group has continued to monitor its liquidity position through budgetary procedures and cash flow analysis (see note 16 for further analysis).

#### *Capital management*

The Group's objectives when managing capital, equity and borrowings, is to safeguard the Group as a going concern and provide returns for the shareholders and other stakeholders by maintaining an optimal capital structure.

# Callcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 21 Related Party Transactions

DMWSL 620 Limited is the ultimate controlling company incorporated in England and Wales. All related party transactions are on an arm's length basis.

#### Group

Transaction	2012 £'000s	2011 £'000s
<b>a) Net Interest</b>		
Interest payable to parent undertaking	1,025	1,108
<b>Total</b>	<b>1,025</b>	<b>1,108</b>
<b>b) Outstanding balances</b>		
Funding from parent undertaking	(21,425)	(23,718)
<b>Total</b>	<b>(21,425)</b>	<b>(19,788)</b>

No amounts have been written off and there are no provisions in respect of sales of goods and services to Related Parties, either at 31 December 2011 or at 31 December 2012.

Transactions with non-wholly owned subsidiaries	Year ended 31st December 2012 £'000	Year ended 31st December 2011 £'000
Purchases from non-wholly owned subsidiaries	4,061	2,899
There were no sales to non-wholly owned subsidiaries during either the current or prior period.		
Amounts owed in respect of trade to non-wholly owned subsidiaries	1,214	888
Loan amounts owed to non-wholly owned subsidiaries	5,299	2,386
Loan amounts owed by non-wholly owned subsidiaries	(1,788)	(1,205)
	<b>4,725</b>	<b>2,069</b>

#### Company

Transaction	2012 £'000s	2011 £'000s
<b>a) Net Interest</b>		
Interest receivable from subsidiary undertakings	9	75
Interest payable to subsidiary undertakings	(102)	(136)
Interest payable to parent company	(1,025)	(1,235)
<b>Total</b>	<b>(1,118)</b>	<b>(1,296)</b>
<b>b) Outstanding balances</b>		
Funding from fellow group companies	(34,185)	(35,994)
Monies deposited	5,537	11,221
<b>Total</b>	<b>(28,648)</b>	<b>(24,773)</b>

There is an inter-company guarantee between DMWSL 618 Limited and its subsidiaries. All balances are expected to be settled in cash.

No amounts have been written off and there are no provisions in respect of sales of goods and services to Related Parties, either at 31 December 2011 or at 31 December 2012.

The terms and conditions of these balances reflect market terms for the companies where possible.

# Calcredit Information Group Limited

## NOTES TO THE ACCOUNTS

### 22 Capital Commitments

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

	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
<b>Land and Buildings</b>		
<i>On leases expiring</i>		
<i>Within one year</i>	1,200	1,600
<i>Within two to five years</i>	5,553	5,831
<i>Later than 5 years</i>	2,065	4,131
	<b>8,818</b>	<b>11,562</b>

	Year ended 31 December 2012	Year ended 31 December 2011
	£'000s	£'000s
<b>Other</b>		
<i>On leases expiring</i>		
<i>Within one year</i>	89	100
<i>Within two to five years</i>	61	133
	<b>150</b>	<b>233</b>

The Company had no capital commitments at either the current or previous period end

### 23 Ultimate Parent Undertaking

The ultimate parent undertaking is DMWSL 620 Limited, which is registered in the United Kingdom. This is the highest company for which financial statements will be prepared. The immediate parent company is DMWSL 617 Limited.

The issued share capital of DMWSL 620 Limited is held by VIP I Nominees Limited on behalf of investors in The Vitruvian Investment Partnership I. The Vitruvian Investment Partnership I is managed by Vitruvian Partners LLP and is deemed to be the ultimate controlling party.

DMWSL 620 Limited is currently the largest group for which consolidated accounts are available and copies can be obtained from the address below.

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