

XIT2 Limited

Directors' report and financial statements

Registered number 3469861

For the year ended

31 December 2012

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Directors and advisors

Company number	3469861 (England and Wales)
Directors	R Pimenta S Richards
Secretary	R Pimenta
Registered Office	5 Fleet Place London EC4M 7RD
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Bankers	HSBC Bank Plc 70 Pall Mall London SW1Y 5EZ
Solicitors	Charles Russell LLP 5 Fleet Place London EC4M 7RD

Directors' report

The directors presents their directors' report and financial statements for the year ended 31 December 2012

Principal activities

The principal activities of the company are as an agent for the provision of valuation information to mortgage lenders, development and maintenance of website solutions relating to the management of property repossessions and to the house conveyancing market including support thereof to customers

Business Review

The result of the company is shown on page 7 Following the XIT2 group consolidation on 1 December 2011 these accounts represent a full year of trading The company made a profit after tax of £1,121,967 (*2011 profit of £1,154,259*)

Principal risks and uncertainties

The director considers that the principal risks and uncertainties faced by the company are in the following categories

Economic risk

- The risk of interest rates and/or inflation having an adverse impact on markets
- The risk of an unrealistic increase in operating costs impacting adversely on competitiveness

These risks are managed by due consideration of the interest rate environment and strict cost controls

Market risk

The directors manage market risk through careful attention to residential and commercial property markets and through innovative product design and pricing

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk

Proposed dividend

During the year the directors recommended the payment of a dividend totalling £nil (*2011 £548,658*)

Political and charitable contributions

The company made no political or charitable donations or incurred any political expenditure during the year or the previous year

Directors

The directors currently holding office are shown on page 1

The directors who held office during the year are as follow

S Pearce (*resigned 5 October 2012*)

A Lloyd (*resigned 31 July 2012*)

R Pimenta (*appointed 29 August 2012*)

S Richards (*appointed 29 August 2012*)

Directors' report *(continued)*

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 aware, there is no relevant audit information of which the company's auditor is unaware, and the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

During the year, KPMG Audit Plc resigned as auditor and on 31 January 2013 KPMG LLP was appointed

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

By order of the board,



R Pimenta
Director

5 Fleet Place
London
EC4M 7RD

2 May 2013

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 UK 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

15 Canada Square
London
E14 5GL
United Kingdom

Independent auditor's report to the members of XIT2 Limited

We have audited the financial statements of XIT2 Limited for the year ended 31 December 2012 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of director and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of XIT2 Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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



Nigel Harker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

2 May 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £	2011 £
Turnover	<i>1,2</i>	1,520,259	116,117
Cost of Sales		(138,516)	-
Gross Profit		1,381,743	116,117
Other income		-	964,184
Administrative expenses		(967,604)	(1,428,488)
Operating profit (loss)	<i>3</i>	414,139	(348,187)
Income from investments in group undertakings		284,068	1,444,671
Profit on ordinary activities before taxation		698,207	1,096,484
Tax on profit on ordinary activities	<i>5</i>	423,760	57,775
Profit for the financial period	<i>14</i>	1,121,967	1,154,259

There were no discontinued operations during the current or preceding periods. The results of acquisitions are included in the results of continuing operations above.

The company had no recognised gains or losses during the current or preceding periods other than the profit for those periods.

Reconciliation of movements in shareholder's deficit
for the year ended 31 December 2012

	2012 £	2011 £
Profit for the financial period	1,121,967	1,154,259
Opening shareholder's deficit	(386,455)	(992,056)
Distribution to shareholder	-	(548,658)
Closing shareholder's fund (deficit)	735,512	(386,455)

Balance Sheet
at 31 December 2012

	<i>Note</i>	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	7		-		3,572
Tangible assets	8		-		20,840
Investments	9		2,137		2,137
			<hr/>		<hr/>
			2,137		26,549
Current assets					
Debtors	10	3,402,528		3,565,313	
Cash at bank and in hand		733,404		883,890	
		<hr/>		<hr/>	
		4,135,932		4,449,203	
Creditors' amounts falling due within one year	11	(3,402,557)		(4,812,207)	
		<hr/>		<hr/>	
Net current assets /(liabilities)			733,375		(363,004)
			<hr/>		<hr/>
Total assets less current liabilities			735,512		(336,455)
Provision for liabilities	12		-		(50,000)
			<hr/>		<hr/>
Net assets /(liabilities)			735,512		(386,455)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	13		166		166
Profit and loss account	14		735,346		(386,621)
			<hr/>		<hr/>
Shareholder's funds/ (deficit)			735,512		(386,455)
			<hr/>		<hr/>

These financial statements were approved by the board of directors on
signed on its behalf by

2 May

2013 and were



R Pimenta
Director

Company number 3469861

The notes on pages 9 to 17 form an integral part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Decision Insight Information Group (Europe) Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances which form part of the group (or investees of the group qualifying as related parties)

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts

Revenue is recognised when the Company has the right to the consideration, where the significant risk and rewards of ownership of the goods or provision of service has passed to the customer who has accepted the sales price and the receipt of payment can reasonably be assured

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Computer equipment	-	33% cost
Fixtures and fittings	-	25% cost
Leasehold improvements	-	17% cost

Intangible fixed assets

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over its useful economic life

The cost of intellectual property acquired from third parties has been capitalised and is being written off in equal annual instalments over its estimated useful economic life

Notes (continued)

1 Accounting policies (continued)

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account as incurred.

Post retirement benefits

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Investments

Investments are held at the lower of cost and net realisable value, less any impairment.

Other income

Other income comprises amounts charged to other group companies for services provided during the year.

Notes (continued)

1 Accounting policies (continued)

Going concern

At the date of the balance sheet the directors have carried out a detailed and comprehensive review of the business and its future prospects. In particular they have considered the future performance and anticipated cash flows and in the opinion of the directors the company is expected to be able to continue trading within the current arrangement and consequently the financial statements have been prepared on a going concern basis.

2 Turnover

All turnover and operating profit are derived from the same segment, that of the provision of support for property transactions. All turnover and operating was generated from sales within the United Kingdom.

3 Operating profit/(loss)

	2012 £	2011 £
<i>This is stated after charging/(crediting)</i>		
Depreciation and amortisation of owned assets	20,840	105,733
Amortisation of intangible assets	3,572	14,286
Management recharges	420,524	(964,184)
	<u>424,936</u>	<u>(844,165)</u>
	2012 £	2011 £
<i>Amounts paid to auditors is made up of the following</i>		
Auditors' remuneration and expenses	24,383	10,000
Other services provided	11,381	4,000
	<u>35,764</u>	<u>14,000</u>

4 Staff numbers and costs

The average number of persons employed by the company during the period was 8 (2011: 16)

The aggregate payroll costs of these persons were as follows

	2012 £	2011 £
Wages and salaries	278,088	605,483
Social security costs	32,984	54,344
Other pension costs	17,232	-
	<u>328,304</u>	<u>659,827</u>

Directors' remuneration was borne by another group company during the year

Notes (continued)

5 Taxation on profit on ordinary activities

	2012 £	2011 £
<i>Current tax</i>		
Current tax credit for the year	-	(57,775)
Total current taxation	-	(57,775)
<i>Deferred tax</i>		
Recognition of tax assets arising from prior periods	(423,760)	-
Total deferred tax (see note 6)	(423,760)	
Tax on profit on ordinary activities	(423,760)	(57,775)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2011 lower) than the standard rate of corporation tax in the UK 24% (2011 26%). The differences are explained below

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	698,207	1,096,484
Current tax at 24% (2011 26%)	167,570	285,086
<i>Effects of</i>		
Expenses not deductible for tax purposes	5,412	5,262
Depreciation for the period in excess of capital allowances	5,106	27,491
Non taxable dividend income	(68,176)	(375,614)
Utilised tax losses brought forward	(109,912)	-
Total current tax charge/(credit) (see above)	-	(57,775)

A reduction in the UK Corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly

Notes (continued)

6 Deferred tax asset

	2012 £	2011 £
At 1 January	-	-
Credited during the year	423,760	-
	<hr/>	<hr/>
At 31 December (see note 5)	423,760	-
	<hr/>	<hr/>

	2012 £	2011 £
<i>Deferred tax asset is made up as follows</i>		
Tax losses brought forward	329,845	-
Unutilised capital allowances	93,915	-
	<hr/>	<hr/>
At 31 December (see note 5)	423,760	-
	<hr/>	<hr/>

7 Intangible fixed assets

	Intellectual property £
<i>Cost</i>	
At 1 January 2012	100,001
	<hr/>
At 31 December 2012	100,001
	<hr/>
<i>Amortisation</i>	
At 1 January 2012	96,429
Charge for the period	3,572
	<hr/>
At 31 December 2012	100,001
	<hr/>
<i>Net book value</i>	
At 31 December 2012	-
	<hr/>
At 31 December 2011	3,572
	<hr/>

Notes (continued)

8 Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Leasehold Improvements £	Total £
<i>Cost</i>				
At 1 January 2012	327,999	29,475	82,817	440,291
Disposal	-	-	(82,817)	(82,817)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	327,999	29,475	-	357,474
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2012	307,159	29,475	82,817	419,451
Charge for the period	20,840	-	-	20,840
Disposal	-	-	(82,817)	(82,817)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	327,999	29,475	-	357,474
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2012	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	20,840	-	-	20,840
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

9 Fixed asset investments

	Unlisted £
<i>Cost</i>	
At 1 January 2012	2,137
	<hr/>
As at 31 December 2012	2,137
	<hr/>

As at the balance sheet date the company held the following investments in subsidiary undertakings

Company	Holding	Nature of business	Country of incorporation
Conveyancing Portal Limited	100% ordinary £1 shares	Dormant	England & Wales
The Repossession Exchange Limited	100% ordinary £1 shares	Dormant	England & Wales
The Valuation Exchange Limited	100% ordinary £1 shares	Dormant	England & Wales
Exchange IT Limited	100% ordinary £1 shares	Dormant	England & Wales
The Conveyancing Exchange Limited	100% ordinary £1 shares	Dormant	England & Wales
The HIP Exchange Limited	100% ordinary £1 shares	Dormant	England & Wales
The SIP Exchange Limited	100% ordinary £1 shares	Dormant	England & Wales

	Aggregate capital and reserves £	Profit for the year £
Conveyancing Portal Limited	4,287	-
The Repossession Exchange Limited	119,899	-
The Valuation Exchange Limited	100	-
Exchange IT Limited	1	-
The Conveyancing Exchange Limited	100	-
The HIP Exchange Limited	2	-
The SIP Exchange Limited	1	-
	<hr/>	<hr/>

10 Debtors

	2012 £	2011 £
Trade debtors	1,768,790	2,767,925
Amounts due from group companies	1,208,027	734,741
Other debtors	-	56,736
Prepayments and accrued income	1,951	5,911
Deferred tax asset	423,760	-
	<hr/>	<hr/>
	3,402,528	3,565,313
	<hr/>	<hr/>

Notes (continued)

11 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	2,606,678	3,753,276
Amounts owed to group companies	400,369	636,998
Taxation and social security	121,890	21,697
Other creditors	197,280	288,412
Accruals and deferred income	76,340	111,824
	<u>3,402,557</u>	<u>4,812,207</u>

12 Provisions for Liabilities

	Dilapidation provision £
Balance at 1 January 2012	50,000
Release	(50,000)
	<u>-</u>
Balance at 31 December 2012	-

13 Share capital

	2012 £	2011 £
<i>Allotted, issued and fully paid</i>		
16,563 ordinary shares of 1p each	166	166
	<u>166</u>	<u>166</u>

14 Reserves

	Profit and loss account £
Balance at 1 January 2012	(386,621)
Profit retained for the period	1,121,967
	<u>735,346</u>
Balance at 31 December 2012	735,346

15 Pension Commitments

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £17,232 (2011 £nil). There were no amounts included within accruals or prepayments at the year end (2011 £nil).

16 Commitments under Operating Leases

The company had annual commitments under non-cancellable operating leases as detailed below

	Land and Buildings	
	2012	2011
	£	£
<i>Operating leases which expire</i>		
Less than 1 year	-	100,000
	<hr/>	<hr/>
	-	100,000
	<hr/>	<hr/>

17 Parent undertakings and ultimate parent undertakings

The immediate parent company is Decision Insight Information Group (UK) Limited, a company incorporated in England and Wales. Copies of the accounts are available from 42 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4AJ.

The directors regard Property Data Holdings, L.P. whose principle location of business is in the Cayman Islands, as the ultimate parent entity and the ultimate controlling party.

The smallest group in which the results and the company are consolidated is headed by Decision Insight Information Group (Europe) Limited. The consolidated financial statements are available from 42 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4AJ.

The largest group in which the results of the company are consolidated is headed by Property Data Holdings Ltd. The consolidated financial statements of Property Data Holdings Ltd are not available to the public.