Callcredit Information Group Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2010

(Registered Number 4968328)

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Callcredit Information Group Limited

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

Callcredit Information Group Limited operates in the credit solutions and marketing solutions arenas The Credit Solutions Division comprises Callcredit (providers of credit referencing services for business and consumers), DecisionMetrics (specialists in scorecard development and multi-bureau solutions) and Legatio (providers of identity verification software and online tax filing) The Marketing Solutions Division supplies marketing data, database hosting and marketing fulfilment services, international market analysis and network planning

On December 7th 2009, Callcredit Information Group was acquired by DMWSL 617 Limited This is the first full accounting year in which Callcredit has been under the new ownership

BUSINESS REVIEW

OVERVIEW OF THE YEAR

Callcredit Information Group has continued to see excellent growth in 2010, with sales increasing year on year by 14% Full year EBITDA of £15 9m shows an uplift of 36% on 2009 and the EBITDA margin has increased from 22% to 26% The Directors regard this as a very positive result given the economic climate and, particularly, the uncertain trading conditions

A summary review of the significant trading activities is given below

Callcredit
Callcredit has had another extremely successful year Revenues have increased year on year by 24% and sales targets have been exceeded, despite challenging conditions in the financial services markets Callcredit has generated EBITDA of £12 9m in 2010, up from £8 9m in 2009 Callcredit continues to develop its suite of products to meet the needs of its clients Callcredit's brand continues to grow along with a reputation for quality and depth in its range of services

DecisionMetrics
DecisionMetrics has demonstrated strong performance, with sales 30% higher than in 2009 EBITDA has risen to £876k from £750k in the prior year and the company continues to provide the Group with excellent credit scoring capabilities

Legatio
Legatio has continued to perform well with revenues for the year in line with expectations Profits and turnover have both exceeded budgets and EBITDA is 12% higher than in the previous year Post year-end, all of the trade and assets of Legatio have been hived up into Callcredit Limited

Callcredit Marketing

Challenging market conditions continue to prevail in the marketing services sector The directors regard the sales increase of 30% and profit increase of 125% to be very strong given given the adverse economic conditions Callcredit Marketing continues to build its presence in the international arena and capitalise on synergistic benefits with Callcredit Marketing Solutions, its sister marketing services company

Callcredit Marketing Solutions
Callcredit Marketing Solutions has been heavily affected by difficult market conditions in the marketing services sector, particularly with reduced fiscal spending, and this has had a resultant impact on revenue and margins However, despite this difficult climate Callcredit Marketing Solutions has performed relatively well compared with its competition, offering a broad set of solutions and options for clients and service excellence, leading to a high level of client retention

Process Benchmarking
Process Benchmarking was acquired on 30th November 2010 As such one month's trading has been included in these consolidated accounts, which had strong profitability It is thought through 2011 that this business will grow and provide the Group with synergies and cross-selling opportunities

Callcredit Information Group Limited

DIRECTORS' REPORT

OBJECTIVES AND STRATEGIES

Callcredit Information Group's business targets and objectives

The primary objectives of the Group for 2011 are to increase market share in both the credit and marketing sectors and to make further progress in improving its margins as its businesses grow in scale Now in a cash-generating position, the Group will continue to invest in systems, data, infrastructure, and human resources in order to achieve a high level of turnover growth for its three year plan

RISKS AND UNCERTAINTIES

The principal risks to the Group are as follows

1 The directors are vigilant in their monitoring of the prevailing economic conditions and are mindful of the current lack of confidence in the credit markets Callcredit Information Group's breadth of portfolio in terms of product, geography, client and sector and its capacity to adapt to change should mitigate the impact of the risk of reducing business volumes arising from the current economic position

2 Having built a strong position in the market, the Board recognises the negative impact of delivering a delayed or sub-optimal service leading to a loss of confidence Ensuring highly skilled staff are well motivated and supported and the continuous improvement of systems and processes, underpinned by state of the art technology help to minimise this risk

3 The risk of loss, theft, wrongful disclosure or corruption of data is a key focus of the Board and a comprehensive set of stringent security measures are in place to mitigate or minimise such risks These underpin all aspects of the business and are kept under constant review to ensure best practice is achieved

4 Rapid changes, such as the move away from traditional media to the new electronic media in the Direct Marketing industry, are, wherever possible, anticipated and acted upon by the directors The Board recognises the very real risk of standing still and actively seeks to capitalise upon the opportunities such changes provide through a combination of innovation, technology and flexibility

Callcredit Information Group has robust procedures in place for risk assessment and reporting The risk profile is reviewed quarterly by the Board, highlighting the key risks facing the business and assessing any improvement or deterioration so that internal controls can be enhanced where necessary to ensure such risks are properly mitigated

All risks are managed in accordance with the established risk policy

Callcredit Information Group Limited

DIRECTORS' REPORT

DIVIDENDS

The directors do not propose to pay a final dividend (2009 £nil)

DIRECTORS

The directors who served during the year were

M J Green
E A Richards
J F McAndrew   Appointed 19th January 2010

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no political contributions (2009 £nil) during the period Donations by the Group to UK charities amounted to £7,821 (2009 £4,624)

EMPLOYEES

It is the policy of the Group to disclose to staff at all levels information on matters of concern to them as employees

CREDITOR PAYMENT POLICY

The Group's policy concerning the payment of suppliers for the next financial year is to agree terms of payment in advance and to make the payment in accordance with agreed terms and any other legal obligations

As at 31 December 2010 creditor days were 51 days (2009 34 days)

AUDITORS

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

By order of the board

E A Richards
Secretary

29th March 2011

Callcredit Information Group Limited

DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare group and parent company financial statements for each financial year Under that law they have elected to prepare both the group and the parent company financial statements in accordance with IFRSs as adopted by the EU and applicable law

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period In preparing each of the group and parent company financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

KPMG

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALLCREDIT INFORMATION GROUP LIMITED

We have audited the financial statements of Callcredit Information Group Limited for the year ended 31 December 2010 set out on pages 6 to 30 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion
- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Mike Barradell (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

29th March 2011

Callcredit Information Group Limited

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Year ended 31 December 2010	Year ended 31 December 2009
		£'000s	£'000s
Revenue	1	61,101	53,645
Cost of sales		(13,085)	(14,069)
Gross profit		**48,016**	**39,576**
Other operating income	5	36	36
Administrative expenses		(36,932)	(32,115)
Profit from operations	2	**11,120**	**7,497**
Financial income	3	14	2
Finance costs	4	(1,156)	(404)
Profit before tax		**9,978**	**7,095**
Taxation	8	(3,161)	(2,128)
Profit for the period		**6,817**	**4,967**

In both the current and preceding period the Group had no discontinued operations

The Consolidated Statement of Comprehensive Income is prepared on an unmodified historical cost basis

The notes on pages 9 to 30 form part of these financial statements

Callcredit Information Group Limited

Statements of Financial Position

AS AT 31 DECEMBER 2010

	Notes	31 December 2010 Group £'000s	31 December 2010 Company £'000s	31 December 2009 Group £'000s	31 December 2009 Company £'000s
Current assets					
Trade and other receivables	10	18,692	11,151	15,676	15,018
Income tax receivable		-	412		73
Cash and cash equivalents	9	4,487	2,268	2,195	33
		23,179	**13,831**	**17,871**	**15,124**
Non-current assets					
Intangible assets	11	48,606	-	44,607	-
Property, plant and equipment	12	4,487	-	2,749	-
Investments	13	-	49,045	-	44,959
Deferred tax assets	14	173	-	317	-
Total assets		**76,445**	**62,876**	**65,544**	**60,083**
Current liabilities					
Trade and other payables	15	13,092	1,078	11,067	1,824
Income tax payable		2,105	-	1,172	-
Amounts owed to group undertakings	15	19,898	29,916	19,788	27,478
		35,095	**30,994**	**32,027**	**29,302**
Long term liabilities					
Loans and borrowings	16	-	-	-	-
Other	16	1,693	1,693	677	677
		1,693	**1,693**	**677**	**677**
Equity					
Share capital	17,20	667	667	667	667
Share premium account	20	900	900	900	900
Capital redemption reserve	20	28,433	28,433	28,433	28,433
Retained earnings	20	9,657	189	2,840	104
		39,657	**30,189**	**32,840**	**30,104**
Total equity and liabilities		**76,445**	**62,876**	**65,544**	**60,083**

These accounts were approved by the board of Directors on 29th March 2011 and signed on its behalf by

J F McAndrew
Director

E A Richards
Director

Company Registration Number 4968328

The notes on pages 11 to 28 form part of these accounts

Callcredit Information Group Limited

Consolidated Statement of Cash Flows

FOR THE YEAR ENDING 31 DECEMBER 2010

	Note	Group Year ended 31 December 2010 £'000s	Group Year ended 31 December 2009 £'000s	Company Year ended 31 December 2010 £'000s	Company Year ended 31 December 2009 £'000s
Cash Flows from Operating Activities					
Profit before taxation		9,978	7,095	(1,295)	(658)
Adjustments for					
Depreciation and amortisation charges	11,12	4,856	4,250	-	-
Profit on sale of tangible fixed assets		(1)	(10)	-	-
Financial income	3	(14)	(2)	(114)	(209)
Interest expense	4	1,156	404	1,141	457
(Increase)/Decrease in trade and other receivables		(2,543)	(566)	3,867	5,024
Increase/(Decrease) in trade and other payables		2,200	(2,616)	1,954	(4,799)
Cash generated from operating activities		15,632	8,555	5,553	(185)
Interest paid		(1,108)	(404)	(1,141)	(457)
Income taxes (paid)/received		(2,084)	(824)	40	121
Net cash from operating activities		**12,440**	**7,327**	**4,452**	**(521)**
Cash Flows from Investing Activities					
Interest received		14	2	114	209
Purchase of shares in subsidiary undertaking		(1,681)	-	(1,681)	-
Deferred Consideration		(1,650)	-	(1,650)	(257)
Proceeds on disposal of property, plant and equipment		10	23	-	-
Purchases of property, plant and equipment	12	(3,312)	(1,508)	-	-
Purchases of intangible assets		(3,686)	(4,040)	-	-
Dividend received		-	-	1,000	600
Cash acquired with subsidiary		157	-	-	-
Net cash from investing activities		**(10,148)**	**(5,523)**	**(2,217)**	**552**
Net increase in cash and cash equivalents		2,292	1,804	2,235	31
Cash and Cash equivalents at 1 January		2,195	391	33	2
Cash and cash equivalents at 31 December	9	**4,487**	**2,195**	**2,268**	**33**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

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

(a) Basis of accounting
The financial statements have been prepared for the year ended 31 December 2010 in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee interpretations (IFRIC) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS IFRS and IFRIC are issued by the International Accounting Standards Board (the IASB) and must be adopted into European Union law referred to as endorsement before they become mandatory under the IAS Regulation Shown below are recent standards and interpretations that have been issued by the IASB indicating their status of endorsement

Adoption of new and revised Standards

IFRS 3(2008) *Business Combinations* IAS 27(2008) *Consolidated and Separate Financial Statements* and IAS 28(2008) *Investments in Associates* have introduced a number of changes in the accounting for business combinations when acquiring a subsidiary or an associate IFRS 3(2008) has also introduced additional disclosure requirements for acquisitions See (d) for more details

Standards not affecting the reported results nor the financial position

The following new and revised Standards and Interpretations have been adopted in the current year Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements

Amendment to IFRS 2 *Share-based Payment* - IFRS2 has been amended following the issue of IFRS 3(2008) to confirm that the contribution of a business on the formation of a joint venture and common control transactions are not within the scope of IFRS 2 This has not had a significant impact on the accounts

Amendment to IAS 17 *Leases* - IAS 17 has been amended such that it may be possible to classify a lease of land as a finance lease if it meets the criteria for that classification under IAS17 The amendment has been applied retrospectively in accordance with the relevant transitions This has had no impact on the accounts

Amendment to IAS 39 *Financial Instruments Recognition and Measurement* - IAS 39 has been amended to state that options contracts between an acquirer and a selling shareholder to buy or sell an acquiree that will result in a business combination at a future acquisition date are not excluded from the scope of the standard
The amendment has been applied prospectively to all unexpired contracts on or after 1 January 2010 in accordance with the relevant transitional provision This has had no impact on the accounts

IFRIC 17 *Distributions of Non-cash Assets to Owners* - The Interpretation provides guidance on when an entity should recognise a non-cash dividend payable how to measure the dividend payable and how to account for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when the payable is settled

IFRS 2 (amended) *Group Cash-settled Share-based Payment Transactions* - The amendment clarifies the accounting for share-based payment transactions between group entities

Recently issued standards

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

IFRS9 - *Financial Instruments* IAS 24 (amended) - *Related Party Disclosures* IAS 32 (amended) *Classification of Rights Issues* IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* IFRIC 14 (amended) *Prepayments of a Minimum Funding Requirement*

The adoption of IFRS 9 which the Group plans to adopt for the year beginning on 1 January 2013 will impact both the measurement and disclosures of Financial Instruments

The directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Group in future periods

Significant Accounting Standards

As part of the Group s acquisition strategy within a number of subsidiaries which have less than 100% ownership there is an option for minority shareholders to sell their shares to the Group at defined future dates In accordance with of IAS 32 *Financial Instruments Presentation* and emerging accounting practice the Group accounting policy for these transactions is to recognise the present value of minorities options as a financial obligation along with recognition of further goodwill on the purchase of remaining minority interests

Under this accounting policy the Group consolidates 100% of the results of affected subsidiaries to reflect the 100% ownership implicit in the recording of the future purchase of minorities remaining shareholdings The impact on the income statement is the recognition of the interest expense, being the accretion of the liability

The Group Accounts consolidate the accounts of Callcredit Information Group Limited and all its subsidiary undertakings
The acquisition method of accounting has been adopted under which the results of subsidiary undertakings acquired or disposed of during the year are included in the Income Statement from the date of acquisition or up to the date of disposal All Group undertakings prepare accounts to 31 December annually

In accordance with Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account The Company's profit for the year is disclosed in note 20 to the accounts

The financial statements are drawn up under the historic cost convention and in accordance with applicable accounting standards

1 Accounting Policies (continued)

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquistion or up to the effective date of disposal as appropriate Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group All intra-group transactions, balances, income and expenses are eliminated on consolidation

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets The choice of measurement is made on an acquisition-by-acquisition basis Subsequent to acquisition the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company

(c) Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 1 to 2

In December 2009 100% of the share capital of Callcredit Information Group Limited was acquired by DMWSL 617 Limited DMWSL 620 Limited is the ultimate controlling company of Callcredit Information Group Limited incorporated in England and Wales The issued share capital of DMWSL 620 Limited is held by VIP I Nominees Limited on behalf of investors in The Vitruvian Investment Partnership I The Vitruvian Investment Partnership I is managed by Vitruvian Partners LLP and is deemed to be the ultimate controlling party The acquisition was financed by a combination of share capital and bank debt As a result, a new financing structure was put in place over the enlarged Group

The bank debt includes term loans as well as working capital and capital expenditure facilities The term of the facilities is a minimum of 6 years part of which is repayable on an installment basis Standard financial covenants apply to the Group in respect of the debt in relation to cashflow and interest cover, leverage and capital expenditure

During the acquisition process, the Directors prepared detailed forecasts for the next 4 years These forecasts have been reviewed during the approval of these accounts, and the Directors are confident that taking account of reasonably possible changes in trading performance, the Group will be able to operate within the level of its current facility and meet all relevant covenants

The Directors of this company also consider that there are sufficient financial resources together with long term contracts with a number of customers and suppliers across a range of sectors As a consequence the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook, and expect that it will continue to generate positive cash flows on its own account for the foreseeable future

The Directors have a strong 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

Callcredit Information Group Limited

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies (continued)

(d) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree Acquisition-related costs are recognised in profit or loss as incurred

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below) All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs Changes in the fair value of contingent consideration classified as equity are not recognised

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year

(e) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date) Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit and loss as a bargain purchase gain

Goodwill is not amortised but is reviewed for impairment at least annually For the purpose of impairment testing goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit An impairment loss recognised for goodwill is not reversed in a subsequent period

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal

The Group's policy for goodwill arising on the acquisition of an associate is described above

(f) Revenue Recognition
Revenue is generally recognised when all contractual obligations have been met in accordance with IAS18 Normally this occurs at the point when the sale is invoiced The specific treatment for each category of revenue is set out below

License and prepaid revenue is non-recourse and therefore recognised at the date of invoice, as are contracted minimum revenues Revenue which is transactional is invoiced and recognised in the month of usage Interest income is recognised on an accruals basis Where a project spans more than one period or year, the revenue is recognised when all of the following have occurred
(a) the revenue can be reliably measured,
(b) it is probable that the economic benefits will flow to the company,
(c) at the balance sheet date the stage of completion can be measured reliably,
(d) transaction costs and costs to completion can be measured reliably

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies (continued)

(g) Leasing
The group as lessor

Other Operating Income is rental income and is recognised on a straight-line basis over the term of the relevant lease Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

The group as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

(h) Foreign currency
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate 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 values are translated to sterling at foreign exchange rates ruling at the dates the fair value was determined

(i) Net financing costs
Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested dividend income, foreign exchange gains and losses on hedging instruments that are recognised in the income statement

Interest income is recognised in the income statement as it accrues, using the effective interest rate method Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method

(j) Pensions
The majority of company employees are members of the Callcredit Information Group stakeholder pension scheme where the assets are held in an independently administered scheme
Contributions are charged to the Income Statement and are included in staff costs

(k) 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 in effect during the period, and any adjustment to tax payable in respect of previous years

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 they will probably 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 in effect during the period

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

1 Accounting Policies (continued)

(l) Property, plant and equipment
Property plant and equipment are stated in the balance sheet at cost less accumulated depreciation and any provision for impairment Depreciation is calculated to write off the cost of tangible fixed assets less estimated residual value over their estimated useful lives as set out below on a straight line basis unless stated otherwise

Leasehold Improvements	-10% straight line
Office Equipment	-15-50% straight line
Motor Vehicles	-25% reducing balance

Fixed asset purchases are depreciated on a monthly basis from the date the asset is available for utilisation
Profits and losses on the sale of these assets are included within the depreciation charge except where these are material when they are separately disclosed

(m) Intangible assets
Intangible assets include deferred development costs internally created databases and purchased data assets that in the opinion of the directors meet the definition of an intangible asset as defined in IAS 38 'Intangible Assets' Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives of intangible assets Intangible assets are amortised from the day they are available for use The estimated useful lives are as follows

Databases and purchased data assets - straight line depreciation over 7 years
Deferred development costs - straight line depreciation over 7 -10 years
Customer contracts - over the expected average length of the contract

Internally created databases comprise the data purchase and capture costs of internally developed databases for use by customers to determine the credit-worthiness of individuals The costs are capitalised as development costs in accordance with IAS38
Purchased data assets comprise data sets purchased externally for resale on a licensed basis and incorporation into the Group's products which fulfil the IAS38 definition of intangible assets
Deferred development expenditure comprises the product development costs of commercially exploitable systems to the extent that they are recoverable

An annual review is undertaken of intangible fixed assets to establish whether there are any indications of impairment Should this be the case an impairment review is performed in accordance with IAS 36 by comparing the carrying value to the net present value of future cash flows The results of the impairment review performed at the 31 December 2010 period end confirmed that no indications of impairment were present IAS 36 further requires impairment testing of any intangible assets not yet available for use Within Callcredit Marketing and Legatio certain developments fall into this category and impairment testing has been carried out on these in accordance with IAS 36 No indications of impairment were identified by this testing

(n) Cash and cash equivalents
For the purpose of the cash flow statement, cash comprises cash in hand and loans and advances to credit institutions repayable on demand and cash and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less

The cash flow statement has been prepared using the indirect method

Callcredit Information Group Limited

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies (continued)

(o) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables cash and cash equivalents, loans and borrowings, and trade and other payables

Trade and other receivables

Trade and other receivables 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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits Bank overdrafts that are repayable on demand and form an integral part of the Group s cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement

Interest-bearing borrowings

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

(p) Equity

Equity comprises the following

- Share capital represents the nominal value of equity shares
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares net of expenses of the share issue
- Retained earnings represent retained profits

(q) Investments
In the Company's financial statements, investments in subsidiary undertakings are stated at cost less any impairment in value In accordance with IAS 36 'Impairment of Assets' the investments are reviewed annually to identify any indicators of impairment Where any indication of impairment is identified, then impairment testing is carried out in accordance with the guidance in this standard For the period ended 31 December 2010 no indications of impairment were found

(r) Critical accounting estimates and judgements

The recoverable amount of goodwill is determined from value in use calculations The value in use calculations are carried out by discounting the future cashflows of the cash generating unit usually the subsidiary undertaking and comparing this to value in use The key assumptions used in these calculations are those regarding discount rates and future growth in profitability of the cash generating units Callcredit Information Group Limited estimates discount rates based on the market participant's cost of capital whilst profitability is based upon projected future cashflows (excluding those related to interest and taxation) taken from approved budgets for the next three years extrapolated forward up to 20 years based upon the long term expected growth rate of 2%

The valuation of intangible assets on acquistion has been derived using the updated IFRS 3(2008) - *Business Combinations* standard, and identifies separable intangible assets as disclosed in Note 11

The useful economic lives for these intangible assets have been derived based on the expected period under which the assets could have been used to generate cash flows for the company as at the date of acquisition

Callcredit Information Group Limited

NOTES TO THE FINANCIAL STATEMENTS

2 Profit from operations	Group	Group
	Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s
Profit from operations has been arrived at after charging (crediting)		
Depreciation of property, plant and equipment	1,574	1,345
Amortisation of intangibles	3,282	2,905
Staff costs (see note 6)	24,787	22,494
Rentals payable under operating leases	1,374	1,683
Profit on disposal of property, plant and equipment	(1)	(10)
Auditors' remuneration and expenses		
Group		
Audit of these financial statements	66	64
Company		
Audit of these financial statements	7	6

3 Financial income	Group	Group
	Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s
Other interest	14	2
	14	**2**

4 Finance Costs	Group	Group
	Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s
Interest payable to group undertakings	1,100	396
Unwind of Put Option	48	-
Other	8	8
	1,156	**404**

5 Other operating income	Group	Group
	Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s
Rents receivable under operating leases	36	36
	36	**36**

Callcredit Information Group Limited

NOTES TO THE ACCOUNTS

6 Staff numbers and costs

The average monthly number of persons employed by the Group (including executive directors but excluding non-executive directors) during the period was as follows

	Group	
	Year ended 31 December 2010	**Year ended 31 December 2009**
Sales	108	113
Operations	351	402
Administration	180	127
	639	**642**

The aggregate payroll costs of these persons was as follows	**£'000s**	**£'000s**
Wages and salaries	23,517	21,344
Social security costs	2,430	2,165
Other pension costs	1,137	1,083
	27,084	**24,592**

During the year £2,297k which has been included in the staff costs set out above was capitalised within additions to deferred development assets as shown in note 11 (2009 £2,098k)

The Company had no employees and therefore no staff costs during the current or preceding periods

	Group	
7 Directors' remuneration and transactions	**Year ended 31 December 2010**	**Year ended 31 December 2009**
	£'000s	**£'000s**

Remuneration

The remuneration of the directors was as follows

Emoluments	400	190
Pension costs	46	10
	446	200

Remuneration

Remuneration for other key management personnel not included above is as follows

Emoluments	417	190
	417	190

Highest paid director

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

Emoluments	225	135
Pension costs	18	10
	243	145

Pensions

Retirement benefits are accruing to the following number of directors

Defined contribution schemes	2	1

8 Taxation

A reconciliation of current tax on profit /(loss) on ordinary activities at the standard UK corporation tax rate to the actual tax expense / (income) is as follows

	Group	
	Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s
a) Analysis of tax expense in the year		
Current tax		
Current tax on income for the period	3,088	2,159
Adjustment for prior years	(73)	(13)
Total Current Tax	3,015	2,146
Deferred tax		
Current year adjustments	83	(3)
Prior year adjustments	63	(15)
Total Deferred Tax	146	(18)
Income tax expense	**3,161**	**2,128**

b) Factors affecting tax expense in the year

A reconciliation of tax on the profit on ordinary activities at the standard UK corporation tax rate to actual tax expense is as follows

Profit on ordinary activities before tax	9,978	7,095
Tax on profit on ordinary activities at UK standard rate of 28% (2009 28%)	2,794	1,987
Effects of		
- Non taxable income	(25)	-
- expenses not deductible for tax purposes	-	159
- utilisation of tax losses	394	
- adjustment to tax in respect of prior periods	(10)	(18)
- UK tax not at standard rate	8	-
Income tax charge	**3,161**	**2,128**

9 Cash and cash equivalents

	Group		Company	
	Year ended 31 December 2010	Year ended 31 December 2009	Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s	£'000s	£'000s
Bank balances	4,487	2,195	2,268	33
Cash and cash equivalents	**4,487**	**2,195**	**2,268**	**33**

Callcredit Information Group Limited

NOTES TO THE ACCOUNTS

10 Trade and other receivables

	Group	
	Year ended 31 December 2010 £'000s	**Year ended 31 December 2009 £'000s**
Trade debtors	15,771	12,973
Prepayments and accrued income	2,782	2,549
Other	139	154
Total	18,692	15,676

The ageing of trade debtors at the reporting date was

	2010 £'000s Gross	**2010 £'000s Impairment**	**2009 £'000s Gross**	**2009 £'000s Impairment**
Not past due	11,016		9,027	-
Past due 0-30 days	2,890	(25)	2,593	(1)
Past due 31-120 days	1,274	(4)	1,031	(1)
Past due 120 days plus	1,457	(837)	1,166	(842)
Total	16,637	(866)	13,817	(844)

The movement in the allowance for impairment in respect of trade debtors during the year was as follows

	2010 £'000s	**2009 £'000s**
At 1 January 2010	(844)	(632)
Provisions made during the year	(630)	(513)
Debtors written off during the year	128	99
Provisions no longer required	480	202
At 31 December	(866)	(844)

	Company	
	Year ended 31 December 2010 £'000s	**Year ended 31 December 2009 £'000s**
VAT	49	-
Amounts owed by Group undertakings	11,038	14,981
Other	64	37
Total	11,151	15,018

None of the amounts owed to the Company are in respect of trading balances

Callcredit Information Group Limited

NOTES TO THE ACCOUNTS

11 Intangible assets

	Goodwill £'000s	Customer Contracts	Group Databases & Purchased Data Assets £'000s	Deferred Development Expenditure £'000s	Total £'000s
Cost					
At 1 January 2010	31,388	373	8 755	15,427	55 943
Minority Interest/Put Option	2,499	-	-	-	2,499
Additions	397	699	1 051	2,635	4 782
Disposals	-	(373)	-	-	(373)
At 31 December 2010	34,284	699	9,806	18,062	62,851
Amortisation and impairment losses					
At 1 January 2010	-	252	4,819	6 265	11,336
Amortisation for the year	-	127	1,306	1,849	3,282
Eliminated on Disposal	-	(373)	-	-	(373)
At 31 December 2010	-	6	6,125	8,114	14,245
Carrying amounts					
At 1 January 2010	31,388	121	3,936	9 162	44,607
At 31 December 2010	34,284	693	3,681	9,948	48,606

	Goodwill £'000s	Customer Contracts £'000s	Group Databases & Purchased Data Assets £'000s	Deferred Development Expenditure £'000s	Total £'000s
Cost					
At 1 January 2009	31,131	373	8,207	12 792	52,503
Minority Interest/Put Option	257	-	-	-	257
Additions	-	-	1,148	2,635	3,783
Disposals		-	(600)		(600)
At 31 December 2009	31,388	373	8,755	15,427	55,943
Amortisation and impairment losses					
At 1 January 2009	-	124	4 113	4,794	9 031
Amortisation for the year	-	128	1,306	1 471	2,905
Eliminated on Disposal	-	-	(600)	-	(600)
At 31 December 2009	-	252	4,819	6,265	11,336
Carrying amounts					
At 1 January 2009	31 131	249	4 094	7,998	43 472
At 31 December 2009	31,388	121	3,936	9,162	44,607

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

The recoverable amounts of the CGUs are determined from value in use calculations The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period These assumptions have been revised in the year in light of the future market performance expected Management estimates discount rates using the pre-tax rates that reflect current market assessments of the time value of money Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next three years and extrapolates cash flows for the following 12 years based on an estimated growth rate of three per cent This is a prudent rate which does not exceed the average long-term growth rate for the relevant markets

The rate used to discount the forecast cash flows from the CGUs is 10 5%

The Company holds no intangible fixed assets

Group

12 Property, plant and equipment

	Leasehold Improvements £'000s	Office Equipment £'000s	Motor Vehicles £'000s	Total £'000s
Cost				
At 1 January 2010	1,665	5,475	26	7,166
Additions	1	3,311	-	3,312
Acquired with subsidiaries	-	6	-	6
Disposals	-	-	(11)	(11)
At 31 December 2010	**1,666**	**8,792**	**15**	**10,473**
Accumulated Depreciation and impairment				
At 1 January 2010	795	3,606	16	4,417
Depreciation charge for the year	267	1,305	2	1,574
Eliminated on Disposals	-	-	(5)	(5)
At 31 December 2010	**1,062**	**4,911**	**13**	**5,986**
Carrying amounts				
At 31 December 2010	**604**	**3,881**	**2**	**4,487**
At 1 January 2010	870	1,869	10	2,749

Group

	Leasehold Improvements £'000s	Office Equipment £'000s	Motor Vehicles £'000s	Total £'000s
Cost				
At 1 January 2009	1,612	4,023	66	5,701
Additions	53	1,455		1,508
Disposals		(3)	(40)	(43)
At 31 December 2009	**1,665**	**5,475**	**26**	**7,166**
Accumulated Depreciation and impairment				
At 1 January 2009	528	2,534	40	3,102
Depreciation charge for the year	267	1,072	6	1,345
Eliminated on Disposals			(30)	(30)
At 31 December 2009	**795**	**3,606**	**16**	**4,417**
Carrying amounts				
At 31 December 2009	**870**	**1,869**	**10**	**2,749**
At 1 January 2009	**1,084**	**1,489**	**26**	**2,599**

The Company holds no tangible fixed assets

None of the assets included above are held under finance leases

13 Investments

Shares in Subsidiary Undertakings	Company Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s
Cost and Net Book Value		
At start of period	44 959	44,702
Additions	1,558	-
Movement in value of put options	2,528	257
At end of period	**49,045**	**44,959**

At 31st December 2010 the Company held interests in the following principal subsidiary undertakings The interests remain unchanged from the previous year end in respect of Callcredit, Callcredit Marketing, GMAP, Legatio and DecisionMetrics In June 2010 the minority interest in Legatio Technologies Limited was brought back from the company's senior management On 30th November 2010 the company acquired 100% of the share capital of process benchmarking limited

Name of subsidiary	Principal Business Activity	Type of Shares Held	Proportion of Shares Held	Immediate Parent
Callcredit Limited	Credit Referencing	Ordinary Shares	100% [50% directly owned and 50% indirectly owned through EuroDirect]	Callcredit Information Group Limited
Callcredit Marketing Limited	Database Marketing	Ordinary Shares	100%	Callcredit Information Group Limited
GMAP Limited	Non-trading company	Ordinary Shares	100%	Callcredit Marketing Limited
Legatio Technologies Limited	Identity checking and data processing	Ordinary Shares	100%	Callcredit Information Group Limited
DecisionMetrics Limited	Scorecard building and data analysis	Ordinary Shares	75%	Callcredit Information Group Limited
Callcredit Marketing Solutions Limited	Database Marketing	Ordinary Shares	100%	Callcredit Information Group Limited
process benchmarking limited	Benchmarking activities	Ordinary Shares	100%	Callcredit Information Group Limited
Call@credit plc	Dormant company	Ordinary Shares	100%	Callcredit Information Group Limited

All the above companies are incorporated and registered in England and operate in the United Kingdom

14 Deferred tax

The movement on the deferred tax account is as shown below	Group Deferred tax asset Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s
At start of period	(317)	(299)
Income statement charge/(credit) relating to current period	82	(18)
Income statement charge/(credit) relating to previous period	62	-
At end of period	**(173)**	**(317)**

14 Deferred tax (continued)

Deferred tax assets	Capital allowances £'000s	Other £'000s	Tax Losses £'000s	Total £'000s
At 1 January 2009	(594)	-	(147)	(741)
Charged/(credited) to profit and loss account	40	-	147	187
At 31 December 2009	(554)	-	-	(554)
Charged/(credited) to profit and loss account	98	(37)	-	61
At 31 December 2010	(456)	(37)	-	(493)
Deferred tax liabilities				
At 1 January 2009	442	-	-	442
Charged/(credited) to profit and loss account	(205)	-	-	(205)
At 31 December 2009	237	-	-	237
Charged/(credited) to profit and loss account	83	-	-	83
At 31 December 2010	320	-	-	320
Net deferred tax liability/(asset)				
At 31 December 2010	(136)	(37)	-	(173)
At 31 December 2009	(317)	-	-	(317)

The deferred tax assets and liabilities are calculated at a rate of 27% as this is the rate at which they are expected to reverse under current UK tax legislation The impact of the rate change from 28% to 27% is reflected within the deferred tax movements in the year and is disclosed separately in note 7

15 Trade and other payables

	Group		Company	
	Year ended 31 December 2010	Year ended 31 December 2009	Year ended 31 December 2010	Year ended 31 December 2009
	£'000s	£'000s	£'000s	£'000s
Trade creditors	4 530	2,268	87	472
Amounts owed to group undertakings	19 898	19,788	29 915	27 478
VAT	1 107	1,250	-	102
Directors' loans	-	386	-	-
Deferred consideration	428	1 075	428	1 075
Accruals and deferred income	7 027	6,088	564	175
	32,990	30,855	30,994	29,302

Callcredit Information Group Limited

NOTES TO THE ACCOUNTS

16 Long term liabilities

	Group		Company	
	Year ended 31 December 2010	**Year ended 31 December 2009**	**Year ended 31 December 2010**	**Year ended 31 December 2009**
	£'000s	**£'000s**	**£ 000s**	**£'000s**
Put option liability	1 268	677	1 268	677
Deferred consideration upon acquisitions	425	-	425	-
	1,693	677	1 693	677

Under the terms of the sale and purchase agreements DecisionMetrics minority shareholders have the option to sell up to 100% of their remaining shares to Callcredit Information Group Limited in tranches on predetermined dates The next opportunity that part of the put option can be exercised within the 60 day period following approval of the 31st December 2010 financial statements The financial liability above represents the present value of these put options The above liability has been calculated using the assumption that all put options will be exercised during 2012

The movements on the put options during the year were

1 Decrease in put option liability to nil to reflect the buy-out of Legatio Technologies
2 Increase in put option liability (£1 052k) to reflect the increase in value of Decisionmetrics

A maturity analysis of these financial liabilities is set out below

Maturity analysis - Group	**0-3 months £'000s**	**3-12 months £'000s**	**1-5 years £'000s**
Amounts owed to group companies	-	-	-
Amounts owed to external parties	-	-	-
Put option liability	-	-	1 268
Deferred consideration upon acquisitions	-	-	852
Total Liabilities	-	-	2 120

Maturity analysis - Company	**0-3 months £'000s**	**3-12 months £'000s**	**1-5 years £'000s**
Amounts owed to group companies	-	-	-
Amounts owed to external parties	-	-	-
Put option liability	-	-	1 268
Deferred consideration upon acquisitions	-	-	852
Total Liabilities	-	-	2 120

17 Share Capital

	Group and Company	
	31 December 2010	31 December 2009
	£'000s	£'000s
Authorised		
300,000,000 ordinary 10p shares	30,000	30,000
	30,000	30,000
Issued and fully paid		
6,666,240 ordinary 10p shares	667	667
	667	667

The rights attached to the 10p ordinary shares are set out below

Dividends
Any profits which the company determines to distribute shall be applied pari passu according to the number of ordinary shares actually held by each shareholder

Capital

On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the company remaining after payment of all its liabilities shall be applied to each shareholder, first, any dividends in respect of his ordinary shares which have been declared but are unpaid and, secondly, an amount equal to the issue price of each share held by him

Voting

Each shareholder is entitled to received notice of and to attend and speak at any general meeting of the company The shareholders who are present in person or by proxy or who are represented by a duly authorised representative shall, on a show of hands, have one vote each, and, on a poll, have one vote for each share of which he is the holder

Redemption of Ordinary Shares
Subject to the provisions of the Companies Act

(a) A shareholder may by giving notice in writing to the company require the company to redeem some or all of his ordinary shares immediately prior to and conditionally upon the occurrence of a Listing

(b) The company shall pay on each share redeemed (exclusive of the related associated tax credit) an amount equal to the issue price thereof

(c) The company shall pay to each registered holder of ordinary shares which are to be redeemed on that date the amount payable in respect of such redemption Upon receipt of that amount, the holder shall deliver to the company for cancellation the certificate(s) for those ordinary shares or an indemnity in form reasonably satisfactory to the company in respect of any missing share certificate

(d) If the company is permitted by the Companies Act to redeem only some of the ordinary shares which would otherwise be redeemed at the time, the company shall only redeem the number of such ordinary shares that it can so redeem at that time The company shall redeem as soon thereafter as it may do so all the remaining ordinary shares which would otherwise have been redeemed and pending such redemption shall not pay any dividend

18 Acquisition of Subsidiary

The Group has adopted IFRS 3(2008) *Business Combinations* and IAS 27(2008) *Consolidated and Separate Financial Statements* with effect from 1 January 2010

On 30th November 2010, the group acquired 100 per cent of the issued share capital of process benchmarking limited obtaining control of process benchmarking limited Process benchmarking limited is a benchmarking company Process benchmarking limited was acquired as it offered strong synergies with the current group and offered exceptional growth potential

	Book Value £'000	Fair Value £'000
Recognised amounts of identifiable assets acquired and liabilities assumed		
Property, plant and equipment	5	5
Identifiable intangible assets	-	699
Trade and other Receivables	473	473
Trade and other Payables	(519)	(173)
Cash	157	157
Total identifiable assets	116	1,161
Goodwill		397
Total consideration		1,558
Satisfied by		
Cash		704
Contingent consideration arrangement		854
Total consideration transferred		1,558
Net cash outflow arising on acquisition		
Cash consideration		704
Less cash and cash equivalent balances acquired		(157)
		547

The goodwill of £397k arising from the acquisition consists primarily of potential synergies with the current group, as well as the workforce in place at the acquired company

Process Benchmarking Limited contributed turnover of £132k and profit before tax of £63k to the results

If Process Benchmarking Limited had been acquired at the start of the period it would have provided turnover of £981k and profit after tax of £203k to the results of the group

Total acquisition costs were negligible for the acquisition of Process Benchmarking Limited

The contingent consideration arrangement requires the company to acheive levels of revenue, and is payable based on annual revenues for annual periods ending 30th June 2011 and 30th June 2012 The fair value of the contingent consderation arrangement of £846k was determined based on the expected payments to be made to the previous shareholders discounted at the Group's weighted average cost of capital

The maximum amount of deferred consideration payable is £1 3m and the minimum amount payable is nil

19 Post balance-sheet acquisitions of subsidiaries

On 17th January 2011, the Group acquired 100% of the share capital of Orbitron Limited obtaining control of Orbitron Limited Orbitron limited is a holding company for The Trading Floor Limited which specialises in data provision Orbitron Limited was acquired as it offered strong synergies with our current Marketing Division and the services it provides fits in well with the current Group objectives

The consideration paid for Orbitron Limited was approximately £5 8m, and the book value of the Group acquired was £400k As of the date of signing, final completion accounts have not been confirmed, and fair value adjustments are to be determined

On 31st January 2011, the Group acquired 89% of the share capital of Latitude Digital Marketing Limited, obtaining control of Latitude Digital Marketing Limited Latitude Digital Marketing Limited offers a range of digital marketing services to customers Latitude Digital Marketing Limited was acquired as it offered strong synergies with our current Marketing Division and the services it provides fits in well with the current Group objectives

The consideration paid for Latitude Digital Marketing Limited was £1, and the company had net liabilites of approximately £930k As of the date of signing, final completion accounts have not been confirmed, and fair value adjustments are to be determined

20 Reconciliation of movement in capital and reserves

Group

	Share Capital £'000s	Share Premium £'000s	Retained Earnings £'000s	Capital Redemption Reserve £'000s	Total Equity £'000s
Balance at 1 January 2010	667	900	2,840	28,433	32,840
Profit for the period	-	-	6,817	-	6,817
Balance at 31 December 2010	**667**	**900**	**9,657**	**28,433**	**39,657**
Balance at 1 January 2009	667	900	(2,127)	28,433	27,873
Profit for the period	-	-	4,967	-	4,967
Balance at 31 December 2009	**667**	**900**	**2,840**	**28,433**	**32,840**

Company

	Share Capital £'000s	Share Premium £'000s	Retained Earnings £'000s	Capital Redemption Reserve £'000s	Total Equity £'000s
Balance at 1 January 2010	667	900	104	28,433	30,104
Profit for the period	-	-	85	-	85
Balance at 31 December 2010	**667**	**900**	**189**	**28,433**	**30,189**
Balance at 1 January 2009	667	900	53	28,433	30,053
Profit for the period	-	-	51	-	51
Balance at 31 December 2009	**667**	**900**	**104**	**28,433**	**30,104**

21. Financial Instruments

Fair values of financial instruments

The group's financial instruments include trade and other receivables, trade and other payables, cash and cash equivalents and interest bearing borrowings The fair values for each class of financial assets and financial liabilities together are not materially different from their carrying amount

Trade and other receiveables and 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 cashflows at prevailing interest rates Cash and cash equivalents approximate to their book values

Derivative financial instruments

The group has no derivative financial instruments

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, mainly banking institutions and large companies in markets such as news, credit providers and government agencies

Banking institutions are not considered to be a significant credit risk due to their size and financial resources 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 balance sheet date the directors believe that there were no significant concentrations of credit risk based on the size, age and natue 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 balance sheet

Interest rate risk

Interest expense reflects the cost of the Group's borrowings Interest income arises from investment of cash and short term deposits held by the group Interest rate risk is managed by monitoring market rates to ensure that optimal returns are achieved

Liquidity risk

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

The Group finances its operations through a mixture of cash from retained profits and bank borrowings The Group has continued with its policy of ensuring that there are sufficient funds to meet the expected funding requirements of the Group's operations and investment opportunities The Group has continued to monitor its liquidity position through budgetary procedures and cash flow analysis (see note 16 for further analysis)

Capital management

The Group's objectives when managing capital, equity and borrowings, is to safeguard the Group as a going concern and provide returns for the shareholders and other stakeholders by maintaining an optimal capital structure

22 Related Party Transactions

DMWSL 620 Limited is the ultimate controlling company incorporated in England and Wales All related party transactions are on an arm's length basis

Group

Transaction

	2010 £'000s	2009 £'000s
a) Net Interest		
Interest payable to parent undertaking	1,108	396
Total	**1,108**	**396**
b) Sales of goods and services		
Trade sales	-	351
Office Rental	-	33
Total	**-**	**384**
c) Purchase of goods and services		
Recharges of salaries and services	-	(62)
Total	**-**	**(62)**
d) Outstanding balances		
Interest payable to parent undertaking	(98)	(68)
Sales of goods and services	-	-
Purchase of services	-	-
Funding from parent undertaking	(19,800)	(19,720)
Total	**(19,898)**	**(19,788)**

There are no provisions in respect of sales of goods and services to Related Parties, either at 31 December 2009 or at 31 December 2010

Callcredit Information Group Limited

NOTES TO THE ACCOUNTS

22 Related Party Transactions (continued)

DMWSL 620 Limited is the ultimate controlling company incorporated in England and Wales All related party transactions are on an arm's length basis

Company

Transaction	Amount 2010	2009
	£'000s	£'000s
a) Net Interest		
Interest receivable from subsidiary undertaking	107	208
Interest payable to subsidiary undertakings	(1,108)	
Interest payable to parent company	(33)	(457)
Total	**(1,034)**	**(249)**
b) Sales of goods and services		
Recharges of salaries and services to subsidiary undertakings	7,609	4,378
Total	**7,609**	**4,378**
c) Purchases of goods and services		
Recharge of services	-	(62)
Total	**-**	**(62)**
d) Outstanding balances		
Interest payable to parent company	(98)	(71)
Recharge of salaries and services to subsidiary undertakings	641	408
Funding from parent companies	(29,559)	(27,410)
Monies deposited	10,397	14,576
Total	**(18,619)**	**(12,497)**

23 Capital Commitments

The Group has total commitments due under operating leases At the balance sheet date these were as follows

	Year ended 31 December 2010	Year ended 31 December 2009
Land and Buildings	**£'000s**	**£'000s**
On leases expiring		
Within one year	1,628	1,520
Within two to five years	5,119	3,617
Later than 5 years	5,810	-
	12,557	**5,137**

	Year ended 31 December 2010	Year ended 31 December 2009
Other	**£'000s**	**£'000s**
On leases expiring		
Within one year	84	70
Within two to five years	165	93
	249	**163**

The Company had no capital commitments at either the current or previous period end

24 Ultimate Parent Undertaking
The ultimate parent undertaking is DMWSL 620 Limited, which is registered in the United Kingdom This is the highest company for which financial statements will be prepared The immediate parent company is DMWSL 617 Limited

The issued share capital of DMWSL 620 Limited is held by VIP I Nominees Limited on behalf of investors in The Vitruvian Investment Partnership I The Vitruvian Investment Partnership I is managed by Vitruvian Partners LLP and is deemed to be the ultimate controlling party

DMWSL 620 Limited is currently the largest group for which consolidated accounts are available and copies can be obtained from the address below

The Secretary
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