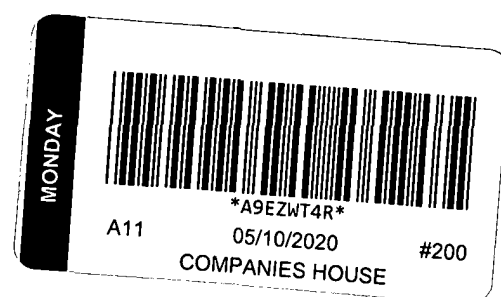


Callcredit Marketing Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 December 2019
(Registered Number 02733070)



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STRATEGIC REPORT

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

The directors present their report and the audited financial statements for the year ended 31 December 2019.

The Business Model

Callcredit Marketing Limited supplies marketing data, database hosting and management, and marketing fulfilment services. The Company uses and manages data sets in order to provide customer profiling, geographical modelling and network planning. It also actively markets its information database as well as providing database development for customers. The Company is a part of the TransUnion UK Group (the "Group").

For the year ended 31 December 2019, the Company generated revenues of £3.9 million (2018: £9.2 million) and operating loss of £3.7 million (2018: operating loss £2.9 million).

The financial performance in 2019 reflects a product rationalisation as the Group focuses on its core offerings.

Objectives and Strategies

The Group operates in market segments which offer significant growth opportunities, driven by multiple trends including new demand for credit and data analytics in industry segments outside traditional lending, increased demand for fraud prevention and identity products as the prevalence of identity theft and cybercrime rises, and changing regulatory and competitive market dynamics. Against these growth opportunities, the Group is continuing to invest to further differentiate its data assets, to develop software and analytics solutions which accentuate these data assets and help improve decision making and protect against fraud and identity theft. In parallel, the business will continue to focus on customer service, expand its "go to market" capabilities and upgrade its operational infrastructure to enable the business to scale effectively. The Group also continues to invest significantly in measures to prevent, detect and address information security risks. TransUnion's information security teams operate globally, ensuring coverage and visibility on a 24/7 basis.

The Board of directors' statement on s172(1)

Under section 172 of the UK Companies Act 2006 ('Section 172') directors must act in the way that they consider, in good faith, would be most likely to promote the success of their company. In doing so, our directors must have regard to stakeholders and the other matters set out in Section 172. The information presented below comprises the Section 172 statement, which describes how the directors have had regard to these matters when performing their duties.

We have identified the stakeholder groups below as key to the success of the Company. In light of our objectives and strategies noted above, our directors take steps to understand the needs and priorities of each stakeholder group and do so through a variety of mediums and channels.

The Board of directors ("the Board") is comprised of the Chief Executive Officer ("CEO") for the UK, the Chief Financial Officer ("CFO") for the UK, and the General Counsel and Chief Risk Officer ("GC&CRO") for the UK. The Board meets at times as required. In addition to these board meetings, the wider UK senior management team, known as the Executive Committee ("ExCo") and which includes the UK CEO, CFO and GC&CRO meets weekly. The ExCo meetings receive feedback from various business areas, with particular feedback on specific stakeholder groups, which is then relayed to the Board. Members of the ExCo are also invited to attend board meetings to provide specific updates on their areas as required. The outcome of stakeholder engagement influences the formulation and ongoing review of the long-term strategy and financial planning to ensure that our approach continues to deliver sustainable returns and promotes reputational reward.

As part of the Board of directors' ("the Board") decision-making process, the Board considers the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

The summary below details the interests of each of the relevant stakeholder groups and the approaches taken to engage them.

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement on s172(1) (Continued)

Customers and Consumers

For these purposes we define Customers as the business users of our financial products and services; consumers include individual data subjects in relation to whom we hold and report data to our customers. Consistent with our mission of "Information for Good", our aim is for our customers and consumers to transact with confidence and achieve great things. Our products support responsible interactions with their consumers, environmentally and socially sustainable outcome, and financial literacy. Our processes ensure data is secure and used in ways that comply with legislation.

Key topics of engagement	How the Board engages with stakeholders	Considerations and outcomes
Customers want to drive better decisions, secure friction light experiences and generate greater engagement through better offers and communications. It is important for our customers to transact with confidence, safely and reliably.	Our directors hear of customer feedback regularly. We build strong lasting relationships with our customers and our teams spend considerable time with them to understand their needs and views and listen to how we can improve our offer and service for them.	<p>The Board regularly discuss customer needs, preferences and concerns and consider these in the decision making process.</p> <p>The Board receives regular reporting on customer outcomes and customer related strategic initiatives throughout the year.</p> <p>The Board closely monitors consumer metrics (such as complaints) and engages with the leadership team to understand the issues if our performance does not meet expectations.</p> <p>The Board continues to monitor and review developments concerning changes to our IT platforms which will allow us to simplify and support service delivery to our customers.</p>

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement on s172(1) (Continued)

Employees

Our employees are critical to the Company's ability to meet the needs of its customers and achieve its goals as a business.

Key topics of engagement	How we engaged in 2019	Considerations and outcomes
<p>The following are areas our employees have told us they consider important at the Company:</p> <ul style="list-style-type: none"> - Career development; - Learning opportunities; - The working environment and technology; - Health and wellbeing; - Diversity and inclusiveness; - Communication; and - Recognition and rewards. 	<p>The following are activities carried out under the supervision of management and in particular HR professionals, however, progress and agreed actions are reported to board meetings:</p> <ul style="list-style-type: none"> - We are committed to developing our people to reach their potential and enjoy rewarding careers with TransUnion; - We seek to recruit, develop and retain talented people; - We believe that diversity in business should be encouraged and we strive to develop an inclusive environment and culture where all employees feel engaged; - We recognise the need for a healthy work/life balance; - We provide facilities to cycle or walk to work, free fruit and relaxation massages and social events. <p>There are many ways we engage with and listen to our employees including colleague surveys, Town Halls, networking resource groups, newsletters and through our open house forums. We believe these methods of engagement are effective in building and maintaining trust and communication; allowing for openness, honesty and transparency and increasing innovation and productivity within the business.</p>	<p>Based on feedback received from colleagues in 2019, a 12-18 month plan has been established and is being worked through to address the feedback provided. The success of this plan will be monitored through the engagement activities noted in 2020 and beyond.</p> <p>Our people share in the business' success as shareholders through membership of our global share plans.</p> <p>The results of our annual gender pay report, which are approved by the Board, are available through our website.</p> <p>Given the safety of our employees being critical, we have successfully transitioned to remote working in 2020 as a result of COVID-19.</p>

Investors – Our ultimate parent, TransUnion

As the owner of the Company, our ultimate parent's priorities are critical to us and their support allows us to implement our strategy and to achieve our long-term plans.

Key topics of engagement	How we engaged in 2019	Considerations and outcomes
<p>Key areas are:</p> <ul style="list-style-type: none"> - Compliance with all regulations; - Compliance with internal US Group policies; - Operating in ethical manner; - Performance against the strategic and financial plan; and - Effective leadership to ensure the Company's long-term sustainability and ultimately deliver a return on investment. 	<p>We have open, frequent dialogue with our parent company senior leadership team through one-to-one meetings, function meetings and board meetings. A matrix reporting structure is in place with our parent company.</p> <p>Key parent company senior leadership members are directors of the UK Group holding companies.</p>	<p>Progression against the strategic plan as demonstrated by business growth (revenue and operating income increases year on year referenced above) and new product launches in 2019 as referenced in the customer stakeholder section.</p> <p>During 2019 the Board worked with our investors to divest of several companies in the UK group which were no longer core to our strategy. During 2020 there has been a further rationalisation of the UK legal entities so that the majority of all trade is conducted through a single entity.</p>

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement on s172(1) (Continued)

Government and regulators

Compliance with legislation and regulations is key and as a responsible employer and business, we are committed to engaging constructively with governments as well as regulators to ensure we are supporting the wider community.

Key topics of engagement	How we engaged in 2019	Considerations and outcomes
<p>Key areas are:</p> <ul style="list-style-type: none"> - Compliance with regulation - Governance and sustainability - Management and advocacy - Business Practices 	<p>The Board oversee senior management activity to ensure the activities noted below are completed. The Company completed its regulatory and compliance reporting to the relevant bodies for the financial period.</p> <p>The Company actively engages with all relevant regulators including in particular the Information Commissioner's Office ("ICO").</p> <p>Interaction with the ICO included responding to the ICO's audit of the Company's marketing services which was carried out in 2018.</p>	<p>Regulatory and compliance requirements met. The Board has kept abreast of the impact of changing regulations and political environment on the business.</p> <p>The Board also reviews and, where necessary, approves any material interaction with the Company's regulators including in particular the ICO.</p> <p>The Board's view is taken into account in those interactions. The Board takes such matters into account during the development of the Company's strategic plan.</p>

Suppliers

The company aims to foster mutually beneficial strategic supplier partnerships, encouraging innovation and continuous improvement in order to enhance the ability of both parties to create value. The Company works to the highest possible ethical standards to ensure the impact of environmental, economic and social factors are considered along with price and quality.

Key topics of engagement	How we engaged in 2019	Considerations and outcomes
<p>Key areas are:</p> <ul style="list-style-type: none"> - Due diligence processes; - Code of conduct; - Ongoing supplier relationships; and - Fair payment practices. 	<p>The Board oversee senior management activity to ensure the activities noted below are completed.</p> <p>A supplier code of conduct is in place. All TransUnion UK suppliers are expected to self-monitor their compliance with our supplier code of conduct and to inform us of any non-compliance. TransUnion UK further requires that suppliers segmented as Strategic or Important conduct an annual self-certification.</p>	<p>The Group Procurement team monitor compliance of suppliers against the code of conduct.</p> <p>Risk assessments are performed over all supplier contracts.</p> <p>Supplier governance is reviewed at the Operational Risk Committee as well as Executive level and escalated to the Board as necessary.</p>

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement on s172(1) (Continued)

Communities

We recognise the importance of contributing to our communities through volunteering and community involvement and as a major technology business we recognise the contribution we can make in building resilience against the global impact of climate change.

Key topics of engagement	How we engaged in 2019	Considerations and outcomes
Reducing the impact of the Company on the environment	Overseen by the Board, the Company set up an Internal Environment Project seeking ideas from employees on ways to minimise environmental impact.	<p>We are certified to ISO14001, the international best practice for Environmental Management.</p> <p>We have kept our carbon intensity level through increased efficiencies in our Facilities and IT systems.</p> <p>We have active programmes to reduce waste, increase recycling and cut carbon.</p>
By giving our business skills and products pro bono, we can help community organisations to better focus on their core mission.	<p>We recognise the importance of contributing to our communities through volunteering and community investment, and all employees get one paid volunteer day each year to help a community project of their choice.</p> <p>Our offices choose an annual charity to fundraise for.</p> <p>We also match employees' own charity fundraising.</p>	<p>Charitable donations are referenced in the Directors' Report.</p> <p>The UK Charity of the Year was NSPCC.</p>

STRATEGIC REPORT (CONTINUED)

Principal Risks and Uncertainties

In operating its business and strategy, the Company is exposed to several inherent risks. As part of a group wide risk management framework, the Board has implemented robust procedures for the assessment, management and reporting of risks. This includes periodic review of the key risks and the effectiveness of controls and processes in place to manage those risks. The principal risks faced by the Company are summarised below:

- The Company provides credit solutions and fraud prevention and identity services and operates in a market which has historically grown strongly. The Company faces exposure to both UK and broader global economic cycles and events which may trigger adverse market conditions resulting in reduced demand for the Company's products and services impacting financial performance. The outlook for the UK economy faces additional uncertainty arising from the UK's withdrawal from the European Union as well as the continued impact of COVID-19.
- The Company operates in a competitive market and faces the risk of increasing competition from both new and established market participants. Competitors may erode the Company's position and share of the market through development of superior products and services to the Company, lower pricing and more effective go to market strategies.
- The Company's business model is dependent upon the integrity of data assets which are maintained on the Company's IT systems, and related analytics and software tools which deliver products and services to customers. Maintaining accurate data is essential for the provision of high-quality products and fair treatment of consumers.
- The Company operates in an environment where there is an ever-present threat of cyber-attacks, either directly or through business partners, which may result in breaches of IT security, loss or misuse of data, or otherwise compromise solutions and services provided to customers.
- The Company is dependent on its IT environment to deliver products and services to customers. The business faces the risk that this environment may not be sufficiently resilient or flexible to support changing customer requirements, changes in technology, or increasing scale and volumes driven by the expansion of the business.
- The Company operates in an increasingly complex and regulatory environment and is therefore subject to a significant and comprehensive set of rules and regulations. Those rules and regulations (and any changes in the interpretation of them) could impact how the company operates, and, how it collects and processes personal data. The Company, as a processor of personal data, is subject to the current data protection legislation. Compliance with the General Data Protection Regulation and the Data Protection Act 2018 is overseen by the Information Commissioner's Office ("ICO"). ICO have significant enforcement powers, which if exercised, could impact the Company's ability to access and process data, could require the Company to modify its products and services and could result in an increase in its operational costs and/or a reduction in its revenue.
- People at the Company are critical to its ability to meet the needs of its customers and achieve its goals as a business. Failure to attract or retain suitable employees across the business could limit the Company's ability to deliver its business plan commitments.
- Through the strength of its products and services, the Company has successfully grown several key customer relationships with the result that a small number of total customers account for a large share of overall sales and profits. Loss of these customers, either to Competitors or a significant curtailment of the trading relationships, would have a material impact on the financial performance of the business.

The Company manages the above risks through a wide range of actions including ongoing monitoring of the economic and competitive market environment, ongoing assessment and investment in IT security and infrastructure, maintenance of business continuity plans, investments in new products, people and technologies to ensure our products and services remain competitive and differentiated, and focus on customer service and delivery, to ensure that we are able to effectively meet or exceed the objectives of our customers. The effectiveness of these actions is monitored on an ongoing basis, and plans varied to meet changing requirements of the business.

Activities in Research and Development

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

STRATEGIC REPORT (CONTINUED)

Corporate and Social Responsibility

The Company is part of a wider UK Group which has a significant investment in its corporate and social responsibility. The UK Group takes measures to reduce the carbon footprint, including promoting recycling and energy efficiency. The UK Group also has a strong interest in local and national charities as well as motivating staff to take part in charitable events and enjoying a healthy lifestyle.

The Company looks to provide rewarding and progressive careers for all its staff, with wide ranging training initiatives and promotion opportunities offered wherever possible. The levels of staff retention and satisfaction provide the most effective measure of such initiatives and are monitored on a regular basis.

Going Concern Basis

Since 31 December 2019, the consequences of COVID-19 have impacted the original 2020 forecast. The directors have implemented a comprehensive strategy to address the consequences of COVID-19. The revised financial forecasts prepared by the directors, when taking into account the impact of COVID-19, continue to show the Company remaining profitable in 2020 prior to the allocation of group expenses, while continuing to generate cash to meet its financial obligations and continue to enable it to invest in infrastructure.

The directors have a reasonable expectation that the Company has 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. The net liability position at the balance sheet date is driven by intercompany balances.

Callcredit Marketing Limited has received a letter of support from its principal trading sister subsidiary, TransUnion International UK Limited, which since a group reorganization on 31 May 2020 now represents virtually 100% of the trading activity of the UK subgroup.

The financial forecasts prepared by the directors show that the Company can meet its financial obligations and continue to invest in its infrastructure for at least 12 months from the date of approval of these accounts. The Company has the ability to use the Group's financial resources as necessary to meet obligations.

Having completed an analysis of the UK Sub Group forecasts, including sensitivity analysis and reverse stress testing the directors have a reasonable expectation that the sub-group will continue to trade profitably, generate cash and has adequate resources for the foreseeable future. In conclusion the directors of Callcredit Marketing Limited can see no reason that TransUnion International UK Limited would be unable to provide the support pledged and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Approval

This report was approved by the board of directors on 29 September 2020 and signed on its behalf by:

By order of the board



M E Horsey
Director
29 September 2020

DIRECTORS' REPORT

Directors

The directors who held office during the year were as follows:

M J Gordon (resigned 8 March 2019)
 R K C Munro (resigned 1 April 2019)
 M E Horsey (appointed 13 February 2019)
 C J Rutter (appointed 13 February 2019) (Resigned 29 February 2020)
 S Saha (appointed 25 February 2020)
 W J Flynn (appointed 11 May 2020)

W J Flynn, M E Horsey and S Saha are also directors of the Company's immediate parent undertaking, TransUnion Information Group Limited. M J Gordon, R K C Munro and C J Rutter were directors of TransUnion Information Group until 8 March 2019, 1 April 2019 and 29 February 2020 respectively. W J Flynn is also a director of the Company's immediate parent undertaking, TransUnion Information Group Limited however did not hold office during the year.

Dividends

No dividends were paid during the current or previous year. The directors do not recommend the payment of a dividend (2018: £nil).

Employees

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

Policy and practice on payment of creditors

The Company's policy concerning the payment of suppliers is to agree terms of payment in advance and to make payment in accordance with agreed terms and any other legal obligations. At 31 December 2019, there were 9 days (2018: 3 days) purchases in trade creditors.

Political and charitable contributions

The Group made no political contributions (2018: £nil) during the year. The Group made donations to UK charities amounting to £13k (2018: £28k).

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

Post balance sheet event

As explained in Note 21, Since 31 December 2019, the consequences of COVID-19 have impacted the original 2020 Group forecast. The directors have implemented a comprehensive strategy to address the impact of COVID-19. As described in the Strategic Report, the directors have carefully considered the potential impacts when evaluating the continued use of going concern basis of preparation. The COVID-19 outbreak subsequent to the year end is a non-adjusting event for these accounts.

Please refer to note 21 for details of the post balance sheet event.

Disclosure of information to Auditor

The directors who held office at the 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.

DIRECTORS' REPORT

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor PriceWaterhouseCoopers LLP have replaced Ernst & Young LLP as the Company's auditors following an alignment to the company's ultimate parent auditor change and have confirmed their willingness to be appointed as Company auditors for the year ending 31 December 2020.

By order of the board

A handwritten signature in black ink, appearing to be 'M E Horsey', is written over a faint, circular stamp or seal.

M E Horsey
Director
One Park Lane
Leeds
LS3 1EP

29 September 2020

Company registered number: 02733070

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

The directors are responsible for preparing the Annual 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, including FRS 101 "Reduced Disclosure Framework 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 judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements
- 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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALLCREDIT MARKETING LIMITED

Opinion

We have audited the financial statements of Callcredit Marketing Limited for the year ended 31 December 2019 which comprise the Statement of Profit and Loss and other Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 21, 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 including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its loss 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.

Emphasis of matter – Effects of COVID-19

We draw attention to Note 21 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 which is impacting financial markets and demand for the company's services. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 CALLCREDIT MARKETING 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 10, 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 CALLCREDIT MARKETING 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

Ernst & Young LLP

Peter Buckler (Senior statutory auditor)
for and on behalf of

Ernst & Young LLP, Statutory Auditor
1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Date: 30 September 2020

Statement of Profit and Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2019

	<i>Note</i>	2019 £000	2018 £000
Revenue	1	3,910	9,223
Cost of sales		(1,525)	(2,378)
Gross profit		2,385	6,845
Administrative expenses		(6,040)	(9,779)
Operating loss	1,2,3,4	(3,655)	(2,934)
Finance expense	5	(292)	(204)
Net finance expense		(292)	(204)
Loss before tax		(3,947)	(3,138)
Taxation	6	(1,051)	276
Loss after tax		(4,998)	(2,862)
Other comprehensive income		-	-
Total comprehensive expense for the year		(4,998)	(2,862)

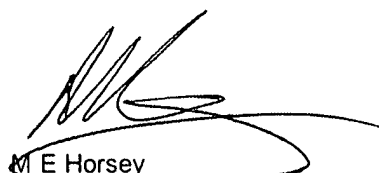
The notes on pages 17 to 33 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Non-current assets			
Property, plant and equipment	7	65	155
Intangible assets	8	2,081	5,467
Deferred tax assets	9	-	1,052
		<u>2,146</u>	<u>6,674</u>
Current assets			
Trade and other receivables	10	3,074	4,928
Cash and cash equivalents	11	1,092	172
		<u>4,166</u>	<u>5,100</u>
Total assets		<u>6,312</u>	<u>11,774</u>
Current liabilities			
Trade and other payables	12	23,465	23,929
		<u>23,465</u>	<u>23,929</u>
Total liabilities		<u>23,465</u>	<u>23,929</u>
Equity			
Share premium	14	871	871
Retained earnings		(18,024)	(13,026)
		<u>(17,153)</u>	<u>(12,155)</u>
Total equity		<u>(17,153)</u>	<u>(12,155)</u>
Total equity and liabilities		<u>6,312</u>	<u>11,774</u>

These financial statements were approved by the board of directors on 29 September 2020 and were signed on its behalf by:



M E Horsey
Director

Company registered number: 02733070

The notes on pages 17 to 33 form part of these accounts.

Statement of Changes in Equity

	Share premium £000	Retained earnings £000	Total equity £000
Balance at 31 December 2017	871	(8,229)	(7,358)
Adjustment on initial application of IFRS15 (Note 1)	-	(1,935)	(1,935)
Balance at 1 January 2018	871	(10,164)	(9,293)
Total comprehensive expense for the year			
Loss for the year	-	(2,862)	(2,862)
Total comprehensive expense for the year	-	(2,862)	(2,862)
Balance at 31 December 2018	871	(13,026)	(12,155)

	Share premium £000	Retained earnings £000	Total equity £000
Balance at 31 December 2018	871	(13,026)	(12,155)
Total comprehensive expense for the year			
Loss for the year	-	(4,998)	(4,998)
Total comprehensive expense for the year	-	(4,998)	(4,998)
Balance at 31 December 2019	871	(18,024)	(17,153)

The notes on pages 17 to 33 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Callcredit Marketing Limited (the "Company") is a private company incorporated and domiciled in the United Kingdom under the Companies Act and is registered in England and Wales. The registered number is 02733070 and the registered address is One Park Lane, Leeds, LS3 1EP.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standards FRS101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

The Company's financial statements are presented in Sterling, (which is the Company's functional currency) and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

The results of the Company are included in the consolidated financial statements of TransUnion which are available from <https://investors.transunion.com/financials>.

On the basis that it is a qualifying entity the company have taken advantage of the following disclosure exemptions under FRS101 Reduced Disclosure Framework:

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS2 Share based payment because the share-based payment arrangement concerns the instruments of another group entity
- (b) the requirements of IAS 7 Statement of Cash Flows
- (c) the requirements in IAS 24 Related Party Disclosures to disclose related party transaction entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- (d) comparative period reconciliations for share capital, tangible and intangible fixed assets
- (e) the effect of new but not effective IFRS standards
- (f) fair value measurement and financial instrument disclosures
- (g) IFRS 2 share-based payments available exemptions

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Changes in accounting policies

1.1(a) IFRS 16 Leases

IFRS 16 is a new accounting standard that is effective for the year ended 31 December 2019.

IFRS 16 supersedes IAS 17 Leases ("IAS 17"). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on balance sheet model.

The changes from the introduction of IFRS 16 have not had an impact on the company's financial statements.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss.

1.3 Going concern

Since 31 December 2019, the consequences of COVID-19 have impacted the original 2020 forecast. The directors have implemented a comprehensive strategy to address the consequences of COVID-19. The revised financial forecasts prepared by the directors, when taking into account the impact of COVID-19, continue to show the Company remaining profitable in 2020 prior to the allocation of group expenses, while continuing to generate cash to meet its financial obligations and continue to enable it to invest in infrastructure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.3 Going concern (continued)

The directors have a reasonable expectation that the Company has 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. The net liability position at the balance sheet date is driven by intercompany balances.

Callcredit Marketing Limited has received a letter of support from its principal trading sister subsidiary, TransUnion International UK Limited, which since a group reorganization on 31 May 2020 now represents virtually 100% of the trading activity of the UK subgroup. The financial forecasts prepared by the directors show that the Company can meet its financial obligations and continue to invest in its infrastructure for at least 12 months from the date of approval of these accounts. The Company has the ability to use the Group's financial resources as necessary to meet obligations.

Having completed an analysis of the UK Sub Group forecasts, including sensitivity analysis and reverse stress testing the directors have a reasonable expectation that the sub-group will continue to trade profitably, generate cash and has adequate resources for the foreseeable future. In conclusion the directors of Callcredit Marketing Limited can see no reason that TransUnion International UK Limited would be unable to provide the support pledged and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Foreign currency

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

1.5 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, interest-bearing borrowing, and trade and other payables.

Trade and other receivables

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

The Company applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets, and recognises a loss allowance based on the lifetime ECL's at the end of each reporting period. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. ECL's are determined using a provision matrix that is based on historical credit loss experience and adjusted for forward-looking factors specific to the debtors and prevailing economic environment.

Trade and other payables

Trade and other payables are recognised initially at fair value less any directly attributable transaction costs. 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 are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.6 Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and any recognised impairment loss. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the entity.

Depreciation is recognised so as to write off the cost of property, plant and equipment less their residual values over their useful lives, as set out below, on a straight-line basis unless stated otherwise. Property, plant and equipment purchases are depreciated on a monthly basis from the date the asset is available for utilisation. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives of property, plant and equipment for current periods are as follows:

Office equipment	3 - 5 years
IT servers	5 years
IT equipment	3 years
Leasehold improvements	Remaining term of the lease

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Intangible assets and goodwill

Intangible assets include goodwill, deferred development costs, internally created databases and purchased data assets that meet the definition of an intangible asset as defined in IAS 38 'Intangible Assets'.

Goodwill

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period of time chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations, goodwill is not amortised. Consequently, the company does not amortise goodwill, but reviews for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a 'true and fair view override' to overcome the requirement to amortise goodwill over its useful economic life in the Companies Act. If goodwill were to be amortised over 10 year the annual charge would have been £110,500. Goodwill is stated at cost less any accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Deferred development costs

Deferred development expenditure comprises the product development costs of commercially exploitable systems to the extent that they are recoverable.

Development costs are capitalised in accordance with IAS 38 when staff are working on products and projects where the following can be demonstrated:

- technical feasibility of completing the intangible asset so that it will be available for use or sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- how the intangible asset will generate future economic benefits
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- ability to measure reliably the expenditure attributable to the intangible asset during its development

Internally created databases

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.7 Intangible assets and goodwill (continued)

Purchased data assets

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.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Databases and Purchased data assets	Straight line amortisation over 3 - 10 years
Deferred development costs	Straight line amortisation over 3 – 10 years from the date the asset is available for use
Software	Straight line amortisation over 3 years

1.8 Impairment

Financial assets; Trade Receivables

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

The allowance for impairment is made using the Expected Credit Loss (ECL) approach with the charge being recognised in the statement of income and expenditure.

Under the ECL model, an allowance for credit losses is calculated for the cash shortfalls the company would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes. Because every loan and receivable carries with it some risk of default, every such asset has an expected loss attached to it from the time it is originated or acquired. The ECL measures the risk attached to each asset and is not necessarily the same as the loss likely to be incurred.

Other Financial Assets

Other than Trade Receivables subject to the ECL approach as described above, a financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is an indication of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the financial year, unless there is a triggering event, in which case it's evaluated at the point the triggering event is identified.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.8 Impairment (continued)

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9 Employee benefits

Defined contribution plans

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

1.10 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.11 Revenue

Annual Customer Data Contracts

Some of the Company's revenues are derived from annual contracts, where the customer commits to a minimum fee which is non-recourse. Under these contracts, customers typically consume batch services at an agreed fee per record up to the contracted minimum, and once the minimum has been exceeded the customer will be charged excess fees.

Under IAS 18 revenue recognition policies, where these contracts were non-recourse, the revenues were recognised at the service start date as long as it was likely that the revenue would flow to the entity. Under IFRS 15, the revenue is recognised based on the timing of when the customer uses the services (being when the records are provided to the customer). The impact of this is revenue recognition is deferred, and there is a contract liability arising on the balance sheet at the point of transition (1 January 2018) to IFRS 15, due to the majority of customers being invoiced annually in advance for these services.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.11 Revenue (continued)

Transactional Revenues

The Company also generates transactional revenues from pay as you go contracts, lead generation contracts and the provision of one-off services. Under IAS 18, revenue which was transactional was invoiced and recognised in the month the performance obligation to the customer was met. Under IFRS 15, this revenue is recognised in line with the IAS 18 policy and there is no financial impact under IFRS 15 for these types of contracts.

All revenue reported in the Statement of Profit and Loss and Other Comprehensive Income arises from contracts with customers. Revenue is recognised exclusive of Value Added Tax ("VAT").

The Company operates a policy of standard payment terms of 30 days from the date of invoicing, which is applied in the majority of customer contracts. Customer contracts do not contain any significant financing components, nor do they contain any significant obligations for returns, refunds or warranties.

1.12 Expenses

Finance income and expenses

Finance expenses comprise interest payable.

Finance income comprise interest receivable on funds invested and net foreign exchange gains.

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

Operating lease payments

Payments made under operating leases are recognised in the profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss as an integral part of the total lease expense.

1.13 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.14 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Management does not deem there to be any significant judgements or assumptions and estimation uncertainties requiring disclosure.

2 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2019 £000	2018 £000
Depreciation of property, plant and equipment	91	238
Impairment of intangible assets (included in 'administrative expenses')	2,207	-
Amortisation of intangibles	774	896
Rentals payable under operating leases	-	365
Audit of the financial statements ¹	4	22
	<u> </u>	<u> </u>

¹fee payable to the company auditor to audit the financial statements. No fees were paid for non-audit or assurance related services in the year.

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Sales and operations	29	88
Administration	6	13
	<u> </u>	<u> </u>
	35	101
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2019 £000	2018 £000
Wages and salaries	1,058	5,290
Shared based compensation	-	1,000
Social security costs	113	460
Other pension costs	49	253
Capitalised staff costs	(210)	(11)
	<u> </u>	<u> </u>
	1,010	6,992
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Directors' remuneration

	2019 £000	2018 £000
Remuneration	2,686	1,715
Company contributions to money purchase pension scheme	-	3
Compensation for loss of office	-	30
Share based compensation	-	9,535

The aggregate of remuneration of the highest paid director was £1,003k (2018: £635k), and company pension contributions of £nil (2018: £nil) were made to a money purchase scheme on their behalf. Amounts receivable under long term incentive schemes of the highest paid director was nil (2018: £5,741k). No directors (2018: nil) exercised any options in 2019.

The Directors' remuneration above is the full remuneration paid by TransUnion Information Group Limited for various UK based directors. The work of these Directors' covers various subsidiaries within the UK sub-Group and the company considers it is impractical to allocate the full remuneration to each individual company in the UK sub-Group. There are a number of statutory directors who are overseas residents and who provide services to TransUnion entities worldwide including the UK. These directors are remunerated by the ultimate parent company and no recharge is made for their services. The company considers that the time spent on UK companies by these individuals as a proportion of their total duties is negligible and as such no apportionment of their worldwide remuneration needs to be disclosed in these accounts.

Key management are considered to be the same as directors for the Company.

5 Finance income and expense

Recognised in the Statement of Profit and Loss

	2019 £000	2018 £000
Finance expense		
Other finance expense	292	204
Total finance expense	292	204

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Taxation

Recognised in the Statement of Profit and Loss and other comprehensive income

	2019 £000	2018 £000
Current tax expense		
UK corporation tax at 19.00% (2018: 19.00%)	-	-
Group relief payable / (receivable)	-	-
Adjustments for prior years	-	23
Total current tax expense	-	23
Deferred tax expense		
Origination and reversal of temporary differences	21	(284)
Adjustment for prior years	(36)	(15)
Deferred tax asset derecognized	1,066	-
Total deferred tax expense / (credit)	1,051	(299)
Total tax expense / (credit)	1,051	(276)

Reconciliation of effective tax rate

The current tax charge for the period is higher (2018: higher) than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £000	2018 £000
Loss excluding taxation	(3,947)	(3,138)
Tax using the UK corporation tax rate of 19.00% (2018: 19.00%)	(749)	(596)
Reduction in tax rate on deferred tax balances	(3)	89
Non-deductible expenses	484	212
Adjustments to tax charge in respect of previous periods	-	23
Adjustments to tax charge in respect of previous periods - deferred tax	(36)	(17)
Depreciation in excess of capital allowances	-	13
Deferred tax not recognised	1,066	-
Group relief surrendered / (claimed)	289	-
Payment / (receipt) for group relief	-	-
Total tax expense / (credit)	1,051	(276)

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This has been revised with the rate applicable from 1 April 2020 now remaining at 19%, rather than the previously enacted reduction to 17%. The deferred tax asset at 31 December 2019 has been calculated based on 19%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Property, plant and equipment

	Office equipment £000	Leasehold improvements £000	IT servers £000	IT equipment £000	Total £000
Cost					
Balance at 1 January 2019	578	595	2	2,326	3,501
Additions	-	-	-	2	2
Balance at 31 December 2019	578	595	2	2,328	3,503
Depreciation and impairment					
Balance at 1 January 2019	488	595	1	2,263	3,347
Depreciation charge for the year	45	-	-	46	91
Balance at 31 December 2019	533	595	1	2,309	3,438
Net book value					
At 1 January 2019 and 31 December 2018	90	-	1	64	155
At 31 December 2019	45	-	1	19	65

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Intangible assets

	Software £000	Assets Under construction £000	Goodwill £000	Databases and purchased data assets £000	Deferred development expenditure £000	Total £000
Cost						
Balance at 1 January 2019	467	128	3,394	3,408	6,208	13,605
Additions	-	-	-	185	-	185
Transfer from fellow group undertaking	-	(128)	-	-	-	(128)
Impairment	-	-	(3,394)	-	-	(3,394)
Balance at 31 December 2019	467	-	-	3,593	6,208	10,268
Amortisation and impairment						
Balance at 1 January 2019	448	-	1,187	3,121	3,383	8,139
Amortisation for the year	19	-	-	60	766	774
Impairment	-	-	(1,187)	390	-	(797)
Balance at 31 December 2019	467	-	-	3,571	4,149	8,116
Net book value						
At 1 January 2019 and 31 December 2018	19	128	2,207	287	2,826	5,467
At 31 December 2019	-	-	-	22	2,059	2,081

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

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

The recoverable amount of the CGU is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate and growth rates in cash flows. The growth rate assumptions reflect historical data from internal and external sources, and management's business plans, which in turn take account of assessment of future industry trends. Management estimates discount rates using the pre-tax rates that reflect current market assessments of the time value of money. The rate used to discount the forecast cash flows from the CGU is 10.00% (2018: 10.00%).

The Company prepares operating profit and cash flow forecasts derived from the most recent financial budgets approved by management for the next two years and extrapolates forecasts for the following years based on an estimated terminal growth rate. A terminal growth rate of 0% was used based on management's estimate of the long-term compound annual growth rate. The estimated recoverable amount of the CGU did not exceed the carrying amounts. As a result of this analysis, management has fully impaired the goodwill asset as at 31 December 2019. The impairment charge is recorded within administrative expenses in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Deferred tax assets and (liabilities)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2019 £000	2018 £000
Property, plant and equipment	-	301
Other	-	751
	<hr/>	<hr/>
Tax assets	-	1,052
	<hr/>	<hr/>
Net tax assets	-	1,052
	<hr/>	<hr/>

Movement in deferred tax during the year

	1 January 2019 £000	Recognised in income £000	31 December 2019 £000
Property, plant and equipment	301	(301)	-
Other	751	(751)	-
	<hr/>	<hr/>	<hr/>
	1,052	(1,052)	-
	<hr/>	<hr/>	<hr/>

Movement in deferred tax during the prior year

	1 January 2018 £000	Recognised in income £000	31 December 2018 £000
Property, plant and equipment	281	20	301
Other	17	734	751
	<hr/>	<hr/>	<hr/>
	298	754	1,052
	<hr/>	<hr/>	<hr/>

The company has a deferred tax asset of £1,067k (2018: £1,052k) in respect of tax losses and fixed asset temporary differences that are carried forward indefinitely for use against future suitable profits. A deferred tax asset has not been recognised at 31 December 2019 as the recognition criteria have not been met (2018 recognised in full).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Trade and other receivables

	2019 £000	2018 £000
Trade receivables	1,043	2,414
Amounts due from parent company	-	2
Amounts due from fellow group undertakings	1,498	1,930
Other receivables	6	-
Prepayments and accrued income	527	582
	<u>3,074</u>	<u>4,928</u>

Intercompany balances due to / from the Company are repayable on demand, are presented at current value and are not discounted. Intercompany trading loan balances are charged interest at 1.5%.

11 Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank	1,092	159
Cash and cash equivalents	<u>1,092</u>	<u>159</u>

12 Trade and other payables

	2019 £000	2018 £000
Trade payables	81	52
Amounts due to parent company	20,534	16,396
Amounts due to fellow group undertakings	1,992	5,518
Accruals	101	538
Deferred income	641	1,255
Social security and other taxes	-	75
VAT	108	95
Other payables	8	-
	<u>23,465</u>	<u>23,929</u>

At the commencement of the reporting period, 1 January 2019, the Company contract liabilities totalled £1,255k. Revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period amounted to £1,255k.

Intercompany balances due to / from the Company are repayable on demand, are presented at current value and are not discounted. Intercompany trading loan balances are charged interest at 1.5%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Employee benefits

Pension plan

The Company operates a defined contribution pension plan.

The total expense relating to this plan in the current year was £49k (2018: £253k).

14 Capital and reserves

Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
19,267 Ordinary shares of £0.01 each	193	193
	<u>193</u>	<u>193</u>

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

15 Financial instruments

15 (a) Fair values of financial instruments

The Company's financial instruments include trade and other receivables, trade and other payables, cash and cash equivalents. 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, trade and other payables, and cash

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

Derivative financial instruments

The Company has no derivative financial instruments.

15 (b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables and contract assets from customers, and investment securities.

Trade Receivables and contract assets: 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 reporting 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 statement of financial position.

It is mitigated by rigorous credit control, including the regular review of credit limits utilising data from credit agencies and the Company's own financial and marketing intelligence.

The Company is, therefore, confident that those debts (both not yet due and past due) and contract assets for which there is no provision, will be recovered in the forthcoming year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Financial instruments (continued)

15 (b) Credit risk (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on average days past due for all customers. The calculation reflects the probability and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off where indicators convey that there is no reasonable expectation of recovery. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

15 (c) Liquidity risk

Financial risk management

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

Liquidity is managed on a Group basis and the Group finances its operations through a mixture of cash from retained profits and bank borrowings. The Group ensures that there are sufficient funds to meet the expected funding requirements of the Group's operations and investment opportunities, through financial planning and budgetary procedures and ongoing monitoring and management of its liquidity position.

15 (d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments

Interest expense reflects the cost of the Company's borrowings. Interest income arises from investment of cash and short-term deposits held by the company. Interest rate risk is managed by monitoring market rates to ensure that optimal returns are achieved and the Company has taken out an interest rate cap to hedge against a significant increase in interest rates.

The Company predominately operates within the UK and therefore the risks to movement in foreign exchange rates are not significant. Exchange rate is managed through the use of foreign currency bank accounts where foreign payments and receipts are transacted creating a natural hedge.

15 (e) Capital management

The Company's objectives when managing capital (includes transactions with owners), equity and borrowings, is to safeguard the Company as a going concern and provide returns for the shareholders and other stakeholders by maintaining an optimal capital structure. The Company's overall strategy remains unchanged from the prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings	
	2019 £000	2018 £000
Less than one year	-	365
Between one and five years	-	1,417
More than five years	-	939
	<u>-</u>	<u>2,721</u>

Following the adoption of IFRS 16, the commitments are held by immediate parent company TransUnion Information Group Limited. During the year £55k was recognised as an expense in the profit and loss in respect of operating leases (2018: £365k).

17 Commitments*Capital commitments*

There are no capital commitments at the end of the financial year for which provision has been made.

18 Related parties

At the balance sheet date, TransUnion is the ultimate parent company incorporated in the United States of America. The allowable exemption under FRS101 not to disclose related party transactions between wholly owned members of the same group has been taken.

19 Ultimate parent company and parent company of larger group

At the balance sheet date, the Company was a subsidiary undertaking of TransUnion, which was the ultimate parent company, incorporated in the United States of America.

The immediate parent company is TransUnion Information Group Limited.

The smallest and the largest group in which the results of the Company are consolidated are that headed by TransUnion, incorporated in the United States of America. The consolidated financial statements are available to the public and may be obtained from <https://investors.transunion.com/financials>.

20 Transaction

On 28 February 2019, Callcredit Marketing Limited sold the business and certain assets of Geographical Modelling and Planning (GMAP) and the MVPlus geographical information system (GIS) business to GMAP Analytics Limited (formerly Hamsard22 Limited) in exchange for cash consideration of £114,209. This resulted in a £nil gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Post Balance Sheet Events

Since 31 December 2019, the consequences of COVID-19 have impacted the original 2020 forecast. The directors have implemented a comprehensive strategy to address the impact of COVID-19. As described in the Strategic Report, the directors have carefully considered the potential impacts when evaluating the continued use of going concern basis of preparation. The COVID-19 outbreak subsequent to the year end is a non-adjusting event for these accounts. The directors currently do not expect any impairment to the carrying value of assets as a result of COVID-19 but if this changes then any impairment would fall to be recorded in the 2020 result.