

Equifax Touchstone Limited

Annual Report and Financial Statements

for the year ended 31 December 2017

Registered number: SC113401

MONDAY



A7BSPA EZ

A08

06/08/2018

#184

COMPANIES HOUSE

Company Information

Directors

P Remon
S Brown

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bankers

The Royal Bank of Scotland plc
116 Cowgate
Kirkintilloch
G66 1JX

Registered Office

125 West Regent Street
Glasgow
G2 2SA

Registered No: SC113401

Strategic report

The directors present their strategic report for the year ended 31 December 2017.

Review of the business

The principal activity of the company continues to be that of the provision of wealth data to the insurance and financial sectors, analytics and consultancy.

On 6 September 2017, as part of a project to streamline the group structure, the company entered into an agreement to transfer the trade and assets of the company to Equifax Limited, a related party, for a consideration of £1,036,771. The company has not traded since the trade and asset transfer.

Key performance indicators

The key financial and other performance indicators up until the 6 September 2017 were as follows:

<i>Key Performance Indicators</i>	<i>2017</i>	<i>2016</i>	<i>Growth</i>
Revenue	£0.50m	£2.91m	(8.8%)
Profit before interest and tax	£0.49m	£1.46m	(26.3%)
Operating Margin	98.00%	50.17%	
Average number of employees		5	

During the year, in preparation of the trade and asset transfer, the company novated its customer contracts to Equifax Limited and this explains the decrease in revenue from £2.91m to £0.50m for the period up to 6 September 2017 and the fall in profit from £1.46m to £0.49m.

The audited financial statements for the year ended 31 December 2017 are set out on pages 9 to 18. The profit up until 6 September 2017, after taxation, amounted to £0.40m (2016: £1.16m). During the period the company repatriated £1.4m (2016: £1.0m) in dividends to the parent company.

Principal risks and uncertainties

The board recognises that there are no risks to the wider group resulting from the decision to transfer the trade and assets to Equifax Limited, a related party.

Future developments

The company will remain dormant for the foreseeable future.

By order of the Board



S Brown
Director

22nd July

2018

Registered No: SC113401

Directors' Report

The directors present their report for the year ended 31 December 2017.

Directors of the company

The current directors are shown on page 1.

P Moore (resigned 31 January 2018)

P Remon

S Brown (appointed 3 May 2018)

Dividends

During the year the company repatriated £1.4m (2016: £1.0m) in dividends to the parent company.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Going concern

The company's business activities, together with its financial position and performance are described in the Strategic Report on page 2.

As part of a group restructure to streamline operating systems and create a more effective operation, the directors made the decision in 2016 to transfer the trade and assets to Equifax Limited, a related party. As at 31 December 2017 all trade and assets were transferred and the entity is expected to be liquidated in 2018. The directors have therefore prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose from ceasing to adopt the going concern basis of preparation. No provision has been made for the future costs of winding up the business. Further details on this matter are disclosed in notes 1 to 14.

Credit risk

The company's principal financial assets are bank balances, trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience is evidence of a reduction in the recoverability of the cash flows.

The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity position

At 31 December 2017 the company had a cash balance of £nil (2016: £0.7m). The company had no short term borrowing and no long-term debt. The company continues to have strong cash flows and the directors are confident that it has the resources to meet its obligations as they fall due.

Political contributions

During the year the company made no political donations (2016: £nil).

Registered No: SC113401

Directors' Report (continued)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged.

Employee consultation

The company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on various factors affecting the performance of the company. Employees are consulted on a wide range of matters affecting their current and future interests via the Employee Forum.

Statement as to the disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of this information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be proposed to members at the Annual General Meeting.

By order of the Board



S Brown
Director

24th July 2018

Statement of Directors' Responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

to the members of Equifax Touchstone Limited

Opinion

We have audited the financial statements of Equifax Touchstone Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). As disclosed in note 1b, the accounts have been prepared on a basis other than going concern

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31st December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report

to the members of Equifax Touchstone Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

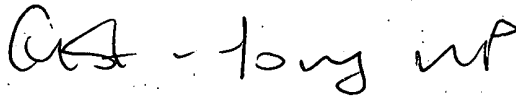
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report

to the members of Equifax Touchstone Limited (continued)

Use of our report

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



Alastair John Richard Nuttall (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

26 July 2018

Registered No: SC113401

Statement of Comprehensive Income

for the year ended 31 December 2017

		Year ended 31 December 2017	Year ended 31 December 2016
	Notes	£	£
Turnover	3	498,606	2,905,393
Administrative expenses		(6,692)	(1,449,591)
Profit on ordinary activities before finance charges	4	491,914	1,455,802
Interest receivable and similar income	5	32	1,685
Profit on ordinary activities before taxation		491,946	1,457,487
Tax on profit on ordinary activities	7	(93,043)	(295,486)
Comprehensive income for the financial year		398,903	1,162,001

All the results arose from discontinued operations.

The company has no other comprehensive income or losses for the years ended 31 December 2017 and 31 December 2016.

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

The accompanying notes are an integral part of the company's Statement of Comprehensive Income.

Statement of Changes in Equity

for the year ended 31 December 2017

	Share capital £	Profit and loss account £	Total share- holder's funds £
At 1 January 2016	20	866,473	866,493
Profit for the period	—	1,162,001	1,162,001
Dividends paid	—	(1,000,000)	(1,000,000)
At 31 December 2016	20	1,028,474	1,028,494
Profit for the year	—	398,903	398,903
Dividends paid	—	(1,427,377)	(1,427,377)
At 31 December 2017	20	—	20

Registered No: SC113401

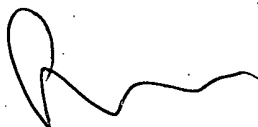
Statement of Financial Position

at 31 December 2017

	Notes	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	9	20	1,385,900
Debtors: amounts falling due after more than one year	9	-	64,379
Cash at bank and in hand		-	658,721
		20	2,109,000
Creditors: amounts falling due within one year	10	-	(1,080,506)
Net current assets		20	1,028,494
Total assets less current liabilities		20	1,028,494
Capital and reserves			
Called up share capital	11	20	20
Profit and loss account		-	1,028,474
Shareholder's funds		20	1,028,494

The accompanying notes are an integral part of the company's Statement of Financial Position.

The financial statements were approved for issue by the board on 26th July 2018 and were signed on its behalf by:



S Brown
Director

Notes to the Financial Statements

at 31 December 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

The company was incorporated in Scotland under the Companies Act and is a privately owned company limited by shares. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements are prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) with reduced disclosures as it applies to the financial statements of the company for the year ended 31 December 2017.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company meets the definition of a qualifying entity under FRS102 and has taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to:

- Exemption from FRS102 17(d) of Section 7 from disclosure to prepare a cash flow statement.
- Exemption from FRS102 33.7 from disclosure of transactions with key personnel.
- Exemption from FRS102 33 (1A) from disclosure of transactions entered into between two or more members of a group provided that any subsidiary which is part to the transaction is wholly owned by such a member.

b. Going concern

The company's business activities, together with its financial position and performance are described in the Strategic Report on page 2.

As part of a group restructure to streamline operating systems and create a more effective operation, the directors made the decision in 2016 to transfer the trade and assets to Equifax Limited, a related party. As at 31 December 2017 all trade and assets were transferred and the entity is expected to be liquidated in 2018. The directors have therefore prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose from ceasing to adopt the going concern basis of preparation. No provision has been made for the future costs of winding up the business. Further details on this matter are disclosed in notes 1 to 14.

c. Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of services provided in the normal course of business. Sales are recognised as services are provided. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

d. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements (continued)

at 31 December 2017

1. Accounting policies (continued)

e. Taxation (continued)

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax liabilities and assets are not discounted.

f. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the related forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or at any related forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

No judgements have a significant effect on the amounts reported in the financial statements.

3. Turnover and segmental analysis

The whole of the company's turnover relates to its principal activity and derives from continuing operations. The origins and destination of turnover is entirely within the UK. Sales are recognised as services are provided and are stated net of value added tax.

	2017	2016
	£	£
Provision of services	498,606	2,905,393

Notes to the financial statements (continued)

at 31 December 2017

4. Profit on ordinary activities before finance charges

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

	<i>Year ended 31 December 2017</i>	<i>Year ended 31 December 2016</i>
	<i>£</i>	<i>£</i>
Auditor's remuneration	4,000	13,000
Operating lease rentals – property	18,196	42,276
Depreciation of tangible assets	-	21,168
Amortisation of intangible assets	-	20,443
	<u> </u>	<u> </u>

5. Finance costs

Interest receivable and similar income

	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>
Other interest receivable	<u>32</u>	<u>1,685</u>

6. Staff costs

a) Staff costs and numbers

The average monthly number of employees was:

	<i>Year ended 31 December 2017</i>	<i>Year ended 31 December 2016</i>
	<i>Number</i>	<i>Number</i>
Operations	<u>-</u>	<u>5</u>

Their aggregate remuneration comprised:

	<i>Year ended 31 December 2017</i>	<i>Year ended 31 December 2016</i>
	<i>£</i>	<i>£</i>
Wages and salaries	-	244,833
Social security costs	-	37,934
Pension costs (note 1(l))	-	20,007
	<u> </u>	<u>302,774</u>

b) Directors' remuneration

No director received emoluments from the company during the year. The directors do not believe that it is practicable to apportion their total remuneration borne by another company between their services as directors of the company and their services of fellow subsidiary companies.

Notes to the financial statements (continued)

at 31 December 2017

6. Staff costs (continued)

b) Directors' remuneration (continued)

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

	<i>Year ended 31 December 2017 £</i>	<i>Year ended 31 December 2016 £</i>
Emoluments	1,612,140	1,327,177
Company contributions to a defined contribution pension scheme	-	2,791
	<u>1,612,140</u>	<u>1,329,968</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil (31 December 2016 - 1).

The number of directors who exercised share options during the year amounted to nil (December 2016 - nil).

The number of directors who received shares under the group's long term incentive scheme amounted to 1 (2016 - 1).

Highest paid director

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

	<i>Year ended 31 December 2017 £</i>	<i>Year ended 31 December 2016 £</i>
Emoluments	<u>1,396,762</u>	<u>1,094,541</u>

The highest paid director did not exercise share options during the year (2016: nil).

The highest paid director received shares under the group's long term incentive scheme during the year and in 2016.

Notes to the financial statements (continued)

at 31 December 2017

7. Taxation on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	<i>Year ended 31 December 2017</i>	<i>Year ended 31 December 2016</i>
	<i>£</i>	<i>£</i>
<i>Current tax:</i>		
UK corporation tax on the profit for the year	77,053	341,888
Adjustment in respect of prior years	3,272	775
Total current tax	80,325	342,663
<i>Deferred tax:</i>		
Credit for the year	(29,279)	(49,899)
Effect of change in rate of tax	(331)	8,741
Adjustment in respect of prior years	42,328	(6,019)
Total deferred tax (note 7(c))	12,718	(47,177)
Tax on profit on ordinary activities	93,043	295,486

(b) Factors affecting current tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19.25% (2016 – 20.00%). The differences are reconciled below:

	<i>Year ended 31 December 2017</i>	<i>Year ended 31 December 2016</i>
	<i>£</i>	<i>£</i>
Profit on ordinary activities before tax	491,946	1,457,487
Profit on ordinary activities multiplied by the rate of tax	94,700	291,497
Effects of:		
Expenses not deductible for tax purposes	-	492
Adjustments in respect of previous periods	3,272	775
Adjustments in respect of previous periods deferred tax	42,328	(6,019)
Changes in tax laws and rates	(331)	8,741
Movement arising from transfer of business	(46,926)	-
Total tax (note 7(a))	93,043	295,486

Notes to the financial statements (continued)

at 31 December 2017

7. Taxation on profit on ordinary activities (continued)

(c) Deferred taxation

The deferred tax balance is as follows:

	2017 £
At 1 January 2017	64,379
Debited to profit and loss (note 7(a))	(12,717)
Transfer of business	(51,662)
At 31 December 2017 (note 11)	-
	2017 £
Representing:	
Decelerated capital allowances	-
Short term timing differences	-
	58,679
	5,700
	64,379

8. Dividends on equity shares

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Ordinary: paid on the ordinary shares	1,427,376	1,000,000

9. Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	-	371,343
Amounts owed by group undertakings	20	1,000,000
Prepayments	-	14,557
	20	1,385,900
Amount falling due after more than one year:		
Deferred tax (note 7(c))	-	64,379

Notes to the financial statements (continued)

at 31 December 2017

10. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	-	5,470
Corporation tax	-	95,841
Amounts owed to group undertakings	-	626,013
Other taxation and social security	-	108,066
Accruals and deferred income	-	245,116
	<u>-</u>	<u>1,080,506</u>

11. Called-up share capital and reserves

	<i>Allotted, called up and fully paid</i>			
	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	20	<u>20</u>	20	<u>20</u>

The company has 16 class A ordinary shares and 4 class B ordinary shares which carry no right to fixed income.

The company's other reserve is the profit and loss reserve which represents cumulative profits or losses, net of dividends paid and other adjustments.

12. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Under the exemption detailed in Note 1 the entity is not required to disclose the transactions with other group entities, however it is required to detail outstanding balances under the categories below:

	Amounts owed by related party	Amounts owed to related party
	£	£
Entities with significant influence over the company		
2017	<u>20</u>	<u>-</u>
2016	<u>1,000,000</u>	<u>315,277</u>
Other group entities		
2017	<u>-</u>	<u>-</u>
2016	<u>-</u>	<u>310,736</u>

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding trade balances are unsecured, interest free and cash settlement is expected within 30 days of invoice.

The company has not provided or benefited from any guarantees for any related party receivables or payables. There were no other related party transactions in the year.

Notes to the financial statements (continued)

at 31 December 2017

13. Ultimate parent undertaking

The company is a wholly owned subsidiary undertaking of Equifax Inc., a company incorporated in the United States of America. The only group in which the results of the group are consolidated is that headed by the ultimate parent company, Equifax Inc. The ultimate controlling party is Equifax Inc. The consolidated financial statements of Equifax Inc. are available to the public and can be obtained from 1550 Peachtree Street N.W., Atlanta, Georgia, 30309, United States of America.

The immediate parent undertaking and controlling party is Equifax EUA Limited, a company incorporated in England and Wales.

14. Post balance sheet events

Since the balance sheet date there have been no post balance sheet events.