

TransUnion International UK Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2021

(Registered Number 03961870)



CONTENTS

	Page
STRATEGIC REPORT	3
DIRECTORS' REPORT	12
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS	16
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALLCREDIT MARKETING LIMITED	17
STATEMENT OF COMPREHENSIVE INCOME	20
STATEMENT OF FINANCIAL POSITION	21
STATEMENT OF CHANGES IN EQUITY	22
NOTES TO THE FINANCIAL STATEMENTS	23

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2021.

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

The Business Model

TransUnion International UK Limited ("the Company") is a leading UK risk and information solutions provider to businesses and consumers. The company provides consumer data, reports, risk scores, analytical services and decisioning capabilities to businesses. Businesses embed our solutions into their process workflows to identify and acquire new customers, assess consumer ability to pay for services, identify cross-selling opportunities, measure and manage debt portfolio risk, collect debt, verify consumer identities and investigate potential fraud. Consumers use our solutions to view their credit profiles and access analytical tools that help them understand and manage their personal information and take precautions against identity theft. We are differentiated by our comprehensive and unique datasets, our next-generation technology and our analytics and decisioning capabilities, which enable us to deliver insights across the entire consumer lifecycle.

For the year ended 31 December 2021, the Company generated revenues of £152.2 million (2020: £130.8 million) and operating profits of £37.3 million (2020: £29.7 million). Revenues have increased this year as the volume of credit searches rose and the Company provided solutions to the NHS to help it deal with the impact of the global pandemic. Operating profits have also increased as the Company has taken a prudent approach to discretionary spending. The Company continues to see positive benefits from the roll out of globally successful products and alignment to the global operating model following its acquisition by TransUnion in 2018 and this has enabled the Company to continue to invest in both its technology and employees.

Objectives and Strategies

The Company operates in market segments which offer significant growth opportunities, driven by 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 Company 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 and consumer service level, expand its "go to market" capabilities and upgrade its operational infrastructure to enable the business to scale effectively. The Company also continues to invest significantly in measures to prevent, detect and address information security risks to its business.

The Board of directors' statement of compliance on s172(1) Companies Act 2006

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.

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement of compliance on s172(1) Companies Act 2006 (continued)

The Board 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 is led by an independent, non-executive Chair who has extensive experience of other FCA regulated entities. The other board members comprise: an external non-executive director, the Chief Executive Officer ("CEO") for the UK, the Chief Financial Officer ("CFO") for the UK, the General Counsel for the UK and International division ("GC"), the CEO for the International division of TransUnion and the CFO for the International division of TransUnion. During the year the Board established an Audit, Risk and Compliance Committee (ARC) to increase in-depth focus in these areas. The CFO for the International Division is the Chair of the ARC, and its members include both the non-executive directors. The Board and the ARC both meet at least quarterly and at other times as required. In addition to these scheduled board meetings, the wider UK senior management team, known as the Executive Committee ("ExCo") and which includes the UK CEO, CFO and GC meets weekly. The ExCo meetings receive updates 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's 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.

Customers and Consumers

For these purposes we define Customers as the business users of our financial products and services; Consumers are 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. Our products support responsible interactions between customers and consumers (their customers), environmentally and socially sustainable outcomes, and financial literacy.

Our processes ensure data is secure and only used in ways that comply with legislation and for the intended purposes. Our product development and change management processes are designed to ensure we assess the impact of our solutions on end consumers and that our solutions support our customers in their achievement of fair outcomes for all consumers.

We strive to ensure that our own direct interactions with consumers are executed via customer service standards that respond flexibly and appropriately to the needs of consumers, treat them fairly and provide support as needed to those who are vulnerable. We are proactively assessing the FCA's new Consumer Duty requirements which are due to come into force in early 2023 to ensure we take these into account appropriately both in our solutions and our interactions with consumers.

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement of compliance on s172(1) Companies Act 2006 (continued)

Customers and Consumers (continued)

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.	<p>Our directors receive 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 offering and service for them.</p> <p>We hold client advisory boards to discuss key topics with our customers and understand how we can better meet their needs.</p> <p>We conduct an annual and in-depth customer survey.</p> <p>The vast majority of employees have improvement of the Net Promoter Score as one of their objectives, demonstrating our commitment to improving the customer experience.</p>	<p>The Board regularly discusses customer needs, preferences and concerns and considers 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 also monitors its customer feedback through an in depth survey. As a result, a primary metric which the Board considers is the 'Net Promoter Score'. For 2021, the Company achieved 41 (2020: 29). The scale operates between -100 to +100. For 2022, the Company is aiming for 48.</p> <p>The Board monitors and reviews developments concerning changes to our IT platforms which will allow us to simplify and support service delivery to our customers.</p> <p>During 2021 our key products included:</p> <ul style="list-style-type: none"> • The Open Banking platform that helps businesses make better informed lending decisions and serve consumers quickly with appropriate offers; • TrueVision, a trended data solution that uses new customer insights to transform the way finance providers understand and evaluate their customers ; and • CreditView, which gives lenders an array of tools to help improve consumers' financial knowledge and planning. <p>During the COVID-19 pandemic, the Sales professionals, under the direction of the Board, developed new solutions for government bodies to help them verify the identity of applicants for the job retention scheme and the COVID-19 testing regime. The Company also delivered a vaccination passport through the NHS App.</p>

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement of compliance on s172(1) Companies Act 2006 (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 2021	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>Our engagement with employees is based upon the following principals:</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 and; • We recognise the need for a healthy work/life balance. <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. The results of employee engagement surveys are shared with the Board who hold management accountable for delivering on agreed actions.</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 reviewed by the Board, are available through our website. These demonstrate that the gender pay gap is reducing over time. We have metrics in place against which progress is regularly monitored.</p> <p>A diversity & inclusion training programme was provided for all employees during the year.</p> <p>The safety and wellbeing of our employees is paramount. Following the COVID 19 pandemic we implemented a flexible return to office programme in line with government guidelines which is now being expanded for 2022 allowing employees to achieve a balance of home and office working which is right for them.</p> <p>Mandatory mental health training was rolled out to all employees.</p> <p>Wellbeing days off given to all employees.</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 2021	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 an 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, functional 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 Company and the UK Group holding companies.</p>	<p>Progression against the strategic plan as demonstrated by business growth (revenue and operating income performance against targets).</p> <p>During 2020 and 2021 the legal entity structure in the UK has been simplified so that the majority of all UK trade is now conducted through the Company.</p>

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement of compliance on s172(1) Companies Act 2006 (continued)

Suppliers and Outsourced Services

Our Suppliers are fundamental to delivering the Company's strategy which is why we nurture our key supplier relationships and work in partnership with them to unlock value, streamline processes whilst reducing risk of failure and non-compliance to regulations which all come together to create industry leading products/solutions.

The Company has taken the decision to outsource the provision of a select number of services. We work with these outsource providers closely to ensure that the best outcomes for our customers can be achieved by fostering mutually beneficial partnerships.

Key topics of engagement	How we engaged in 2021	Considerations and outcomes
<ul style="list-style-type: none"> • Due diligence; • Business/partnership opportunities; and • Ongoing supplier relationship and performance management. 	<p>The Board oversees senior management activity to ensure the activities noted below are completed.</p> <p>Due diligence is performed before new suppliers are on boarded.</p> <p>A supplier code of conduct is in place. All suppliers are expected to self-monitor their compliance with our supplier code of conduct and to inform us of any non-compliance. The Company further requires that suppliers segmented as Strategic or Important conduct an annual self-certification.</p> <p>We have developed a process to identify those services which meet the FCA's definition of a 'material outsourced service' and these are reported to the regulator and monitored appropriately</p>	<p>The Group Procurement team monitors 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 and escalated to the ARC as necessary.</p> <p>The Compliance team ensures that the Board and ARC have visibility of the performance of the material outsourced services on a regular basis.</p>

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement of compliance on s172(1) Companies Act 2006 (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 and regulators.

Key topics of engagement	How we engaged in 2021	Considerations and outcomes
<p>Key areas are:</p> <ul style="list-style-type: none"> • Compliance with regulation; • Governance and sustainability; • Management and advocacy; and • Business Practices. 	<p>The Board oversees senior management activity to ensure appropriate and timely engagements with the regulators.</p> <p>The Company actively engages with all relevant regulators including in particular Her Majesty's Treasury (HMT), the Financial Conduct Authority ("FCA") and the Information Commissioner's Office ("ICO").</p> <p>FCA Engagement</p> <p>During 2021 the Company engaged with the FCA on the following topics; (i) the FCA's Credit Information Market Study; and (ii) the introduction of buy now pay later data onto credit reports.</p> <p>As an important participant in the proper functioning of financial markets and provision of fair outcomes for consumers, the Company has been actively engaged with the FCA throughout the Coronavirus pandemic. The Company provided detailed updates on its business continuity plans, as well as frequent updates on its financial and operational resilience. As part of the operational resilience work the Company has identified its Important Business Services which are closely monitored to ensure they remain within risk appetite.</p> <p>ICO engagement</p> <p>In 2021, the Company actively engaged with the ICO's Relationship Management Service and held discussions in respect of a range of topical items, including the ICO's response to the CJEU ruling in <i>Schrems II</i>. With this being a matter of significant interest, the Company also contributed to the ICO's October 2021 consultation on International Transfers under UK GDPR.</p> <p>In addition, the Company participated in a follow up to the ICO's 2018 marketing services audit.</p> <p>Government Engagement</p> <p>As part of the Government's consultation on the National Data Strategy, we have included proposals to change the UK data protection regime so that it will: "Support vibrant competition and innovation to drive economic growth".</p>	<p>The Company completed all its regulatory and compliance reporting to the relevant bodies on a timely basis.</p> <p>The Board has kept abreast of the impact of changing regulations and political environment on the business. The Board also reviews and, where necessary, approves any material interaction with the Company's regulators including in particular the FCA and the ICO. The Board's view is taken into account in those interactions.</p>

STRATEGIC REPORT (CONTINUED)

The Board of directors' statement of compliance on s172(1) Companies Act 2006 (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 2021	Considerations and outcomes
Reducing the impact of the Company on the environment	Overseen by the Board, the Company's Corporate Responsibility Forum continues to engage employees in the wider sustainability agenda including minimising our environmental impact focusing on reducing our energy & resource use	<p>We are certified to ISO14001, the international best practice for Environmental Management.</p> <p>We have kept our carbon intensity level low through increased efficiencies in our Facilities and IT systems.</p> <p>We have active programmes to reduce waste, increase recycling and cut carbon.</p> <p>The Company has procured a green energy tariff covering our main UK building.</p>
We strive to expand economic inclusion for all communities, providing the foundation for enhanced quality of life	<p>We value our people & communities and work diligently to provide expanded opportunities in and outside the workplace.</p> <p>All employees are eligible for three paid volunteer days each year to support our communities. This has increased to three days for 2022.</p> <p>Our employees choose an annual charity to fundraise for.</p> <p>Employees fundraising for any registered charity are eligible for our charity matched funding.</p>	<p>Charitable donations are referenced in the Directors' Report.</p> <p>The UK Charity of the Year was Save the Children.</p> <p>Due to the restrictions on employee fundraising due to the pandemic we opened up a grant funding round for employees to apply for financial support for local charities</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 identification, 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 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 global and UK economies faces additional uncertainty arising from the macro-economic impact of the war in Ukraine.

- 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. Acting as responsible stewards of data, including accuracy and privacy of 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 third parties, 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 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. Failure of third parties to uphold the Company's standards of performance, value and ethics has the potential to impact the provision of high-quality products and the fair treatment of consumers.

- 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 is regulated by the Financial Conduct Authority ("FCA") and, 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 2019 is overseen by the Information Commissioner's Office ("ICO"). Both the FCA and the 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.

STRATEGIC REPORT (CONTINUED)

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.

Corporate and Social Responsibility

The Company is part of a wider UK Group which has made a significant investment in its corporate and social responsibility and is in a position to leverage its expertise to promote sustainable practices, fostering business practices that will drive environmental and social benefit.

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.

Future developments and Post Balance Sheet Events

The directors are confident in the general level of activity in the forthcoming year and is expected to be above the levels achieved in 2021. As such, the external commercial environment is expected to remain competitive for the remainder of 2022 and 2023. The Company has a well balanced portfolio of clients and products which give the directors long term confidence of the Company's ability to trade profitably in the future.

There have been no significant or material events since the balance sheet date.

Going Concern Basis

The financial forecasts prepared by the directors continue to show the Company increasing revenues and profits, while continuing to generate cash to meet its financial obligations and continue to enable it to invest in infrastructure.

The Company has no external debt and no financial covenants. Additionally, no security or charges have been granted by the company that need to be registered at Companies House. The company meets its day to day working capital requirements from its cash reserves (£33.0m at 31 December 2021). There is a very strong correlation between profits and net cash inflow and on a number of key customer contracts the business has negotiated payment in advance as is evidenced by the level of deferred income (£24.9m at 31 December 2021).

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 financial forecasts prepared by the directors, including consideration of severe but plausible downside sensitivities, 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 financial statements. As such the directors 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 11th July 2022 and signed on its behalf by:

On behalf of the board

DocuSigned by:

8409E3988BEC421...
M E Horsey

Director

23 August 2022

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

Directors

The directors who held office during the year and up to the date of signing of these financial statements were as follows:

D Gilbert	
M E Horsey	
D Neenan	(Resigned 8 Sep 2021)
S Saha	
W J Flynn	
J G Baum	(Resigned 30 Nov 2021)
M Cronin	
T C Skinner	(Appointed 15 Nov 2021)
A Rendle	(Appointed 16 May 2022)

W J Flynn, D Gilbert, M E Horsey and S Saha were also directors of the Company's immediate parent undertaking, TransUnion Information Group Limited during the year. D Neenan was also a director of the Company's immediate parent undertaking, TransUnion Information Group Limited until 8 September 2021.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Dividends

The directors have not declared any dividends during the year. In 2020 the directors declared a dividend of £50,000,000. This was settled by reducing the value of the intercompany loan held with the parent, TransUnion Information Group Limited, to the Company. The directors do not recommend the payment of a final dividend (2020 £nil).

Employees

The Company is committed to providing a diverse and inclusive workplace where there is opportunity for all employees to reach their potential. Inclusivity and equality of opportunity is integral to the recruitment process and continues throughout the duration of employment. Applications for employment by disabled persons are always fully considered and the Company makes adjustments as required to ensure those with both visible and invisible disabilities are treated fairly. 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.

Employee consultation

The TU 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.

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 2021, there were 6 days (2020: 13 days) purchases in trade creditors.

Political and charitable contributions

The Company made no political contributions (2020: £nil) during the year. The UK Group made donations to charities amounting to £30k (2020: £13k).

DIRECTORS' REPORT (CONTINUED)

Streamlined Energy and Carbon Report (SECR)

UK energy use and associated greenhouse gas emissions

Current and historic UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those assets owned or controlled within the UK only as defined by the operational control boundary, with the mandatory inclusion of scope 3 business travel in employee-owned vehicles (grey fleet). Consequently, energy use and emissions are not included for the Lithuania office or any non-UK based subsidiaries.

Reporting period

The annual reporting period is 1 January to 31 December each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Briar Consulting Engineers Limited.

Electricity and gas consumption were based on meter readings, while mileage expense records were used to calculate energy and emissions associated with grey fleet. No company owned vehicles are used. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

	2021	2020*
Mandatory requirements:		
Gas	1,239,561	1,136,604
Purchased electricity	1,894,280	2,041,169
Transport fuel	40,350	48,944
	<u>3,174,191</u>	<u>3,226,717</u>

* 2020 energy use has been revised following correction of gas energy figures.

DIRECTORS' REPORT (CONTINUED)

Breakdown of emissions associated with the reported energy use (tCO₂e)

	2021	2020*
Mandatory requirements:		
<u>Scope 1</u>		
Gas	227.0	208.2
Transport – Company owned vehicles	0.0	0.0
<u>Scope 2</u>		
Electricity (location based)	402.2	433.4
<u>Scope 3</u>		
Category 6: Business travel (employee-owned vehicles)	9.9	12.0
Total gross emissions (mandatory)	639.1	653.6
<u>Intensity ratio (mandatory requirements only)</u>		
Tonnes of CO ₂ e per million-pound turnover	4.2	4.6
Tonnes of CO ₂ e per employee	1.0	1.1
Voluntary requirements:		
<u>Scope 3</u>		
Category 3: Fuel- and energy- related activities	188.5	196.8
Category 4: Waste generated in operations	0.2	0.6
Category 6: Business travel (air and rail)	21.0	646.0
Total gross emissions (voluntary)	209.7	843.4
Total gross emissions (mandatory & voluntary)	848.8	1,497.0
<u>Intensity ratio (mandatory & voluntary requirements)</u>		
Tonnes of CO ₂ e per million-pound turnover	5.6	10.5
Tonnes of CO ₂ e per employee	1.4	2.4

* 2020 emissions and intensity ratios have been revised following corrected gas energy figures.

Intensity Ratio

Intensity ratios are calculated based on turnover and average employee numbers using gross carbon dioxide equivalent emissions. These ratios reflect the business activities of the Group and provide comparison of performance over time and across different organisations. The 2018 Regulations define certain emissions as mandatory for inclusion within the report, so ratios are calculated to reflect both the combined mandatory and voluntary emission total and for mandatory emissions only to allow for like for like comparisons with other organisations.

Energy efficiency action during current financial year

In the period 1 January to 31 December 2021, the Group continued the rollout of LED lighting upgrades and new fan coil units at the Leeds office. Energy savings have not been estimated as a result of this programme.

DIRECTORS' REPORT (CONTINUED)

Principal Risks and Uncertainties

Principle risks and uncertainties are discussed within the Strategic report on page 9 in accordance with the provisions of s414C (11) of the Companies Act 2006.

Going Concern

Going Concern is discussed within the Strategic report on page 10 in accordance with the provisions of s414C (11) of the Companies Act 2006.

Research and Development

Research and Development is discussed within the Strategic report on page 10 in accordance with the provisions of s414C (11) of the Companies Act 2006.

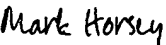
Future developments and Post Balance Sheet Events

Future developments and post balance sheet events is discussed within the Strategic report on page 11 in accordance with the provisions of s414C (11) of the Companies Act 2006.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the independent auditors PricewaterhouseCoopers LLP, will continue as the Company's auditors and have confirmed their willingness to be appointed as Company independent auditors for the year ending 31 December 2022.

On behalf of the board

DocuSigned by:

6409E398BBEC421...

M E Horsey
Director
One Park Lane
Leeds
LS3 1EP

23 August 2022
Company registered number: 03961870

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual report and financial statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

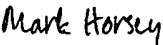
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

DocuSigned by:

8409E398BBEC421...

M E Horsey
Director
One Park Lane
Leeds
LS3 1EP

23 August 2022

Independent auditors' report to the members of TransUnion International UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, TransUnion International UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the members of TransUnion International UK Limited (continued)

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the general data protection regulation ('GDPR'), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- testing accounting estimates that we deemed to present a risk of material misstatement, including assessing the data, methods and assumptions applied by management in the development of each estimate and applying unpredictability in our testing;
- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations, unusual words or phrases in the journal description and entries posted by unexpected users; and
- reviewing the financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

Independent auditors' report to the members of TransUnion International UK Limited (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
23 August 2022

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Revenue	2	152,207	130,793
Cost of sales		(21,018)	(12,854)
Gross profit		131,189	117,939
Administrative expenses		(93,916)	(88,257)
Operating profit	3	37,273	29,682
Finance income	6	42	2,876
Finance expenses	7	(361)	(627)
Net finance (expenses) / income		(319)	2,249
Profit before tax		36,954	31,931
Tax on profit	8	(2,264)	(2,270)
Profit for the financial year		34,690	29,661
Other comprehensive income			
Dividend in specie received		-	25,530
Total comprehensive income for the year		34,690	55,191

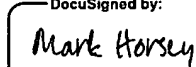
The notes on pages 23 to 43 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Non-current assets			
Property, plant and equipment	9	15,525	18,283
Intangible assets	10	34,414	31,578
Deferred tax assets	11	1,239	1,113
Trade and other receivables	13	30,465	-
		<u>81,643</u>	<u>50,974</u>
Current assets			
Trade and other receivables	13	165,660	215,884
Cash and cash equivalents	14	33,043	34,898
		<u>198,703</u>	<u>250,782</u>
Total assets		<u><u>280,346</u></u>	<u><u>301,756</u></u>
Non-current liabilities			
Trade and other payables	15	6,907	6,602
		<u>6,907</u>	<u>6,602</u>
Current liabilities			
Trade and other payables	15	74,381	132,459
		<u>74,381</u>	<u>132,459</u>
Total liabilities		<u>81,288</u>	<u>139,061</u>
Equity			
Share capital	17	200	200
Share premium		13,338	13,338
Merger reserve		(5,379)	(5,379)
Retained earnings		190,899	154,536
Total equity		<u>199,058</u>	<u>162,695</u>
Total equity and liabilities		<u><u>280,346</u></u>	<u><u>301,756</u></u>

The financial statements on pages 20 to 43 were approved by the Board of Directors on 23 August 2022 and signed on its behalf by:

DocuSigned by:

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M E Horsey
 Director

Company registered number: 03961870

The notes on pages 23 to 43 form part of these financial statements.

Statement of Changes in Equity

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	200	-	(5,379)	148,700	143,521
Profit for the year	-	-	-	29,661	29,661
Other comprehensive income for the year	-	-	-	25,530	25,530
Total comprehensive income for the year	-	-	-	55,191	55,191
Transactions with owners, recorded directly in equity					
Parent capital contribution	-	-	-	645	645
Issue of shares	-	13,338	-	-	13,338
Dividends	-	-	-	(50,000)	(50,000)
Total transactions with owners	-	13,338	-	(49,355)	(36,017)
Balance at 31 December 2020	200	13,338	(5,379)	154,536	162,695

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2021	200	13,338	(5,379)	154,536	162,695
Profit for the year	-	-	-	34,690	34,690
Total comprehensive income for the year	-	-	-	34,690	34,690
Transactions with owners, recorded directly in equity					
Parent capital contribution	-	-	-	1,673	1,673
Total transactions with owners	-	-	-	1,673	1,673
Balance at 31 December 2021	200	13,338	(5,379)	190,899	199,058

The notes on pages 23 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

TransUnion International UK Limited (the "Company") is a private company incorporated, domiciled, limited by shares and registered in the United Kingdom under the Companies Act 2006. The registered number is 03961870 and the registered address is One, Park Lane, Leeds, West Yorkshire, LS3 1EP.

The financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using United Kingdom Accounting Standards, including Financial Reporting Standards ('FRS') 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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

The financial statements contain information about TransUnion International UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, as it and its subsidiary undertakings 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 has taken advantage of the following disclosure exemptions under FRS101 Reduced Disclosure Framework;

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 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 transactions 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 assets
- (e) the effect of new but not effective IFRS standards
- (f) fair value measurement and financial instrument disclosures
- (g) maturity analysis of lease liabilities

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial forecasts prepared by the directors continue to show the Company increasing revenues and profits, while continuing to generate cash to meet its financial obligations and continue to enable it to invest in infrastructure.

The Company has no external debt and no financial covenants. Additionally, no security or charges have been granted by the company that need to be registered at Companies House. The company meets its day to day working capital requirements from its cash reserves (£33.0m at 31 December 2021). There is a very strong correlation between profits and net cash inflow and on a number of key customer contracts the business has negotiated payment in advance as is evidenced by the level of deferred income (£24.9m at 31 December 2021).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.2 Going concern (continued)

The financial forecasts prepared by the directors, including consideration of severe but plausible downside sensitivities, 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 financial statements. As such the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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 reporting 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.

1.4 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 ECLs 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. ECLs 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. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. The Company considers deferred revenue as customer contract liabilities and is measured by reference to fair value plus or minus any directly attributable transaction costs.

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)

1.4 Non-derivative financial instruments (continued)

Interest-bearing borrowings

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

1.5 Property, plant and equipment

Property, plant and equipment are stated in the balance sheet 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 the statement of comprehensive income.

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 or valuation 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. Fixed asset 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 and comparative periods are as follows:

Office equipment	3 - 5 years
Leasehold improvements	Remaining term of the lease
IT servers	3 - 5 years
IT equipment	3 - 5 years
Right of use assets	Shorter of UEL or lease term

Assets under construction are not depreciated. On completion they are transferred to the appropriate category and depreciation commences once placed in use.

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

1.6 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 IAS 36 Impairment of assets, 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 years, the annual charge would have been £0.2m. 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.

Internally developed software

Internally developed software comprises the product development costs of commercially exploitable systems to the extent that they are recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.6 Intangible assets and goodwill (continued)

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 their creditworthiness and to validate the identity of individuals. The costs are capitalised as development costs in accordance with IAS 38.

Purchased data assets

Purchased data assets comprise data sets purchased externally for resale on a licensed basis and incorporation into the Company's products which fulfil the IAS 38 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 over 3 - 10 years
Internally developed software	Straight line over 3 – 10 years
Software	Straight line over 3 years

Assets under construction are not amortised. On completion they are transferred to the appropriate category and amortisation commences once placed in use.

1.7 Group reconstruction

Group reorganisations for entities under common control, whereby the business of a subsidiary is transferred to the Company (a 'hive up') are accounted for using predecessor accounting in the Company's separate financial statements. Under predecessor accounting, the carrying values of the assets and liabilities transferred are not adjusted to fair value. Where the transfer is made by way of dividend of the subsidiary's business it is judged to be a return of capital, with the carrying value of the associated investment being reduced accordingly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.8 Impairment

Financial assets; Trade Receivables

Trade and other receivables as well as accrued income are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Any directly attributable costs associated with acquiring a contract that meet the IFRS 15 criteria are treated as a contract asset and amortised over the period of the contract.

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

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

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.

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 ("CGU"s). 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.8 Impairment (continued)

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 (or 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 Leases

Identifying leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Company obtains substantially all the economic benefits from use of the asset; and
- The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.9 Leases (continued)

Lease Measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantees;
- the exercise price of any purchase option granted in favour of the company if it is reasonable to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.10 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.

1.11 Provisions

A provision is recognised in the statement of financial position 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 rate that reflects risks specific to the liability and the time value of money.

1.12 Revenue

Most revenue is derived from annual contracts, where the customer commits to a minimum fee which is non-recourse. Under these contracts, customers typically consume online or batch services at an agreed fee per search / record up to the contracted minimum, and once the minimum has been exceeded the customer will be charged excess fees.

As an integrated provider of information services and software, the Company has structured its organization around geographical markets, with the United Kingdom ("UK"), United States of America ("USA") and Rest of World ("RoW") forming the principal operating segments of the Company. Over 95% of Company revenue is derived from the UK segment, and 90% of Company revenue is derived from the sale of information services.

All revenue reported in the Statement of Comprehensive Income arises from contracts with customers. Revenue is recognized 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 most customer contracts. Customer contracts do not contain any significant financing components, nor do they contain any significant obligations for returns, refunds or warranties.

1.13 Expenses

Contract costs

Costs to obtain contracts from customers relate to sales commissions paid to employees of the Company, in respect of obtaining institutional information services. Applying the practical expedient in paragraph 94 of IFRS 15, the Company recognizes these incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company would have recognized is one year or less.

No contract costs have been deferred as a result of the adoption of IFRS 15.

Finance income and expenses

Finance expenses comprise interest expense and amortised borrowing costs.

Finance income comprise interest income on funds invested and dividend income.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

1.14 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 Company 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.

1.15 Dividend income

Dividend income is recognised when the right to receive payment is established.

1.16 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

1.17 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 any estimates are recognised prospectively. Management does not deem there to be any significant estimation uncertainties requiring disclosure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Revenue

Analysis of revenue by geography:

	2021 £000	2020 £000
United Kingdom	146,846	125,412
Rest of the world	5,361	5,381
	<u>152,207</u>	<u>130,793</u>

3 Operating Profit

Operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of property, plant and equipment	6,599	6,714
Amortisation of intangible assets	8,772	10,045
Net loss on disposal of intangible assets	295	-
Auditors' remuneration – fees payable to the Company Auditors'	331	291
Auditors' remuneration – non audit services	-	-
	<u>15,997</u>	<u>17,050</u>

4 Staff numbers and costs

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

	Number of employees	
	2021	2020
Sales and operations	238	622
Administration	483	116
	<u>721</u>	<u>738</u>

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	48,690	50,042
Share based compensation	1,591	645
Social security costs	5,996	4,871
Other pension costs	2,896	2,882
Capitalised staff costs	(6,866)	(11,075)
	<u>52,307</u>	<u>47,365</u>

All staff are employed by TransUnion Information Group Limited and remunerated by the Company. The above disclosure is given as the Company received the vast majority of the services provided by the associated employees

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Directors' remuneration

	2021 £000	2020 £000
Emoluments	1,333	1,394
Company contributions to money purchase pension scheme	73	-
Share based compensation	647	-

The aggregate of remuneration of the highest paid director was £531k (2020: £643k), and company pension contributions of £24k (2020: £nil) were made to a money purchase scheme on their behalf. Amounts receivable under long-term incentive schemes of the highest paid director were £588k (2020: £nil). No directors (2020: £nil) exercised options in 2021.

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 (2020: £nil) 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 (2020: no apportionment) of their worldwide remuneration needs to be disclosed in these financial statements.

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

6 Finance income

Recognised in the Statement of Comprehensive Income

	2021 £000	2020 £000
Finance income		
Interest income on finance assets	42	2,876
Total finance income	42	2,876

7 Finance expense

Recognised in the Statement of Comprehensive Income

	2021 £000	2020 £000
Finance expenses		
Interest expense on financial liabilities measured at amortised cost	361	627
Total finance expense	361	627

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Tax on profit

Recognised in the Statement of comprehensive income

	2021 £000	2020 £000
Current tax expense		
UK corporation tax at 19.00% (2020: 19.00%)	3,289	1,768
Adjustments in respect of previous periods	(899)	(59)
Total current tax expense	2,390	1,709
Deferred tax expense		
Origination and reversal of temporary differences	(579)	1,538
Effect of tax rate change on opening balance	602	(279)
Adjustments in respect of previous periods	(149)	(698)
Total deferred tax (income) / expense	(126)	561
Total tax expense	2,264	2,270

Reconciliation of effective tax rate

The current tax charge for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Profit excluding taxation	36,954	31,931
Tax using the UK corporation tax rate of 19.00% (2020: 19.00%)	7,021	6,067
Non-deductible expenses	167	481
Adjustments in respect of previous periods	(1,048)	(756)
Fixed asset differences	294	104
Group relief claimed	(3,702)	(3,201)
Remeasurement of deferred tax for changes in tax rates	(353)	(279)
Other tax adjustments, reliefs and transfers	(115)	(50)
R&D expenditure credits	-	(96)
Total tax expense	2,264	2,270

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Property, plant and equipment

	Right of use assets £000	Office equipment £000	Leasehold improvements £000	IT servers £000	IT equipment £000	Assets under construction £000	Total £000
Cost							
Balance at 1 January 2021	15,016	1,564	2,615	8,191	16,337	3,130	46,853
Additions	2,963	-	-	-	-	2,112	5,075
Transfer to other asset classes	-	5	869	766	1,999	(3,639)	-
Transfer to intangible assets	-	-	-	-	-	(1,234)	(1,234)
Balance at 31 December 2021	17,979	1,569	3,484	8,957	18,336	369	50,694
Accumulated Depreciation							
Balance at 1 January 2021	6,675	1,518	1,619	5,466	13,292	-	28,570
Depreciation charge for the year	2,323	34	362	1,662	2,218	-	6,599
Balance at 31 December 2021	8,998	1,552	1,981	7,128	15,510	-	35,169
Net book value							
At 31 December 2020	8,341	46	996	2,725	3,045	3,130	18,283
At 31 December 2021	8,981	17	1,503	1,829	2,826	369	15,525

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Intangible assets

	Software £000	Assets under construction £000	Goodwill £000	Databases and purchased data assets £000	Internally developed software £000	Total £000
Cost						
Balance 1 January 2021	11,027	7,595	2,116	8,167	64,718	93,622
Additions	-	10,670	-	-	-	10,670
Transfer to other asset classes	-	(8,190)	-	-	8,190	-
Transfer from tangible assets	1,234	-	-	-	-	1,234
Disposals	(2,007)	(312)	-	-	-	(2,319)
Balance at 31 December 2021	10,254	9,763	2,116	8,167	72,908	103,207
Accumulated Amortisation						
Balance 1 January 2021	9,303	-	-	7,787	44,955	62,045
Amortisation charge for the year	1,086	-	-	215	7,471	8,772
Disposals	(2,024)	-	-	-	-	(2,024)
Balance at 31 December 2021	8,365	-	-	8,002	52,426	68,793
Net book value						
At 31 December 2020	1,724	7,595	2,116	380	19,763	31,578
Net book value At 31 December 2021	1,889	9,763	2,116	164	20,482	34,414

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. Capitalised development costs are written off over a period of three, five or seven years depending on management's assessment of the useful economic life.

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 rate of return an investor would seek for a similar asset. The rate used to discount the forecast cash flows from the CGU is 10.00% (2020: 10.00%).

The Company prepares operating profit and cash flow forecasts derived from the most recent financial budgets approved by management for the next three years and extrapolates forecasts for the following years based on an estimated terminal growth rate. A terminal growth rate of 2.1% was used based on management's estimate of the long-term compound annual growth rate.

The estimated recoverable amount of the CGU exceeded the carrying amounts. This position was maintained under reasonably possible alternative adverse scenarios.

Intangible assets amortisation is recorded in administrative expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	2021 £000	2020 £000
Property, plant and equipment	1,239	1,113
Tax assets	1,239	1,113
Net deferred tax assets	1,239	1,113

Movement in deferred tax during the year

	1 January 2021 £000	Recognised in income £000	31 December 2021 £000
Property, plant and equipment	1,113	126	1,239
	1,113	126	1,239

Movement in deferred tax during the prior year

	1 January 2020 £000	Recognised in income £000	31 December 2020 £000
Property, plant and equipment	885	228	1,113
Other	794	(794)	-
	1,679	(566)	1,113

The company has no unrecognised deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Investments in subsidiaries and associates

	2021 £000	2020 £000
Cost and Net Book Value		
At start of period	-	-
Additions	-	15,107
Impact of return of capital	-	(15,107)
	<hr/>	<hr/>
At end of period	<hr/>	<hr/>

At 31 December 2021 the Company held interests in the following principal subsidiary undertakings:

Name of Subsidiary	Principal Business Activity	Type of Shares Held	Proportion of Shares Held (%)	Immediate Parent	Country of Incorporation and Operation
DecisionMetrics Limited	Dormant	Ordinary Shares	100	TransUnion International UK limited	England and Wales

The registered office address is One, Park Lane, Leeds, West Yorkshire, LS3 1EP for the entity above.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Trade and other receivables

	2021 £000	2020 £000
Current		
Trade receivables	15,906	18,508
Amounts due from parent company	109,971	175,633
Amounts due from fellow group undertakings	6,073	-
Other receivables	222	140
Prepayments and accrued income	31,523	17,248
Corporation tax	1,965	4,355
Non-Current		
Prepayments and accrued income	30,465	-
	<u>165,660</u>	<u>215,884</u>
Current	165,660	215,884
Non-Current	<u>30,465</u>	<u>-</u>

Intercompany balances are unsecured, interest free and are repayable on demand.

Trade receivables are stated after provision for impairment of £1,278,489 (2020: £4,445,384).

14 Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank	33,043	34,898
Cash and cash equivalents	<u>33,043</u>	<u>34,898</u>

15 Trade and other payables

	2021 £000	2020 £000
Current		
Trade payables	1,869	2,873
Amounts due to parent company	19,410	76,787
Amounts due to fellow group undertakings	8,342	1,127
Accruals	13,837	10,937
Deferred income	24,894	28,422
Social security and other taxes	1,869	1,454
VAT	1,531	7,464
Other payables	13	619
Lease liabilities	2,616	2,776
Non-Current		
Lease liabilities	6,907	6,602
	<u>74,381</u>	<u>132,459</u>
Current	74,381	132,459
Non-Current	<u>6,907</u>	<u>6,602</u>

Intercompany balances are unsecured, interest free and are repayable on demand. They are presented at current value and are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Employee benefits

Pension plan

The Company operates a defined contribution pension plan.

The total expense relating to this plan in the current year was £2,896k (2020: £2,882k).

17 Called up Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
200,002 Ordinary shares of £1 each	200	200
	<u>200</u>	<u>200</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.

18 Financial instruments

18 (a) Fair values of financial instruments

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

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

Derivative financial instruments

The Company has no derivative financial instruments.

18 (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 from customers, and investment securities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Financial instruments (continued)

18 (b) Credit risk (continued)

Trade Receivables: 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.

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.

18 (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.

18 (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 predominantly operates within the UK and therefore the risks to movement in foreign exchange rates are not significant. Exchange rate is managed using foreign currency bank accounts where foreign payments and receipts are transacted as a natural hedge.

18 (e) Capital management

The Company's objectives when managing capital (including 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)

19 Leases

The Company has lease contracts for its head office and various data centres. The amounts recognised in the financial statements in relation to the leases are as follows:

Amounts recognised in the statement of financial position

	2021 £000	2020 £000
Right of use assets – Properties	6,856	7,327
Right of use assets - Datacentres	2,125	1,014
	<u>8,981</u>	<u>8,341</u>

	2021 £000	2020 £000
Current liabilities	2,616	2,776
Non-current liabilities	6,926	6,602
	<u>9,542</u>	<u>9,378</u>

Amounts recognised in the income statement

	2021 £000	2020 £000
Depreciation charge		
Right of use assets	2,323	2,958
	<u>2,323</u>	<u>2,958</u>

	2021 £000	2020 £000
Finance expense		
Interest	361	605
	<u>361</u>	<u>605</u>

20 Commitments

Capital commitments

There are no capital commitments at the end of the financial year for which provision has been made (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Related parties

At the balance sheet date, TransUnion is the ultimate parent company incorporated in the United States of America. The allowable exemption under FRS 101 not to disclose related party transactions between wholly owned members of the same group has been taken.

22 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of TransUnion which is the ultimate parent company, incorporated in the United States of America.

The immediate parent company is TransUnion Information Group Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by TransUnion, incorporated in the United States of America. The registered office of the parent undertaking is 555 West Adams, Chicago, Illinois. The consolidated financial statements are available to the public and may be obtained from <https://investors.transunion.com/financials>.