TDX Group Limited

Annual Report and Financial Statements

for the year ended 31 December 2022

Registered number: 05059906

Company Information

Directors
P Remon
J Lewis
P McGilvray
H Windle

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

Bankers
HSBC plc
62-76 Park Street
London
SE1 9DZ

Registered office
1 Angel Court
London
EC2R 7HJ

Registered No: 05059906

Strategic Report

The Directors present their strategic report for the year ended 31 December 2022.

Review of the business

TDX Group Limited ('the Company') develops platforms, tools and services from proprietary data and technology used in the management and collection of distressed debt portfolios. The Company has developed a broad range of data and technology-based applications which aim to improve the effectiveness and management of debt collection on behalf of clients across both the public and private sector for the purpose of supporting administrative processing to help ensure appropriate outcomes for consumers.

The Company's Recoveries Management business unit is a leading provider of debt collection products, tools and services, and debt recovery specialists based on its PLATO-branded debt placement and management platform. Its clients include central government, financial services, telecommunications, retail and utility companies, providing a fully managed debt collection solution.

The Company's Insolvency Management business unit is a leading provider of management services for individual voluntary arrangements. It provides an end-to-end insolvency managed service to optimise returns from insolvent accounts and to ensure they are sustainable and fair throughout their full lifecycle. Clients include major banking institutions and financial investors. Consulting services are provided to leading financial institutions and the Company acts as an intermediary in the sale and purchase of distressed consumer debt.

On 17 January 2022, the Company announced it had been awarded the position as provider of Collection Managed Services and Advisory Services to the public sector on the government's new Debt Resolution Services ('DRS') framework. The DRS framework is designed to bring together a range of debt collection and data services into a single commercial agreement. It is aligned with the cross-government debt management strategy, which aims to provide a more consistent and integrated approach to public sector debt collection.

Key performance indicators

The key financial and other performance indicators during the year were as follows:

Key performance indicators	*2022*	*2021*	*Growth*
Revenue	£29.9m	£27.2m	10%
Operating (loss) / profit	£(2.0)m	£0.1m	-2100%
Capital expenditure (tangible and intangible)	£1.7m	£1.1m	55%
Average number of employees	245	235	4%

The Directors are pleased to report a year of growth with revenue increasing by 10% to £29.9m compared to prior year (2021: £27.2m). The first revenue generated from the new DRS contract was at the end of Q3 2022, hence the full impact of the new contract will not be realised until future periods. The growth in revenue was offset by increased sales and administrative expenses leading to the Company generating an operating loss of £2.0m in the year (2021: £0.1m operating profit). The reduction in operating profit follows another year of significant investment by the Company as it continues to transform and enhance its operation and invest in new major customer contracts, the benefits of which will be realised in future years.

The profit on ordinary activities before taxation was £9.9m (2021: £6.1m) of which £12.0m (2021: £6.0m) relates to dividend income from its subsidiary, Integrated Debt Services Limited.

The Company invested £1.7m in tangible and intangible assets in the year (2021: £1.1m).

At 31 December 2022, the Company had a positive cash balance of £5.8m (2021: £3.1m). Shareholder's funds decreased to £16.4m (2021: £18.6m) and net current assets reduced to £7.5m (2021: £8.8m). This was driven by the operating loss in the year.

The total average number of employees increased by 4% during the year as the Company continues to manage its resources in the most efficient way to help deliver profitable growth in the future.

Strategic Report (continued)

Principal risks and uncertainties

The Directors consider that the principal risk factors that could materially and adversely affect the Company's future operating profits or financial position are data protection, consumer outcomes and changes in the regulatory environment.

The Company aims to minimise risks and uncertainties to the level of the market place in which it operates. Business forecasts identifying, in particular, liquidity requirements are produced frequently whilst internal controls ensure the safeguarding of company assets.

Management and the Board regularly review risks facing the Company.

The Company's principal risks are:

- Security breaches and other disruptions to our information technology infrastructure could compromise the Company, consumer and customer information and interfere with our operations and potentially breach industry standards or regulations;
- Risks relating to the loss of confidential data, critical assets or sensitive information. Critical systems must be adequately protected from digital attacks and threats to prevent these risks from materialising;
- We help clients, customers and third parties make more informed decisions with higher levels of confidence by leveraging a broad array of data assets. If our access to relevant data from internal and external sources is constrained, compromised or we fail to maintain the integrity of the data, it could harm our ability to provide our products and services;
- If the business does not have the ability to prevent, adapt or respond to operational disruption adequately and sufficiently, the business is at risk of not delivering critical business services and adversely impacting consumers, clients and industry;
- We and our customers are subject to various laws and regulations. If we fail to maintain satisfactory compliance with relevant laws and regulations, we could be subject to civil or criminal penalties, whilst exposing our clients and consumers to unfair treatment;
- Failure of services delivered by key partners and outsourced providers within our supply chain may adversely affect our ability to deliver products to market. If we do not maintain adequate oversight of our key partners and outsourcing providers charged with delivering critical business services, our ability to operate effectively may be impaired; and
- Poor management decisions or practices fail to mitigate the impact of the businesses environmental and social footprint, increasing the risk of exposure to Environmental, Social and Governance incidents and reputational damage.

The Board has strategies and an embedded risk management framework to continually identify and manage these risks. The Board also has significant controls in place to mitigate against these risks, which are regularly monitored for effectiveness. The Board remains confident of the continued success of the Company.

Strategic Report (continued)

Section 172(1) Statement

Section 172 of the Companies Act 2006 recognises that whilst companies are run for the benefit of its shareholders, a company's long-term success and reputation are dependent upon maintaining relationships with stakeholders and an appreciation of the external impact of its activities.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172 of the Companies Act 2006. The Directors are keen to ensure proper reflection on stakeholder engagement and issues at Board level, and promote continuous reflection on opportunities for development.

The Board meets once a quarter and regularly reviews the Company's relationships with principal stakeholders and how they engage with them. The sections below set out a more detailed summary of the Company's relationships with its key stakeholders and how the Company engages with those stakeholders.

The Board is comprised of:

Patricio Remon – European President
Phillip McGilvray – Managing Director (appointed 26 April 2022)
Helen Windle – Chief Financial Officer (appointed 26 April 2022)
Jeremy Lewis – Chief Technology Officer

During the year the following members also served time on the Board:

Suzanne Brown – Chief Financial Officer (resigned 31 March 2022)
Jayadeep Nair – Chief Product and Marketing Officer (resigned 26 April 2022)
Paul Heywood – D&A Leader (resigned 26 April 2022)

The key stakeholders of the Company during the year along with details of the key outcomes related to them are detailed below.

Our stakeholders

Consumers and Businesses (C&B)

The Board recognise their responsibility in the debt management cycle to consumers and businesses who are in financial difficulty and who are at the heart of the Company's core values.

Being a beacon for consumer fairness is a key priority for the Board to ensure the Company's operations are not adversely affecting vulnerable consumers and businesses, and to ensure they receive a simple and efficient end-to-end process to help them manage their debts and personal finances.

Treating consumers fairly is a key principle of the Financial Conduct Authority regulatory regime, which we strive to go above and beyond. Understanding the 'right outcome' for consumers is a central component of how we work.

In our engagement with consumers and businesses, we have found that they want to be supported in their debt management efforts with advice and clear manageable payment plans.

Consumers want to be treated fairly, professionally and with an appropriate level of due care and understanding.

Suppliers (S)

The Board acknowledge that to deliver on the Company's strategy, a strong mutually beneficial relationship with suppliers is required. Debt Collection Agencies ('DCAs') are our primary sub-contractors along with our data and infrastructure providers.

The Board recognises that DCAs are an integral part of delivering on the Company's strategic goals and meeting our high standards set in relation to consumer fairness. The DCAs are authorised and regulated by the Financial Conduct Authority.

Strategic Report (continued)

Suppliers (S) (continued)

The Board and the Company maintain a high level of open dialogue and communication with our supply partners to ensure they continue to thrive and provide continuity of service. Our suppliers tell us that they want sustainability and prompt payment of their invoices.

Shareholders (SH)

Our shareholder has a significant interest in the Company's operations to ensure their investment is safeguarded and the Company continues to generate sustainable long-term growth.

The Board has members representing our shareholder. Their interests and concerns are directly communicated to the Board during regular board meetings.

The Board must balance shareholder priorities to ensure growth and dividends are maximised and value for money and social value is delivered to our clients. The Board sets the strategy for the Company following input from our shareholder.

Colleagues (CLG)

The Board want to ensure our colleagues have all the tools and opportunities to develop themselves and to grow the Company. The Board recognise that colleagues are a fundamental part of the business and are key to driving its success and delivering our strategic and cultural policies.

The success of the Company depends on attracting, retaining and empowering colleagues to drive the Company's vision.

The Board regularly engage in colleague surveys to elicit feedback and ensure colleagues are given an anonymised mechanism to share their views and engage on issues that are important to them.

Clients (CL)

Our clients depend on us to help them manage and collect debt responsibly, ethically and fairly and to support their debt collection activity. With our help, clients recover vital funds that can be made available for re-investment, whilst collecting money in the fairest way possible, supporting the vulnerable individuals and businesses, rather than adding to their problems.

The Directors drive for continuous improvement by conducting client audits and engaging clients in annual surveys to offer anonymous feedback on the Company's services. The annual survey results generate a detailed action plan for continuous improvement in response to their feedback.

Industry Regulators (IR)

We are regulated by the Information Commissioner's Office ('ICO') and the Financial Conduct Authority ('FCA'). The ICO regulates the way we manage personal data and our adherence with the Data Protection Act and associated laws. The FCA regulates the financial services firms and markets in the UK.

Community and Environment (C&E)

We believe that any action we take should be for the benefit of all and this belief runs through everything we do. The Board recognise the importance of contributing to our communities through volunteering and strategic partnerships to drive value for all.

As part of our contractual obligations to government clients, we are responsible for delivering a number of key initiatives laid out in the Social Value Model, creating benefits for society as part of a wider supply chain.

Our environment is vitally important to our well-being, whether it is the environment in which we work, or live.

Strategic Report (continued)

Key Stakeholders Outcomes

The key decisions / outcomes linked to the stakeholders above are described below. With reference to the stakeholders considered / impacted.

Social Value (C&E) (CLG) (SH) (CL)

The Board is pleased to report that a number of charities have been supported during the year by our colleagues. These have included Barnardo's, Children's Bereavement Service and Emmanuel House.

This year more than 170 hours have been donated to support local projects in employability and financial education in conjunction with Nottingham College and improving green spaces with Nottingham City Council.

The Company created the new role of Social Value Manager to coordinate, measure and report social value across the business and build the future impact vision.

A number of strategic partnerships aligned to our purpose have also been established to improve financial inclusion. Targets have also been established to start reporting progress for 2023 and beyond.

ESG, Climate and Net-zero (CLG) (CL) (C&E)

Our continued commitment to Environmental, Social and Governance ('ESG') issues and net-zero greenhouse gas emissions by 2040 through Equifax Inc. ('the Group') remains a key priority for the Board. The Group's quantitative ESG disclosures are available on htpps://www.equifax.com. These disclosures have been made in accordance with the Sustainability Accounting Standards Board ("SASB") framework.

Further information on the Group's ESG priorities can be found at https://www.equifax.com/about-equifax/environmental-social-governance.

In November 2022, BSI, our external accredited auditing body, carried out their annual external audit of our ISO 14001 certification. The Board is delighted to announce that as a result of the audit, it has been recommended for continued certification until 2025.

Dividend Policy (SH)

During the year, the Company remitted £12.0m in dividends back to its shareholder (2021: £6.0m).

Governance (IR) (CL) (C&B)

The Board introduced a Governance, Audit and Risk Committee to further enhance the reporting of key stakeholder matters to the Board. The Committee is responsible for driving consistency in respect of governance and regulatory conduct across the business.

The Committee assists the Board in its oversight and integrity of the Company's financial reporting, including supporting the Board to meet its responsibilities regarding financial statements and the financial reporting of internal controls.

The Committee monitors the effectiveness and objectivity of internal and external auditors. In addition, the Committee assists the Board in its oversight of the TDX Group Risk Management Framework, monitoring the effectiveness and performance of the '2nd line of defence' and '3rd line of defence' in their oversight of first line risks, providing input in its assessment of enterprise risks and risk appetite tolerances.

Office Move (CLG)

With the aim of providing an improved working environment and wellbeing for our colleagues as well as reducing the Company's environmental footprint, the Company engaged in a process to relocate the operational office of the Company. The Board were delighted to be able to agree on a new site to relocate the operation in 2023 which will provide a more collaborative and facilitative space for our colleagues and an improved Energy Performance Certificate to align with the Company's ESG and Net-Zero goals.

Strategy (CL) (SH) (S)

The Board's focus on the Company's medium to long-term strategy has been to emphasise and tightly align the strategy to the Company's purpose.

- To make the debt industry better for everyone and support helping people live their financial best;
- To be recognised as the market leading experts and delivering value for all our stakeholders;

Strategic Report (continued)

Strategy (continued)

- Belief that the recovery of debt could be infinitely more efficient, effective and fair through the use of more data and insights; and
- Create better, sustainable consumer outcomes and deliver measurable value for our clients, consumers, corporate partners and communities through our products and services.

By ensuring the Company's purpose is at the forefront of strategic meetings, the Board ensures stakeholder interests and engagement is key when making decisions.

The Board ensures that the necessary resources are in place for the Company to meet its strategic objectives and continually measure its performance against them.

Due to the importance of the Company delivering on its strategy, the Board considers the progress, opportunities, risks and responses against the strategy at its Board meetings and other committees throughout the year.

Employee Engagement Survey (CLG)

The Directors believe that our colleagues' thoughts and opinions are critical to ensure a culture of continuous and transparent feedback, and to shape the Company's workplace of tomorrow.

During the year an engagement survey was shared with all colleagues at the Company. The results provided the Directors, senior management and the People Forum with a wealth of information to help formulate action plans and to continue to deliver further positive outcomes for our colleagues.

Cost of Living Allowance (CLG) (C&E)

The Company introduced a 'Cost of Living Allowance' in 2022 in recognition of the financial difficulties that some colleagues were facing due to increased inflationary pressure and challenging economic climate. The allowance is a monthly payment made to colleagues earning under a certain threshold. The initial allowance was paid to March 2023, but has since been extended to March 2024 in recognition of the prolonged economic challenges.

Decision making and principal decisions

The Board has made multiple decisions through the financial year, either directly through Board meetings or via delegations to senior management or committees. The Board has remained mindful and considerate of the potential impacts on key stakeholders and factored their respective needs and concerns into all discussions and decision making in accordance with s172 of the Companies Act 2006. Not every decision made by the Board impacts all stakeholders and decisions will have differing levels of impact on respective shareholders. Major decisions and considerations made by the Board during the fiscal year include:

- Approval of the 2021 Annual Accounts and Financial Statements;
- Approval of the 2023 Business Strategy;
- Cash management policy and approval of a global cash pool framework;
- Dividend policy and distribution;
- Review and approval of Consumer Duty implementation plans; and
- Business restructuring.

Future developments

The Directors are confident of the long-term prospects of the Company, which is well established with a diversified portfolio of products and clients. This was enhanced when the Company secured a place on the government's new DRS framework, which went live during the year. This provider status will see the Company build on its existing relationship delivering the original DMI framework and cementing its standing as a trusted data and managed services provider to government and privately-owned companies. Its investment in Integrated Debt Services Limited and other entities outside the UK gives the Company a broad base to deliver future success.

By order of the Board

DocuSigned by:
Helen Windle
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H Windle
Director

08 August 2023

Registered No: 05059906

Directors' Report

The Directors present their report for the year ended 31 December 2022.

Directors of the Company

The current directors are shown on page 1.

P Remon
P McGilvray (appointed 26 April 2022)
H Windle (appointed 26 April 2022)
J Lewis
S Brown (resigned 31 March 2022)
P Heywood (resigned 26 April 2022)
J Nair (resigned 26 April 2022)

Dividends

During the year the Company declared a dividend of £12m to its parent company (2021: £15m).

Going concern

The Company's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 7. At 31 December 2022, the Company had £5.8m (2021: £3.1m) of cash at bank and in hand. The Company had no external long-term or short-term borrowings in 2022 or 2021.

During the year, the Company generated a profit after tax of £9.8m (2021: £6.0m). At the year end, the Company's balance sheet had net assets of £16.4m (2021 £18.6m) and net current assets of £7.5m (2021 £8.8m).

The Company's operating model has a high percentage of variable costs, which means the business is able to respond to a substantial decline in revenue minimising the impact on profit and cash. The vast majority of variable costs are Debt Collection Agency fees and data costs, which have a direct correlation to revenue. This low degree of operating leverage reduces the financial risk of the Company and enables the Company to be flexible to a certain amount in scaling down working capital requirements in the event of unforeseen circumstances.

The Directors have prepared cash flow forecasts for a period to 30 September 2024 supporting their conclusions. These forecasts reflect and consider:

- Profits expected to be generated by the Company applying forecasts endorsed and approved at Board and Group level;
- The Company's working capital requirements over the period including assumptions over seasonal increases in working capital requirements and flexibility around variable costs; and
- The economic impact on the Company using economic data, including challenges driven by increasing inflation, GDP decline and other economics factors impacting product, market and sector mix.

As part of the assessment, the Directors have modelled a possible downside scenario to a base case forecast, which also acts as a reverse stress test for the Company. The forecasts, including the downside scenario, together with other factors, illustrates the Company may require additional funding and support from Equifax Inc, the Parent Company.

In order to facilitate the additional funding, the Company has obtained a letter of parental support from Equifax Inc. The letter confirms that Equifax Inc. will provide financial support for a period from the approval of the financial statements to at least 30 September 2024. The Directors have considered the ability of Equifax Inc. to provide support and are satisfied that Equifax Inc. is able to provide that support given that Equifax Inc. generates cash from its operations, has significant cash reserves and an available credit facility maturing in August 2026.

Directors' Report (continued)

Going concern (continued)

Accordingly, the Directors have concluded that despite the uncertain economic conditions and outlook the Company has adequate resources to continue to meet its liabilities as they fall due for a period to 30 September 2024. Therefore, the Directors are satisfied they have a reasonable basis upon which to conclude that it remains appropriate to prepare the financial statements on a going concern basis.

Credit risk

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

The Company does not have a concentration of credit risk, as cash resources are managed with two banking institutions one of which includes access to a corporate cash pool. In respect of trade and other receivables however, any credit exposure is spread over a large number of customers.

Liquidity risk

At 31 December 2022, the Company had a cash balance of £5.8m (2021: £3.1m). The Company has no long-term or short-term debt from non-group sources. The Company continues to have positive cash flows and the Directors are confident that it has the resources to meet its obligations for the period to 30 September 2024.

Research and development

Development costs incurred during the year were all capitalised according to the Company's policy. The Company incurred no research costs during the year ended 31 December 2022 (2021: £nil).

Political contributions

During the year, the Company made no political donations (2021: £nil).

Disabled employees

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

Employee consultation

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on various factors affecting the performance of the Company.

Statement as to the disclosure of information to the auditors

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

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

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

Directors' Report (continued)

Auditors

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

Equifax Limited and TDX Group Limited SECR Annual Report

Introduction

The below SECR disclosure has been prepared on an Equifax Limited (Equifax') and TDX Group Limited ('TDX Group') combined basis. Equifax and TDX Group are related parties and part of the combined Equifax Group with the same ultimate parental controlling party. The two companies operate with shared facilities, IT and people resources. It is therefore not practical to disclose on an individual entity basis.

Purpose of this report

In accordance with the UK Government's Streamlined Energy and Carbon Reporting ("SECR") policy implemented on 1 April 2019, the Directors are including the required information as part of the Directors' Report in the Financial Statements.

Report Date Range: **January 2022 - December 2022**

UK energy use for the current financial year

The annual energy usage statistics for Equifax and TDX Group include, as a minimum, energy use from purchased electricity, gas and transport across three UK based offices in London, Leeds and Nottingham.

These are as follows:

Data Point	2022 Totals	2021 Totals
Electricity (kWh)	576,919	556,639
Gas (kWh)	59,411	71,497
Company Car Mileage (km)	165,554	55,334
Grey Fleet Mileage (km)	117,977	60,035
Short Haul Flights (km)	425,051	101,600
Long Haul Flights (km)	1,185,931	91,132
Train Mileage (km)	319,488	84,921

Associated GHG (Greenhouse Gas) emissions for the current financial year

We have calculated the annual equivalent quantity of emissions of greenhouse gasses in tons of carbon dioxide based on the figures gained by carrying out the energy usage tracking in our UK offices. We have used the conversion factors provided by the Carbon Trust to work out our equivalent carbon footprint.

Directors' Report (continued)

Data Point	Totals	Conversion (Carbon Trust)	2022 GHG (CO2) Kilograms	2021 GHG (CO2) Kilograms
Electricity (kWh)	576,919	0.19338	111,565	229,363
Gas (kWh)	59,411	0.18254	10,845	13,155
Company Car Mileage (km)	165,554	0.17048	28,224	16,302
Grey Fleet Mileage (km)	117,977	0.17082	20,153	18,536
Short Haul Flights (km)	425,051	0.15353	65,258	1,820.
Long Haul Flights (km)	1,185,931	0.19309	228,991	2,586
Train Mileage (km)	319,488	0.03549	11,323	4,148

Emissions data Intensity ratio

To allow us to express our emissions data using an appropriate metric or financial indicator for the businesses (so as to 'normalise' the collected data in a quantifiable way), we have chosen to use the calculations gained from the above GHG conversions against the square footage of our various offices to reach this figure (kilograms of CO2e per total square metres).

Data Point	Totals	Conversion (Carbon Trust)	GHG (CO2) Kilograms	Intensity Ratio (Sq. Ft)	2022 GHG (CO2) Kilograms per SQ. Ft. of UK office space	2021 GHG (CO2) Kilograms per SQ. Ft. of UK office space
Electricity (kWh)	576,919	0.19338	111,565	54,282	2.06	3.18
Gas (kWh)	59,411	0.18254	10,845	54,282	0.20	0.18
Company Car Mileage (km)	165,554	0.17048	28,224	54,282	1.53	0.23
Grey Fleet Mileage (km)	117,977	0.17082	20,153	54,282	0.37	0.26
Short Haul Flights (km)	425,051	0.15353	65,258	54,282	1.20	0.03
Long Haul Flights (km)	1,185,931	0.19309	228,991	54,282	4.22	0.04
Train Mileage (km)	319,488	0.03549	11,323	54,282	0.21	0.06

Energy efficiency actions taken during the financial year

In order to try and improve the energy efficiency of our offices, we have in place or have implemented the following measures:

Company Cars: During 2022 we followed up on our objective for 2021 to encourage fleet car users to utilise hybrid or full electric vehicles. As of the end of 2022, all fleet vehicles are hybrid or electric.

Environmental Management: Both Equifax and TDX Group are still certified to ISO 14001:2015. During the course of 2022 both of these certifications have been through full external audit by an accredited auditing body (BSI) and have been recertified with no non-conformities.

Directors' Report (continued)

Equifax Limited and TDX Group Limited SECR Annual Report (continued)

Flexible Working: The Company ratified its hybrid working model to allow eligible employees to WFH two days a week, with a further two weeks every year being offered remote working. This contributes to less travel and reduced energy usage at our offices.

Reduced Floorplate: The Company significantly reduced the office space in both Leeds and Nottingham - commensurately reducing its environmental impact.

Alternative Office Space: The Company location strategy seeks to find space in LEED or BREEAM certified buildings. A business case was signed off (and fit out works commenced) on a new space in Nottingham in a smaller, more energy efficient space.

Information about the methodologies used to calculate disclosures

The following is the methodology that we have used to calculate the above records and information.

UK energy use for the current financial year: The figures for the energy usage and travel included in the above tables are a combined total of all usage across our UK sites; London, Leeds and Nottingham.

Associated GHG (Greenhouse Gas) emissions for the current financial year: The figures quoted for Associated GHG emissions are calculated from our raw data as outlined above using the conversion rate provided by The Carbon Trust. Details of the conversion factors are available at the following website:

https://www.carbontrust.com/resources/guides/carbon-footprinting-and-reporting/conversion-factors/

Emissions Data Intensity Ratio: We have chosen to use the square footage of our offices as our data intensity ratio. These figures are taken from our lease documents for each site and are a combined figure for all UK sites; London, Leeds, and Nottingham.

ISO 14001:2015 Management System: Both Equifax and TDX Group are certified to ISO 14001:2015. The respective certificate numbers are as follows:

Equifax Limited - EMS 718851
TDX Group Limited - EMS 632836

By order of the Board

DocuSigned by:
Helen Windle
3845E26530FC42C...
H Windle
Director

08 August 2023

Registered No: 05059906

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent Auditor's Report
to the members of TDX Group Limited

Opinion

We have audited the financial statements of TDX Group Limited ('the Company') for the year ended 31 December 2022 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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.

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 to 30 September 2024.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

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

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report

to the members of TDX Group Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax laws and regulations in the UK. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to health and safety, employee matters, General Data Protection Regulations, Information Commissioner's Office and Financial Conduct Authority.
- We understood how TDX Group Limited is complying with those frameworks by making enquiries of those charged with governance and management, including those responsible for legal and compliance procedures, to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes and papers provided to the Board, and made inquiries of management to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the Company, as well as consideration of the results of our audit procedures across the Company.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was a susceptibility to fraud. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements are free from fraud and error. Specifically, we identified a fraud risk in relation to revenue recognition and performed detailed audit procedures over the revenue accounts utilising our analytics tools and paying particular attention to manual journals, as well as testing accrued and deferred income with reference to services performed and amounts billed in order to address the risk of management override. We also identified as fraud risk in relation to the capitalisation of internal costs within the deferred programming intangible asset and performed detailed testing of the amounts capitalised on a sample basis, agreeing those amounts to supporting documentation and ensuring that the criteria for capitalization were met.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation.

Independent Auditor's Report

to the members of TDX Group Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

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

Use of our report

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

DocuSigned by:
Ernst & Young LLP
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Tim Helm (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

Date: 08 August 2023

Registered No: 05059906

Statement of Comprehensive Income

for the year ended 31 December 2022

	Notes	2022 £000	2021 £000
Turnover	3	29,914	27,222
Cost of sales		(22,451)	(18,982)
Gross profit		7,463	8,240
Administrative expenses		(9,506)	(8,181)
Operating (loss) / profit	4	(2,043)	59
Investment income	9	12,000	6,000
Interest payable and similar charges		(99)	(3)
Profit on ordinary activities before taxation		9,858	6,056
Tax on profit on ordinary activities	6	(22)	(10)
Comprehensive income for the financial year		9,836	6,046

All the results arose from continuing operations.

The Company has no other comprehensive income or losses for the years ended 31 December 2022 and 31 December 2021.

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

Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital	*Share premium*	*Other reserves*	*Profit and loss account*	*Total shareholder's funds*
	£000	*£000*	*£000*	*£000*	*£000*
At 1 January 2021	-	33,466	-	(5,955)	27,511
Profit for the year	-	-	-	6,046	6,046
Share-based payment charge	-	-	(32)	-	(32)
Share based payments reimbursed to Equifax Inc.	-	-	32	-	32
Transfers between reserves	-	(25,000)	-	25,000	-
Dividends Paid (Note 18)	-	-	-	(15,000)	(15,000)
At 31 December 2021	-	8,466	-	10,091	18,557
Profit for the year	-	-	-	9,836	9,836
Share-based payment charge	-	-	(90)	-	(90)
Share based payments reimbursed from Equifax Inc.	-	-	90	-	90
Dividends Paid (Note 18)	-	-	-	(12,000)	(12,000)
At 31 December 2022	-	8,466	-	7,927	16,393

Registered No: 05059906

Statement of Financial Position

as at 31 December 2022

	Notes	2022 £000	2021 £000
Fixed assets			
Intangible assets	7	3,298	2,866
Tangible assets	8	566	567
Investments	9	9,758	11,474
		13,622	14,907
Current assets			
Debtors: amounts falling due within one year	10	11,731	12,084
Cash at bank and in hand		5,768	3,079
		17,499	15,163
Creditors: amounts falling due within one year	11	(9,976)	(6,404)
Net current assets		7,523	8,759
Total assets less current liabilities		21,145	23,666
Creditors: amounts falling due after more than one year	11	(4,500)	(4,500)
Provision for liabilities			
Other provisions	15	(252)	(609)
Net assets		16,393	18,557
Capital and reserves			
Called-up share capital	12	-	-
Share premium		8,466	8,466
Profit and loss account		7,927	10,091
Shareholder's funds		16,393	18,557

The financial statements were approved for issue by the Board of Directors on 08 August 2023 and were signed on its behalf by:

DocuSigned by:
Helen Windle
3845E26530FC42C...

H Windle
Director

08 August 2023

Notes to the financial statements
at 31 December 2022

1. Accounting policies

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

a. General information and basis of accounting

TDX Group Limited is incorporated in England and Wales under the Companies Act and is a privately-owned company limited by shares. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 7.

The financial statements are prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) with reduced disclosures as it applies to the financial statements of the Company for the year ended 31 December 2022.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are rounded to the nearest £'000.

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

- Exemption from FRS102 17(d) of Section 7 from disclosure to prepare a cash flow statement;
- Exemption from FRS102 33.7 from disclosure of transactions with key personnel;
- Exemption from FRS102 33 (1A) from disclosure of transactions entered into between two or more members of a group provided that any subsidiary which is part to the transaction is wholly owned by such a member; and
- Exemption from the requirements of Section 26 Share-based payments paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 7. At 31 December 2022, the Company had £5.8m (2021: £3.1m) of cash at bank and in hand. The Company had no external long-term or short-term borrowings in 2022 or 2021.

During the year the Company generated a profit after tax of £9.8m (2021: £6.0m). At the year end the Company's balance sheet had net assets of £16.4m (2021: £18.9m) and net current assets of £7.5m (2021: £8.8m).

The Company's operating model has a high percentage of variable costs, which means the business is able to respond to a substantial decline in revenue minimising the impact on profit and cash. The vast majority of variable costs are Debt Collection Agency fees and data costs, which have direct correlation to revenue. This low degree of operating leverage reduces the financial risk of the Company and enables the Company to be flexible to a certain amount in scaling down working capital requirements in the event of unforeseen circumstances.

The Directors have prepared cash flow forecasts for a period to 30 September 2024 supporting their conclusions. These forecasts reflect and consider:

- Profits expected to be generated by the Company applying forecasts endorsed and approved at Board and Group level;
- The Company's working capital requirements over the period including assumptions over seasonal increases in working capital requirements and flexibility around variable costs; and
- The economic impact on the Company using economic data, including challenges driven by increasing inflation, GDP decline and other economic factors impacting product, market and sector mix.

Notes to the financial statements (continued)
at 31 December 2022

1. Accounting policies (continued)

b. Going concern (continued)

As part of the going concern assessment, the Directors have modelled a possible downside scenario to a base case forecast, which also acts as a reverse stress test for the Company. The forecasts, including the downside scenario, together with other factors, illustrates the Company may require additional funding and support from Equifax Inc, the Parent Company.

Nevertheless, given the current economic uncertainty in the market which may adversely impact the level of debt placed and the cost base, the Company has obtained a letter of parental support from Equifax Inc. The letter confirms that Equifax Inc. will provide financial support for a period from the approval of the financial statements to at least 30 September 2024. The Directors have considered the ability of Equifax Inc. to provide financial support and are satisfied that Equifax Inc. is able to provide that support given that Equifax Inc. generates cash from its operations, has significant cash reserves and has an available credit facility maturing in August 2026.

Accordingly, the Directors have concluded that despite the uncertain economic conditions and outlook, the Company has adequate resources to continue to meet its liabilities as they fall due for a period to 30 September 2024. Therefore, the Directors are satisfied they have a reasonable basis upon which to conclude that it remains appropriate to prepare the financial statements on a going concern basis.

c. Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. Development costs include programming costs that are separately identifiable and deferred as and when they are incurred in the development of commercially exploitable systems and amortised over the period during which the Company is expected to benefit. This period is between 3 and 7 years. Provision is made for any impairment losses.

d. Intangible assets – licenses & purchased databases

Separately acquired licenses and customer databases are included at cost less accumulated amortisation and any accumulated impairment losses. Software licenses are amortised in equal instalments over a period of 3 to 7 years which is their estimated useful economic life. Purchased databases are amortised over a period of 8 to 15 years. Provision is made for any impairment losses.

e. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	period of lease
Equipment and software	3 to 7 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

g. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised

1. Accounting policies (continued)

g. Impairment of assets (continued)

recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

h. Taxation

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

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

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

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

i. Turnover

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

j. Employee benefits

The Company provides a defined contribution pension scheme. The amounts charged to the Statement of Comprehensive Income are the contributions payable in the year. The pension charge for the year was £596,000 (2021: £491,000). The amount of employer contributions payable at the year-end was £nil (2021: £nil).

Termination benefits are recognised immediately as an expense in the Statement of Comprehensive Income when the Company is demonstrably committed to terminate an employee or group of employees before the normal retirement date or to provide benefits as a result of an offer made in order to encourage voluntary redundancy. The Company is demonstrably committed to a termination only when it has a detailed formal plan for termination and is without realistic possibility of withdrawal from the plan.

Notes to the financial statements (continued)
at 31 December 2022

1. Accounting policies (continued)

k. Foreign currency

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

l. Leases

The Company enters into operating leases. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

m. Borrowing costs

Interest is expensed as incurred.

n. Share-based payments

Equifax Inc. (the Group) grants share options to certain employees. The cost of equity-settled transactions is measured at fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using the binomial pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions. No expense is recognised for shares that do not ultimately vest. The Company reimburses the Group for the provision of share options to certain employees equal to the fair value of the share options.

o. Basis of consolidation

The Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

p. Investment income and dividend accounting policy

All dividend income is included in the income statement as investment income. Dividends are recognised when declared.

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Notes to the financial statements (continued)

at 31 December 2022

3. Turnover

The whole of the Company's turnover relates to its principal activity and derives from continuing operations. The origins and destination of turnover is predominantly within the UK. Sales outside of the UK are not material. Sales are recognised as services are provided and are stated net of value added tax.

	2022	*2021*
	£000	*£000*
Provision of services	29,914	27,222

4. Operating (loss) / profit

Operating (loss) / profit is stated after charging:

	2022	*2021*
	£000	*£000*
Depreciation of tangible fixed assets	346	311
Amortisation of intangible fixed assets	892	775
Operating lease rentals - property	297	350
Auditor's remuneration	88	78

The audit fees of related companies are borne by the Company.

There were no research and development expenses during the year.

5. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2022	*2021*
	Number	*Number*
Operations	195	187
Administration	50	48
	245	235

Their aggregate remuneration comprised:

	2022	*2021*
	£000	*£000*
Wages and salaries	14,904	10,260
Social security costs	1,347	1,023
Other pension costs (note 1(j))	596	491
Redundancy costs	122	-
	16,969	11,774

Included in wages and salaries is a charge of £90,000 (2021: £32,000 credit) in respect of share-based payments, which arises from transactions accounted for as equity-settled share-based payment transactions.

Notes to the financial statements (continued)

at 31 December 2022

5. Staff numbers and costs (continued)

Directors' remuneration

The total amounts for Directors' remuneration and other benefits were as follows:

	2022 *£000*	*2021* *£000*
Emoluments	731	-
Company contributions to a defined contribution pension scheme	33	-
	764	-

The number of directors for whom retirement benefits are accruing under defined contribution schemes borne by the Company amounted to 2 (2021: nil).

The number of directors for whom retirement benefits are accruing under defined contribution schemes borne by Equifax Limited amounted to 2 (2021: 4).

The number of directors who exercised share options during the period amounted to nil (2021: 1).

The number of directors who received shares under the group's long-term incentive scheme amounted to 4 (2021: 2).

In the prior year, all of the Directors were remunerated by Equifax Limited, a related party. In the current year two Directors were remunerated directly by the Company, with the remaining Directors continuing to be remunerated by Equifax Limited. Given the combined roles of the Directors across Equifax Limited, the Company and fellow subsidiary companies, the Directors do not believe that it is practicable to apportion their total remuneration either borne by Equifax Limited and the Company between their services as directors of the Company and their services to fellow subsidiary companies. The amounts disclosed above represent the total remuneration borne by the Company.

Highest paid director

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

	2022 *£000*	*2021* *£000*
Emoluments	464	-
Company contributions to a defined contribution pension scheme	17	-
	481	-

The highest paid director did not exercise share options during the period.

The highest paid director received shares under the group's long-term incentive scheme during the year and in 2021.

Notes to the financial statements (continued)
at 31 December 2022

6. Taxation on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2022 £000	2021 £000
Current tax:		
Overseas tax	22	10
Total current tax	22	10
Deferred tax:		
Origination and reversal of timing differences	-	-
Effect of rate changes	-	-
Total deferred tax (note 6(c))	-	-
Tax on profit on ordinary activities	22	10

(b) Factors affecting current tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	9,858	6,056
Profit on ordinary activities multiplied by the rate of tax at 19% (2021: 19%)	1,873	1,151
Effects of:		
Non-taxable income	(2,280)	(1,140)
Expenses not deductible for tax purposes	9	90
Group relief surrendered for no consideration	685	33
Movement in deferred tax not recognised	(348)	(134)
Overseas tax	22	10
Changes in tax laws and rates	61	-
Total tax expense (note 6 (a))	22	10

(c) Deferred tax

The Company has losses carried forward of £14.7m (2021: £14.7m), accelerated capital allowance of £2.9m (2021: £3.5m) and other timing differences of £0.6m (2021: £0.6m) for which a deferred tax asset has not been recognised in the financial statements on the basis that there is uncertainty as to the timing and extent of the use of these losses and allowances, together with insufficient positive evidence to support the recoverability of deferred tax assets at this stage.

(d) Factors affecting future tax charges

The March 2021 Budget announced an increase to the main rate of corporation tax from 19% to 25% effective from April 2023. At the balance sheet date, deferred tax assets and liabilities have been calculated using the appropriate rate at which the asset or liability is expected to be realised.

Notes to the financial statements (continued)
at 31 December 2022

7. Intangible fixed assets

	Software licenses £000	*Deferred programming costs £000*	*Total £000*
Cost:			
At 1 January 2022	451	6,003	6,454
Additions	17	1,307	1,324
Retirements	(447)	(1,780)	(2,227)
At 31 December 2022	21	5,530	5,551
Amortisation:			
At 1 January 2022	450	3,138	3,588
Charge for the year	1	891	892
Retirements	(447)	(1,780)	(2,227)
At 31 December 2022	4	2,249	2,253
Net book value:			
At 31 December 2022	17	3,281	3,298
At 31 December 2021	1	2,865	2,866

Amortisation on intangible fixed assets is charged to administrative expenses in the Statement of Comprehensive Income.

8. Tangible fixed assets

	Leasehold improvements £000	*Office equipment, fixtures and fittings £000*	*Computers £000*	*Total £000*
Cost:				
At 1 January 2022	765	3,268	1,277	5,310
Additions	110	27	208	345
Retirements	-	(156)	(754)	(910)
At 31 December 2022	875	3,139	731	4,745
Depreciation:				
At 1 January 2022	761	2,905	1,077	4,743
Charge for the year	3	147	196	304
Retirements	-	(156)	(754)	(910)
At 31 December 2022	764	2,896	519	4,179
Net book value:				
At 31 December 2022	111	243	212	566
At 31 December 2021	4	363	200	567

Depreciation on tangible fixed assets is charged to administrative expenses in the Statement of Comprehensive Income.

Notes to the financial statements (continued)
at 31 December 2022

9. Fixed asset investments

	Subsidiary undertakings £000
Cost:	
At 31 December 2021	11,474
Return of Capital	(1,716)
At 31 December 2022	9,758

The reduction in fixed asset investments relates to the return of capital from TDX Indigo Iberia SL.

During the year, the Company received £12.0m (2021: £6.0m) in dividends from Integrated Debt Services Limited. This is treated as investment income in the Statement of Comprehensive Income.

The Company has investments in the following subsidiary undertakings:

Name	*Country of incorporation*	*Principal activity*	*Holding*	*%*
TDX Indigo Iberia SL (a)	Spain	Debt liquidation services	Ordinary shares	100
Integrated Debt Services Limited (b)	England & Wales	Debt liquidation services	Ordinary shares	100

Registered address:

(a) C/Velázquez, 50 – 5ª Planta
28001 Madrid
España

(b) 1 Angel Court
London
EC2R 7HJ

10. Debtors

	2022 £000	*2021 £000*
Amounts falling due within one year:		
Trade debtors	4,384	5,678
Amounts owed by group undertakings	3,627	4,490
Prepayments and accrued income	3,720	1,906
Other debtors	-	10
	11,731	12,084

Notes to the financial statements (continued)
at 31 December 2022

11. Creditors

	2022 *£000*	*2021* *£000*
Amount falling due within one year:		
Trade creditors	362	792
Amounts owed to group undertakings	942	757
Other taxation and social security	1,062	936
Other creditors	1	1
Accruals and deferred income	7,609	3,918
	9,976	6,404
Amounts falling due after more than one year:		
Amounts owed to group undertakings	4,500	4,500

Amounts owed to group undertakings falling due after more than one year includes an un-secured interest-bearing loan with interest due monthly and a redemption date of 15 September 2026.

12. Called-up share capital and reserves

	Allotted, called up and fully paid			
		2022		*2021*
	No.	*£000*	*No.*	*£000*
Ordinary shares of £0.0000125 each	16,666,868	-	16,666,868	-
B ordinary shares of £0.0000125 each	419,440	-	419,440	-

The ordinary shares and B ordinary shares carry no right to fixed income.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

13. Financial commitments

(a) Lease commitments

At 31 December 2022 the Company has future minimum rentals payable under non-cancellable operating leases as set out below:

		2022		*2021*
	Property *£000*	*Other* *£000*	*Property* *£000*	*Other* *£000*
Within one year	405	-	273	2
Within 2 to 5 years	2,261	-	-	-
	2,666	-	273	2

Notes to the financial statements (continued)
at 31 December 2022

13. Financial commitments (continued)

(b) Financial commitments

The Company entered into a cancellable contract with a data supplier which has a contractual obligation payment of £50,000 upon termination. The minimum annual amount payable under this agreement is £50,000 (2021: £100,000).

The Company has entered into a cancellable contract with an information technology infrastructure supplier which has a contractual obligation payment of £79,000 upon termination. The minimum annual amount payable under this agreement is £317,000 (2021: £135,000).

The Company has entered into a cancellable contract with an information technology infrastructure supplier which has a contractual obligation payment of £242,000 upon termination. The minimum annual amount payable under this agreement is £242,000 (2021: £1,450,000).

The Company has entered into a cancellable contract with an information technology infrastructure supplier which has a contractual obligation payment of £15,000 upon termination. The minimum annual amount payable under this agreement is £15,000.

14. Share-based payments

(a) Equity-settled share option scheme

The ultimate parent company Equifax Inc. issues share options to certain employees of the Company. Options are exercisable at a price equal to the average quoted market price of Equifax Inc.'s shares at the date of grant. The shares vest in three equal instalments commencing 12 months after the grant date. Options expire 10 years after award. Options are forfeited if the employee leaves the Company. The options are settled with equity.

(b) Non-vested Stock

The ultimate parent company Equifax Inc. issues non-vested shares of Equifax Inc.'s own common stock to certain employees of the Company. Non-vested stock awards are generally subject to cliff vesting over a period between three to five years based on service.

The fair value of non-vested stock is based on the fair market value of Equifax Inc.'s own common stock on the date of grant. However, since the non-vested stock does not pay dividends during the vesting period, the fair value on the date of grant is reduced by the present value of the expected dividends over the requisite service period. The options are settled with equity.

15. Provision for liabilities

	Dilapidations provision
	£000
At 1 January 2022	609
Paid during the year	(120)
Additions / (Utilisation)	(237)
At 31 December 2022	252

The dilapidations provision at the year-end represents the Directors' best estimate of the anticipated costs to repair and maintain the Company's premises in accordance with the terms of the lease. The amounts are expected to be payable at the point the Company exits the leased premises.

Notes to the financial statements (continued)

at 31 December 2022

16. Related party transactions

During the year the Company entered into transactions in the ordinary course of business with other related parties. Under the exemption detailed in Note 1, the entity is not required to disclose the transactions with other wholly owned group entities.

	Amounts owed by related party £000	*Amounts owed to related party £000*
Entities with control over the Company		
2022	-	54
2021	-	44
Other group entities		
2022	3,627	5,388
2021	4,490	5,213

Terms and conditions of transactions with related parties

Outstanding trade balances are unsecured, interest free and cash settlement is expected within 30 days of invoice.

Outstanding loan balances with entities are unsecured, interest bearing and cash settlement is expected upon maturity.

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

17. Ultimate parent undertaking

Pioneer Holdings was the immediate parent up until 8 March 2023, after which date it was acquired by Equifax AH Limited following the transfer of shares and ownership.

The immediate parent undertaking is Equifax UK AH Limited, a company incorporated in the United Kingdom.

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

18. Dividends

During the year, the Company declared a dividend of £12.0m to its parent company (2021: £15.0m).

19. Post balance sheet events

Since the balance sheet date, on 8 March 2023 Pioneer Holdings transferred its shareholding in TDX Group Limited to Equifax UK AH Limited by way of an interim dividend in specie.