# Callcredit Information Group Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2014

(Registered Number 04968328 )

# Callcredit Information Group Limited

## STRATEGIC REPORT

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

**The Business Model**

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), process benchmarking limited (providers of executive benchmarking services), Tenant ID (tenant and landlord referencing services) and Noddle (consumer credit referencing). The Marketing Solutions Division supplies marketing data, database hosting and marketing fulfilment services, international market analysis and network planning.

Callcredit Information Group has had another extremely successful year. Revenues have increased year on year by over 19% and sales targets have been exceeded, despite challenging conditions in the financial services markets. Callcredit Information Group has generated a profit before tax of £29.3m in 2014, up from £26.9m in 2013.

Callcredit Information Group continues to develop its suite of products to meet the needs of its clients, and Callcredit Information Group's reputation for quality and depth in its range of services has also continued to grow.

On 14th February 2014, the entire share capital of DMWSL 620 Limited, the ultimate controlling company, was acquired by Crown Acquisition Bidco Limited.

**Objectives and Strategies**

Callcredit's primary objective for 2015 is to continue to increase its market share and to make further progress in improving its margins as the business grows in scale. Callcredit will continue to invest further in systems, data, infrastructure and human resources in order to achieve a high level of turnover growth for its three year plan, as well as extending its range by acquisition both in the UK and international markets.

**Principal Risks and Uncertainties**

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's breadth of portfolio and capacity to adapt to change help mitigate the impact of the risk of reducing business volumes arising from the current economic position.

Having built a strong position in the market the Board recognises the negative impact of delivering 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 minimise this risk.

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.

Callcredit Information Group and its subsidiaries have robust procedures in place for risk assessment and reporting. The risk profile is reviewed quarterly by the Board, including financial risk, but also highlighting key risks facing the business and assessing any improvement or deterioration so that the internal controls can be enhanced if necessary.

**Activities in Research and Development**

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

**Corporate and Social Responsibility**

The Company has a significant investment in its corporate and social responsibility. The company takes measures to reduce the carbon footprint, including promoting recycling and energy efficiency. The company also has a strong interest in local and national charities, with £88k donated to charity during the year by the Company (2013: £66k), as well as motivating staff to take part in charitable events and enjoying a healthy lifestyle.

**Going Concern Basis**

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

The Directors have a reasonable expectation that the company has adequate resources to trade profitably for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

**Approval**

This report was approved by the board of directors on 16th April 2015 and signed on its behalf by:

E A Richards
Director

# Callcredit Information Group Limited

## DIRECTORS REPORT

**Directors**

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

Mrs E A Richards
Mr J F McAndrew (Resigned 31/12/2014)
Mr M J Green
Mr M J Gordon (Appointed 01/01/2015)

E A Richards, J F McAndrew (up until 31/12/2014) and M J Gordon (from 01/01/2015) are also directors of the company's immediate parent undertaking, DMWSL 617 Limited.

**Dividends**

No dividends were paid in either the current or preceding periods. The directors do not recommend the payment of a final dividend (2013: £nil).

**Employee Consultation**

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

**Overseas Subsidiaries**

The Group has three overseas subsidiaries at the balance sheet date, in Japan, China and Lithuania. The Lithuanian subsidiary provides a variety of back-office operational activities supporting Callcredit Information Group and its subsidiaries, and the Japanese and Chinese subsidiary forms part of the Marketing division of the Group and offers bespoke marketing services to the East Asian market.

**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 members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**Policy and practice on payment of creditors**

The company's policy concerning the payment of suppliers is to agree terms of payment in advance and to make payment in accordance with agreed terms and any other legal obligations. At 31 December 2014, there were 28 days (2013: 46 days) purchases in trade creditors.

**Disclosure of information to Auditor**

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Political and charitable contributions**

The company made no political contributions (2013: £nil) during the period. Donations to UK charities amounted to £88k (2013: £66k).

**Auditor**

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

By order of the board

E A Richards
Secretary
One Park Lane
Leeds
LS3 1EP

Elizabeth Richards

16th April 2015

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

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

Company law requires the Directors to prepare 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 judgements 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

## 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 2014 set out on pages 5 to 27. 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

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

**Opinion on financial statements**

In our opinion:
• the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 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 Strategic Report and the Directors' Report for the financial period 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
• 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 LLP, Statutory Auditor**
*Chartered Accountants*
1 The Embankment
Neville Street
Leeds
LS1 4DW

16th April 2015

# Callcredit Information Group Limited

## Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2014

| | Notes | Year ended 31 December 2014 | Year ended 31 December 2013 |
|---|---|---|---|
| | | **£'000s** | **£'000s** |
| **Continuing Operations** | | | |
| Revenue | 1 | 149,872 | 125,765 |
| Cost of sales | | (41,165) | (33,213) |
| **Gross profit** | | **108,707** | **92,552** |
| Administrative expenses | | (79,491) | (65,300) |
| **Profit from operations** | 2 | **29,216** | **27,252** |
| Financial income | 3 | 237 | 395 |
| Finance costs | 4 | (190) | (733) |
| **Profit before tax** | | **29,263** | **26,914** |
| Taxation | 7 | (5,711) | (6,250) |
| **Profit for the period from continuing operations** | 17 | **23,552** | **20,664** |
| **Discontinued operations** | | | |
| Loss for the period from discontinued operations | | - | (2,242) |
| **Profit for the period** | | **23,552** | **18,422** |
| Attributable to: | | | |
| Owners of the Company | 17 | 23,552 | 18,154 |
| Non-controlling interests | 17 | - | 268 |
| | | **23,552** | **18,422** |

In the current year the Group had no discontinued operations. During 2013, the Group disposed of the trade and assets of a contact centre.

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

The notes on pages 8 to 27 form part of these financial statements.

# Callcredit Information Group Limited

## Statements of Financial Position

AS AT 31 DECEMBER

| | Notes | 31 December 2014 Group | 31 December 2014 Company | 31 December 2013 Group | 31 December 2013 Company |
|---|---|---|---|---|---|
| | | £'000s | £'000s | £'000s | £'000s |
| **Current assets** | | | | | |
| Trade and other receivables | 9 | 54,491 | 11 | 42,855 | 7 |
| Income tax receivable | | - | 125 | - | 204 |
| Amounts due from group undertakings | 9 | 2,503 | 14,661 | | 7,668 |
| Cash and cash equivalents | 8 | 5,241 | 93 | 9,017 | 3,600 |
| | | **62,235** | **14,890** | **51,872** | **11,479** |
| **Non-current assets** | | | | | |
| Intangible assets | 10 | 72,490 | - | 64,002 | - |
| Property, plant and equipment | 11 | 6,195 | - | 7,718 | - |
| Investments | 12 | - | 68,089 | - | 61,374 |
| **Total assets** | | **140,920** | **82,979** | **123,592** | **72,853** |
| **Current liabilities** | | | | | |
| Trade and other payables | 14 | 35,075 | 2,362 | 30,971 | 3,832 |
| Income tax payable | | 5,094 | - | 4,973 | - |
| Amounts owed to group undertakings | 14 | - | 49,289 | 7,520 | 38,007 |
| | | **40,169** | **51,651** | **43,464** | **41,839** |
| ***Long term liabilities*** | | | | | |
| Deferred tax liabilities | 13 | 388 | - | 337 | - |
| | | **388** | **-** | **337** | **-** |
| **Equity** | | | | | |
| Share capital | 15,17 | 667 | 667 | 667 | 667 |
| Share premium account | 17 | 900 | 900 | 900 | 900 |
| Capital redemption reserve | 17 | 28,433 | 28,433 | 28,433 | 28,433 |
| Other reserves | 17 | (2,083) | - | - | - |
| Retained earnings | 17 | 72,446 | 1,328 | 48,894 | 1,014 |
| **Equity attributable to the owners of the Company** | | **100,363** | **31,328** | **78,894** | **31,014** |
| Non-controlling interests | 17 | - | - | 897 | - |
| **Total equity** | | **100,363** | **31,328** | **79,791** | **31,014** |
| **Total equity and liabilities** | | **140,920** | **82,979** | **123,592** | **72,853** |

These accounts were approved by the board of Directors on 16th April 2015 and signed on its behalf by :

M J Gordon
Director

E A Richards
Director

Company Registration Number: 4968328

The notes on pages 8 to 27 form part of these accounts.

# Callcredit Information Group Limited

## Consolidated Statement of Cash Flows

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | Year ended 31 December 2014 | Year ended 31 December 2013 | Year ended 31 December 2014 | Year ended 31 December 2013 |
| | | £'000s | £'000s | £'000s | £'000s |
| **Cash Flows from Operating Activities** | | | | | |
| Profit/(loss) before taxation | | 29,263 | 24,655 | 189 | (810) |
| Adjustments for: | | | | | |
| Depreciation and amortisation charges | 10,11 | 8,101 | 9,884 | - | - |
| Loss/(Profit) on sale of tangible fixed assets | | - | (1) | - | - |
| Investment write off | | - | - | 346 | - |
| Impairment of goodwill | | 349 | - | - | - |
| Impairment of intangibles | | 130 | - | - | - |
| Investment revenues | | | | (1,400) | - |
| Financial income | 3 | (237) | (395) | (9) | (386) |
| Interest expense | 4 | 190 | 733 | 488 | 994 |
| (Increase)/Decrease in trade and other receivables | | (13,684) | (13,632) | (6,997) | (2,036) |
| (Decrease)/Increase in trade and other payables | | (7,538) | (5,090) | 10,710 | 4,045 |
| Cash generated from operating activities | | 16,574 | 16,154 | 3,327 | 1,807 |
| Interest paid | | (15) | (588) | (289) | (883) |
| Income taxes (paid)/received | | (3,427) | (5,275) | 180 | 243 |
| **Net cash from operating activities** | | **13,132** | **10,291** | **3,218** | **1,167** |
| **Cash Flows from Investing Activities** | | | | | |
| Interest received | 3 | 237 | 14 | 9 | 10 |
| Purchase of shares in subsidiary undertaking | | (2,980) | - | (3,062) | (125) |
| Acquisition of subsidiaries | | (3,882) | (1,744) | (3,867) | (1,744) |
| Deferred Consideration | | (1,205) | - | (1,205) | - |
| Purchases of property, plant and equipment | 11 | (1,198) | (3,892) | - | - |
| Purchases of intangible assets | 10 | (8,275) | (4,804) | - | - |
| Proceeds on sale of trade and assets | | - | 1,150 | - | - |
| Dividend received | | - | - | 1,400 | 1,400 |
| Cash acquired with subsidiary | 19 | 395 | 579 | - | - |
| **Net cash from investing activities** | | **(16,908)** | **(8,697)** | **(6,725)** | **(459)** |
| **Net increase in cash and cash equivalents** | | (3,776) | 1,594 | (3,507) | 708 |
| **Cash and Cash equivalents at 1 January 2014** | | 9,017 | 7,423 | 3,600 | 2,892 |
| **Cash and cash equivalents at 31 December 2014** | 8 | **5,241** | **9,017** | **93** | **3,600** |

# 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 in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

Callcredit Information Group Limited is exempt from the requirement to present its own profit and loss account under CA 2006 s408.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

*Standards not affecting the reported results nor the financial position*

In the current year, the Group has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities,* Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets,* Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting,* IFRIC 21 *Levies*. Amendments to IAS 32 *Offsetting financial assets and financial liabilities*.

*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):

IFRS 9 *Financial Instruments*, IFRS 11 (amendments) *Accounting for acquisitions of interests in joint operations*, IAS 16 and IAS 38 (amendments) *Clarification of acceptable methods of depreciation and amortisation*, IAS 16 and IAS 41 (amendments) *Agriculture: bearer plants*, IAS 19 (amendments) *Defined benefit plans: employee contributions*, IAS 27 (amendments) *Equity method in separate financial statements*, IFRS 10 and IAS 28 (amendments) *Sale or contribution of assets between an investor and its associate or joint venture*, IFRS 15 Revenue from contracts with customers.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

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

### (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 each year. Control is achieved where the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and has the ability to use its power to affects its returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition 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.

**1. Accounting Policies (continued)**

**(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 Strategic Report on page 1.

Standard financial covenants apply to the Group in respect of the Group debt in relation to leverage. There are six years left on these facilities.

The Directors have prepared detailed forecasts for the next 3 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 have, at the time of approving the financial statements, a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

**(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 for any combinations which occurred after 2008.

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.

**(f) Revenue Recognition**

Revenue is generally recognised when all contractual obligations have been met in accordance with IAS18. Normally this occurs when all material delivery obligations of the service have been met. The specific treatment for each category of revenue is set out below:

License, prepaid and contracted minimum revenues where they are non-recourse are recognised at the service start date as long as it is likely that the economic benefits of the revenue will flow to the entity. Revenue which is transactional is invoiced and recognised in the month of usage. 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*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging operating leases 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 are 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**

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items which are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

**(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) Retirement Benefit Costs**

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.

# Callcredit Information Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

**1. Accounting Policies (continued)**

**(k) Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is dealt with in other comprehensive income.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**(l) Property, plant and equipment**

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost or valuation of tangible fixed assets less their residual values over their useful lives, as set out below on a straight line basis unless stated otherwise.

Leasehold Improvements - 10% straight line
Office Equipment - 10-50% straight line

Fixed asset purchases are depreciated on a monthly basis from the date the asset is available for utilisation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

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 6-10 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 2014 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.

**1. Accounting Policies (continued)**

**(n) 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.

**(o) 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

**(p) 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 2014 no indications of impairment were found.

**(q) 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.

The valuation of intangible assets on acquisition has been derived using the updated IFRS 3(2008) - *Business Combinations* standard, and identifies separable intangible assets as disclosed in Note 19.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Profit from operations

| | Group | Group |
|---|---|---|
| | Year ended 31 December 2014 | Year ended 31 December 2013 |
| | £'000s | £'000s |
| Profit from operations has been arrived at after charging/(crediting): | | |
| Depreciation of property, plant and equipment | 2,747 | 2,918 |
| Amortisation of intangibles | 5,354 | 6,966 |
| Impairment of intangibles | 349 | - |
| Staff costs (see note 6) | 49,419 | 45,308 |
| Rentals payable under operating leases | 1,843 | 1,704 |
| Hire of other assets - operating leases | 165 | - |
| Loss / (Profit) on disposal of property, plant and equipment | - | (1) |
| Auditor's remuneration and expenses: | | |
| **Group** | | |
| Audit of these financial statements | 100 | 89 |
| **Company** | | |
| Audit of these financial statements | 6 | 6 |

Fees payable to KPMG LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the ultimate parent undertaking are required to disclose such fees on a consolidated basis.

### 3. Financial income

| | Group | Group |
|---|---|---|
| | Year ended 31 December 2014 | Year ended 31 December 2013 |
| | £'000s | £'000s |
| Interest receivable from group undertakings | 220 | - |
| Other interest | 17 | 395 |
| | **237** | **395** |

### 4. Finance Costs

| | Group | Group |
|---|---|---|
| | Year ended 31 December 2014 | Year ended 31 December 2013 |
| | £'000s | £'000s |
| Interest payable to group undertakings | - | 588 |
| Unwind of Put Option | 185 | 111 |
| Other | 5 | 34 |
| | **190** | **733** |

**5. Staff numbers and costs**

The average 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 2014** | **Year ended 31 December 2013** |
| Sales and Operations | 1,090 | 931 |
| Administration | 114 | 113 |
| | 1,204 | 1,044 |

| | | |
|---|---|---|
| The aggregate payroll costs of these persons was as follows: | **£'000s** | **£'000s** |
| Wages and salaries | 48,980 | 44,136 |
| Social security costs | 2,881 | 3,121 |
| Other pension costs | 1,124 | 868 |
| | 52,985 | 48,124 |

During the year £3,566k which has been included in the staff costs set out above was capitalised within additions to deferred development assets as shown in note 10 (2013: £2,816k)

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

**6. Directors' remuneration and transactions**

| | Group | |
|---|---|---|
| | **Year ended 31 December 2014** | **Year ended 31 December 2013** |
| | **£'000s** | **£'000s** |

*Remuneration*

The remuneration of the directors was as follows:

| | | |
|---|---|---|
| Emoluments | 629 | 659 |
| Pension costs | 30 | 32 |
| | 659 | 691 |

*Remuneration*

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

| | | |
|---|---|---|
| Emoluments | 825 | 582 |
| Pension costs | 43 | - |
| | 868 | 582 |

*Highest paid director*

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

| | | |
|---|---|---|
| Emoluments | 244 | 379 |
| Pension costs | 13 | 20 |
| | 257 | 399 |

*Pensions*

Retirement benefits are accruing to the following number of directors:

| | | |
|---|---|---|
| Defined contribution schemes | 3 | 2 |

**7. Taxation**

| | Group | |
|---|---|---|
| | **Year ended 31 December 2014** | **Year ended 31 December 2013** |
| | **£'000s** | **£'000s** |
| **a) Analysis of tax expense in the year** | | |
| **Current tax** | | |
| Current tax on income for the period | 6,811 | 6,551 |
| Adjustment for prior years | (255) | (57) |
| Total Current Tax | 6,556 | 6,494 |
| **Deferred tax** | | |
| Current year adjustments | (169) | (160) |
| Prior year adjustments | (676) | 12 |
| Effect of change in deferred tax rate | - | (96) |
| Total Deferred Tax | (845) | (244) |
| **Income tax expense** | **5,711** | **6,250** |

**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 | 29,263 | 26,914 |
| Tax on profit on ordinary activities at UK standard rate of 21.49% (2013: 23.25%) | 6,289 | 6,258 |
| Effects of: | | |
| - non taxable income | - | (24) |
| - expenses not deductible for tax purposes | 670 | 359 |
| - unrelieved tax losses | (97) | (59) |
| - adjustment to tax in respect of prior periods | (255) | (57) |
| - short term timing differences | 4 | 2 |
| - depreciation in excess of allowances | (33) | 96 |
| - other | (22) | (81) |
| **Current tax charge** | **6,556** | **6,494** |

**8. Cash and cash equivalents**

| | Group | | Company | |
|---|---|---|---|---|
| | **Year ended 31 December 2014** | **Year ended 31 December 2013** | **Year ended 31 December 2014** | **Year ended 31 December 2013** |
| | **£'000s** | **£'000s** | **£'000s** | **£'000s** |
| Bank balances | 5,241 | 9,017 | 93 | 3,600 |
| **Cash and cash equivalents** | **5,241** | **9,017** | **93** | **3,600** |

### 9. Trade and other receivables

Group

| | Year ended 31 December 2014 £'000s | Year ended 31 December 2013 £'000s |
|---|---|---|
| Trade debtors | 48,343 | 37,050 |
| Prepayments and accrued income | 6,026 | 5,345 |
| Other | 122 | 460 |
| Amounts due from group undertakings | 2,503 | - |
| **Total** | 56,994 | 42,855 |

The ageing of trade debtors at the reporting date was:

| | 2014 £'000s Gross | 2014 £'000s Impairment | 2013 £'000s Gross | 2013 £'000s Impairment |
|---|---|---|---|---|
| Not past due | 34,233 | (135) | 27,943 | (68) |
| Past due 0-30 days | 8,824 | (553) | 7,180 | (426) |
| Past due 31-120 days | 5,137 | (336) | 2,024 | (323) |
| Past due 120 days plus | 3,164 | (1,991) | 1,350 | (630) |
| **Total** | 51,358 | (3,015) | 38,497 | (1,447) |

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

| | 2014 £'000s | 2013 £'000s |
|---|---|---|
| At 1 January | (1,447) | (1,854) |
| Provisions acquired with acquisitions | - | (20) |
| Provisions made during the year | (3,823) | (3,226) |
| Debtors written off during the year | 641 | 1,020 |
| Provisions no longer required | 1,614 | 2,633 |
| **At 31 December** | (3,015) | (1,447) |

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

Company

| | Year ended 31 December 2014 £'000s | Year ended 31 December 2013 £'000s |
|---|---|---|
| VAT | 11 | 7 |
| Amounts owed by Group undertakings | 14,661 | 7,668 |
| **Total** | 14,672 | 7,675 |

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

**10. Intangible assets**

| | Group | | | | | | |
|---|---|---|---|---|---|---|---|
| | Assets in the Course of Construction £'000s | Goodwill £'000s | Customer Contracts £'000s | Software £'000s | Databases & Purchased Data Assets £'000s | Deferred Development Expenditure £'000s | Total £'000s |
| **Cost** | | | | | | | |
| At 1 January 2014 | 1,697 | 46,468 | 4,398 | 1,250 | 13,668 | 25,999 | 93,480 |
| Additions | 3,256 | - | - | - | 2,002 | 3,017 | 8,275 |
| Disposal | - | (2,788) | - | - | - | - | (2,788) |
| Acquired with subsidiaries | - | 1,855 | 2,566 | 1,625 | - | - | 6,046 |
| Transfers | (1,567) | - | - | - | - | 1,567 | - |
| At 31 December 2014 | 3,386 | 45,535 | 6,964 | 2,875 | 15,670 | 30,583 | 105,013 |
| **Amortisation and impairment losses** | | | | | | | |
| At 1 January 2014 | - | 2,788 | 1,656 | 601 | 9,739 | 14,694 | 29,478 |
| Amortisation for the year | - | - | 979 | 516 | 1,805 | 2,054 | 5,354 |
| Eliminated on disposal | - | (2,788) | - | - | - | - | (2,788) |
| Impairment loss | 130 | 349 | - | - | - | - | 479 |
| At 31 December 2014 | 130 | 349 | 2,635 | 1,117 | 11,544 | 16,748 | 32,523 |
| **Carrying amounts** | | | | | | | |
| At 1 January 2014 | 1,697 | 43,680 | 2,742 | 649 | 3,929 | 11,305 | 64,002 |
| **At 31 December 2014** | 3,256 | 45,186 | 4,329 | 1,758 | 4,126 | 13,835 | 72,490 |

| | Group | | | | | | |
|---|---|---|---|---|---|---|---|
| | Assets in the Course of Construction £'000s | Goodwill £'000s | Customer Contracts £'000s | Software £'000s | Databases & Purchased Data Assets £'000s | Deferred Development Expenditure £'000s | Total £'000s |
| **Cost** | | | | | | | |
| At 1 January 2013 | 1,725 | 45,313 | 3,865 | 845 | 11,781 | 22,282 | 85,811 |
| Minority Interest/Put Option | - | - | - | - | - | - | - |
| Additions | 1,697 | - | - | - | 1,296 | 1,811 | 4,804 |
| Acquired with subsidiaries | - | 1,155 | 533 | 405 | 591 | 181 | 2,865 |
| Transfers | (1,725) | - | - | - | - | 1,725 | - |
| At 31 December 2013 | 1,697 | 46,468 | 4,398 | 1,250 | 13,668 | 25,999 | 93,480 |
| **Amortisation and impairment losses** | | | | | | | |
| At 1 January 2013 | - | - | 1,101 | 394 | 8,523 | 12,383 | 22,401 |
| Amortisation for the year | - | 2,788 | 555 | 207 | 1,216 | 2,200 | 6,966 |
| Acquired with subsidiaries | - | - | - | - | - | 111 | 111 |
| At 31 December 2013 | - | 2,788 | 1,656 | 601 | 9,739 | 14,694 | 29,478 |
| **Carrying amounts** | | | | | | | |
| At 1 January 2013 | 1,725 | 45,313 | 2,764 | 451 | 3,258 | 9,899 | 63,410 |
| **At 31 December 2013** | 1,697 | 43,680 | 2,742 | 649 | 3,929 | 11,305 | 64,002 |

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 years based on an estimated growth rate. 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 9.41%.

The Company holds no intangible fixed assets.

**11. Property, plant and equipment**

**Group**

| | Assets in the Course of Construction £'000 | Leasehold Improvements £'000s | Office Equipment £'000s | Total £'000s |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2014 | 1,396 | 1,673 | 14,775 | 17,844 |
| Additions | 980 | - | 218 | 1,198 |
| Transfers | (1,396) | - | 1,396 | - |
| Acquired with subsidiaries | - | - | 258 | 258 |
| **At 31 December 2014** | **980** | **1,673** | **16,647** | **19,300** |
| **Accumulated Depreciation and impairment** | | | | |
| At 1 January 2014 | - | 1,673 | 8,453 | 10,126 |
| Depreciation charge for the year | - | - | 2,747 | 2,747 |
| Acquired with subsidiaries | - | - | 232 | 232 |
| **At 31 December 2014** | - | **1,673** | **11,432** | **13,105** |
| **Carrying amounts** | | | | |
| **At 31 December 2014** | **980** | **-** | **5,215** | **6,195** |
| At 1 January 2014 | 1,396 | - | 6,322 | 7,718 |

**Group**

| | Assets in the Course of Construction £'000 | Leasehold Improvements £'000s | Office Equipment £'000s | Total £'000s |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2013 | 1,023 | 1,673 | 12,063 | 14,759 |
| Additions | 1,396 | - | 2,496 | 3,892 |
| Transfers | (1,023) | - | 1,023 | - |
| Acquired with subsidiaries | - | - | 29 | 29 |
| Disposals | - | - | (836) | (836) |
| **At 31 December 2013** | **1,396** | **1,673** | **14,775** | **17,844** |
| Accumulated Depreciation and impairment | | | | |
| At 1 January 2013 | - | 1,544 | 5,886 | 7,430 |
| Depreciation charge for the year | - | 129 | 2,789 | 2,918 |
| Acquired with subsidiaries | - | - | 17 | 17 |
| Eliminated on Disposals | - | - | (239) | (239) |
| **At 31 December 2013** | - | **1,673** | **8,453** | **10,126** |
| Carrying amounts | | | | |
| **At 31 December 2013** | **1,396** | **-** | **6,322** | **7,718** |
| At 1 January 2013 | 1,023 | 129 | 6,177 | 7,329 |

The Company holds no tangible fixed assets.

None of the assets included above are held under finance leases.

**12. Investments**

| | Company | |
|---|---|---|
| **Shares In Subsidiary Undertakings** | **Year ended 31 December 2014** | **Year ended 31 December 2013** |
| | **£'000s** | **£'000s** |
| **Cost and Net Book Value** | | |
| At start of period | 61,374 | 56,409 |
| Additions | 7,061 | 2,143 |
| Write off | (346) | - |
| **At end of period** | **68,089** | **61,374** |

At 31st December 2014 the Company held interests in the following principal subsidiary undertakings. The interests remain unchanged from the previous year end in respect of all companies other than DecisionMetrics Limited, Latitude Limited, Lifestyles Online Limited and the new acquisitions Coactiva Limited and Coactiva Aspiren Limited.

During 2014, the Company acquired the 11% non-controlling interest in Latitude Limited, 6% non-controlling interest in DecisionMetrics Limited, 25% non-controlling interest in Lifestyles Online Limited and now owns 100% of the share capital in these companies.

| Name of subsidiary | Principal Business Activity | Type of Shares Held | Proportion of Shares Held | Immediate Parent | Country of Incorporation, Registration and Operation |
|---|---|---|---|---|---|
| Callcredit Limited | Credit Referencing | Ordinary Shares | 100% [50% directly owned and 50% indirectly owned through EuroDirect] | Callcredit Information Group Limited | England and Wales |
| Callcredit Marketing Limited | Database Marketing | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| GMAP Limited | Dormant company | Ordinary Shares | 100% | Callcredit Marketing Limited | England and Wales |
| Legatio Technologies Limited | Non-trading company | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| DecisionMetrics Limited | Scorecard building and data analysis | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| Callcredit Marketing Solutions Limited | Database Marketing | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| process benchmarking limited | Benchmarking activities | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| Call@credit plc | Dormant company | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| Orbitron Limited | Holding company | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| The Trading Floor Limited | Database Marketing | Ordinary Shares | 100% | Orbitron Limited | England and Wales |
| The Comparisons Limited | Non-trading Company | Ordinary Shares | 100% | Orbitron Limited | England and Wales |
| Logicbox Limited | Dormant Company | Ordinary Shares | 100% | The Trading Floor Limited | England and Wales |
| Listknife Limited | Dormant Company | Ordinary Shares | 100% | The Trading Floor Limited | England and Wales |
| Latitude Digital Marketing Limited | Internet analytics | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| Tenant ID Limited | Tenant Referencing | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| Noddle Limited | Consumer Credit | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| Lifestyles Online Limited | Lead Generation and Data Broking | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| GMAP Japan KK | Database Marketing | Ordinary Shares | 100% | Callcredit Information Group Limited | Japan |
| Callcredit Operations UAB | Operational Activities | Ordinary Shares | 100% | Callcredit Information Group Limited | Lithuania |
| GMAP Marketing Consulting Shanghai Co. Ltd | Marketing Activities | Ordinary Shares | 100% | Callcredit Information Group Limited | People's Republic of China |
| Coactiva Limited | Holding company | Ordinary Shares | 100% | Callcredit Information Group Limited | England and Wales |
| Coactiva Aspiren Limited | Provision of data analytics and business intelligence | Ordinary Shares | 100% | Coactiva Limited | England and Wales |

### 13. Deferred tax

| The movement on the deferred tax account is as shown below: | Group Deferred tax liability Year ended 31 December 2014 | Year ended 31 December 2013 |
|---|---|---|
| | £'000s | £'000s |
| At start of period | 337 | 179 |
| Acquired with subsidiary | 901 | 402 |
| Income statement (credit) relating to current period | (214) | (160) |
| Income statement charge/(credit) relating to previous period | (636) | 12 |
| Effect of change in deferred tax rate | - | (96) |
| **At end of period** | **388** | **337** |

| **Deferred tax assets** | **Capital allowances £'000s** | **Other £'000s** | **Total £'000s** |
|---|---|---|---|
| At 1 January 2013 | (518) | (42) | (560) |
| Acquired with subsidiary | 47 | - | 47 |
| Charged/(credited) to profit and loss account | 49 | 5 | 54 |
| At 31 December 2013 | (422) | (37) | (459) |
| Charged/(credited) to profit and loss account | 42 | (636) | (594) |
| Acquired with subsidiary | - | - | - |
| **At 31 December 2014** | **(380)** | **(673)** | **(1,053)** |
| **Deferred tax liabilities** | | | |
| At 1 January 2013 | - | 739 | 739 |
| Acquired with subsidiary | - | 355 | 355 |
| Charged to profit and loss account | - | (298) | (298) |
| At 31 December 2013 | - | 796 | 796 |
| Acquired with subsidiary | - | 901 | 901 |
| Charged to profit and loss account | - | (256) | (256) |
| **At 31 December 2014** | **-** | **1,441** | **1,441** |
| **Net deferred tax (asset)/liability** | | | |
| **At 31 December 2014** | **(380)** | **768** | **388** |
| At 31 December 2013 | (422) | 759 | 337 |

The deferred tax assets are calculated at a rate of 20% as this is the rate at which they are expected to reverse under current UK legislation.

| **14. Trade and other payables** | **Group** Year ended 31 December 2014 | **Group** Year ended 31 December 2013 | **Company** Year ended 31 December 2014 | **Company** Year ended 31 December 2013 |
|---|---|---|---|---|
| | £'000s | £'000s | £'000s | £'000s |
| Trade creditors | 5,563 | 6,159 | 57 | 33 |
| Amounts owed to group undertakings | - | 7,520 | 49,289 | 38,007 |
| VAT | 5,030 | 4,424 | - | - |
| Call Option liability | 132 | 1,030 | 132 | 1,030 |
| Accruals and deferred income | 19,683 | 17,923 | 2,173 | 2,769 |
| Other Creditors | 1,630 | 1,435 | - | - |
| | **32,038** | **38,491** | **51,651** | **41,839** |

**15. Share Capital**

| | Group and Company | |
|---|---|---|
| | 31 December 2014 | 31 December 2013 |
| | £'000s | £'000s |
| **Allotted, called up 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.

**16. Post Balance-sheet events**

On 1st January 2015, the trade and assets of Noddle Limited were hived across to Callcredit Limited.

On 30th March 2015 The Trading Floor Limited changed its name to Callcredit Data Solutions Limited and Lifestyles Online Limited changed its name to Callcredit Lead Generation Limited.

**17. Reconciliation of movement in capital and reserves**

**Group**

| | Share Capital £'000s | Share Premium £'000s | Retained Earnings £'000s | Capital Redemption Reserve £'000s | Other Reserves £'000s | Non-controlling Interests £'000s | Total Equity £'000s |
|---|---|---|---|---|---|---|---|
| Balance at 1 January 2014 | 667 | 900 | 48,894 | 28,433 | - | 897 | 79,791 |
| Arising on acquisition of non-controlling interest | - | - | - | - | (2,083) | (897) | (2,980) |
| Profit for the period | - | - | 23,552 | - | - | - | 23,552 |
| **Balance at 31 December 2014** | **667** | **900** | **72,446** | **28,433** | **(2,083)** | **-** | **100,363** |
| | | | | | | | |
| Balance at 1 January 2013 | 667 | 900 | 30,740 | 28,433 | - | 629 | 61,369 |
| Profit for the period | - | - | 18,154 | - | - | 268 | 18,422 |
| **Balance at 31 December 2013** | **667** | **900** | **48,894** | **28,433** | **-** | **897** | **79,791** |

**Company**

| | Share Capital £'000s | Share Premium £'000s | Retained Earnings £'000s | Capital Redemption Reserve £'000s | Total Equity £'000s |
|---|---|---|---|---|---|
| Balance at 1 January 2014 | 667 | 900 | 1,014 | 28,433 | 30,304 |
| Profit for the period | - | - | 314 | - | 314 |
| **Balance at 31 December 2014** | **667** | **900** | **1,328** | **28,433** | **31,328** |
| | | | | | |
| Balance at 1 January 2013 | 667 | 900 | 189 | 28,433 | 30,189 |
| Profit for the period | - | - | 825 | - | 825 |
| **Balance at 31 December 2013** | **667** | **900** | **1,014** | **28,433** | **31,014** |

## 18. 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 receivables 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 nature of trade receivable balances as well as the historical recovery rates with these companies. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the 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

*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.

*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.

**19. Acquisition of Subsidiaries**

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 17th January 2014, the group acquired 100 per cent of the issued share capital of Coactiva Limited, obtaining control of Coactiva Limited and Coactiva Aspiren Limited, a wholly owned subsidiary of Coactiva Limited. Coactiva Limited is the holding company of Coactiva Asipren Limited which provides data analytics and business intelligence services. Coactiva Limited was acquired as it offered strong synergies with the current group and offered exceptional growth potential.

| | Coactiva Limited Group | |
|---|---|---|
| | Book Value | Fair Value |
| | £'000 | £'000 |
| Recognised amounts of identifiable assets acquired and liabilities assumed | | |
| Property, plant and equipment | 26 | 26 |
| Identifiable intangible assets | 0 | 4,191 |
| Trade and other Receivables | 455 | 455 |
| Trade and other Payables | (1,983) | (1,983) |
| Cash | 395 | 395 |
| Corporation tax liability | (25) | (25) |
| Deferred Tax | - | (900) |
| Total identifiable assets | (1,132) | 2,159 |
| Goodwill | | 1,855 |
| Total consideration | | 4,014 |
| Satisfied by: | | |
| Cash | | 3,882 |
| Contingent consideration arrangement | | 132 |
| Total consideration transferred | | 4,014 |
| Net cash outflow arising on acquisition | | |
| Cash consideration | | 3,882 |
| Less: cash and cash equivalent balances acquired | | (395) |
| | | 3,487 |

The goodwill totalling £1.0m arising from the acquisitions during the year consists primarily of potential synergies with the current group, as well as the workforce in place at the acquired companies.

Coactiva Aspiren Limited contributed turnover of £2,408k and loss before tax of £271k to the results.

If Coactiva Aspiren Limited had been acquired at the start of the period, it would have provided turnover of £2,539k and loss before tax of £369k to the results of the group.

Total acquisition costs were £230k for the acquisition of Coactiva Limited. These costs are part of the administrative expenses in the consolidated statement of comprehensive income.

There is contingent consideration which may be due on Coactiva Limited, based on the future profitability of the company. This consideration will be in the range of £0 to £1.7m. There are no contingent consideration payments for any other acquisition.

**19. Acquisition of Subsidiaries (continued)**

On 15th February 2013, the group acquired 75 per cent of the issued share capital of Lifestyles Online Limited, obtaining control of Lifestyles Online Limited. The company performs data broking activities and lead generation. Lifestyles Online Limited was acquired as it offered strong synergies with the current group and offered exceptional growth potential

| | Lifestyles Online Limited | |
|---|---|---|
| | **Book Value** | **Fair Value** |
| | **£'000** | **£'000** |
| Recognised amounts of identifiable assets acquired and liabilities assumed | | |
| Property, plant and equipment | 12 | 12 |
| Identifiable intangible assets | 71 | 1,600 |
| Trade and other Receivables | 454 | 454 |
| Trade and other Payables | (624) | (624) |
| Cash | 579 | 579 |
| Corporation tax liability | (77) | (77) |
| Deferred Tax | (47) | (402) |
| Total identifiable assets | 368 | 1,542 |
| Goodwill | | 1,155 |
| Total consideration | | 2,697 |
| Satisfied by: | | |
| Cash | | 1,744 |
| Contingent consideration arrangement | | 953 |
| Total consideration transferred | | 2,697 |
| Net cash outflow arising on acquisition | | |
| Cash consideration | | 1,744 |
| Less: cash and cash equivalent balances acquired | | (579) |
| | | 1,165 |

The goodwill totalling £0.8m arising from the acquisitions during the year consists primarily of potential synergies with the current group, as well as the workforce in place at the acquired companies.

Contingent consdieration of £1,205k was paid during the year, no further consideration will be paid.

**20. Related Party Transactions**

Crown Acquisition Topco Limited is the ultimate controlling company incorporated in England and Wales. All related party transactions are on an arm's length basis.

**Group**

**Transaction**

| | 2014 £'000s | 2013 £'000s |
|---|---|---|
| **a) Net Interest** | | |
| Interest receivable from parent undertaking | 220 | - |
| Interest payable to parent undertaking | - | (590) |
| **Total** | 220 | 590 |

| | | |
|---|---|---|
| **b) Outstanding balances** | | |
| Funding from parent undertaking | - | (7,520) |
| Loan to parent undertaking | 2,503 | - |
| **Total** | **2,503** | **(7,520)** |

No amounts have been written off and there are no provisions in respect of sales of goods and services to Related Parties, either at 31 December 2013 or at 31 December 2014.

| **Transactions with non-wholly owned subsidiaries** | **Year ended 31st December 2014 £'000** | **Year ended 31st December 2013 £'000** |
|---|---|---|
| Purchases from non-wholly owned subsidiaries | 610 | 5,403 |

There were no sales to non-wholly owned subsidiaries during either the current or prior period

| | | |
|---|---|---|
| Amounts owed in respect of trade to non-wholly owned subsidiaries | - | 2,377 |
| Loan amounts owed to non-wholly owned subsidiaries | - | 8,946 |
| Loan amounts owed by non-wholly owned subsidiaries | - | (1,961) |
| | **-** | **9,362** |

**Company**

**Transaction**

| | 2014 £'000s | 2013 £'000s |
|---|---|---|
| **a) Net Interest** | | |
| Interest receivable from subsidiary undertakings | 10 | - |
| Interest receivable from parent company | 220 | - |
| Interest payable to subsidiary undertakings | (533) | (290) |
| Interest payable to parent company | - | (590) |
| **Total** | **(303)** | **(880)** |

| | | |
|---|---|---|
| **b) Outstanding balances** | | |
| Funding from fellow group companies | (49,289) | (38,007) |
| Monies deposited | 14,661 | 7,668 |
| **Total** | **(34,628)** | **(30,339)** |

There is an inter-company guarantee between Crown Acquisition Midco 2 Limited and its subsidiaries. All balances are expected to be settled in cash.

No amounts have been written off and there are no provisions in respect of sales of goods and services to Related Parties, either at 31 December 2013 or at 31 December 2014

The terms and conditions of these balances reflect market terms for the companies where possible.

**21. Capital Commitments**

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

| | Year ended 31 December 2014 | Year ended 31 December 2013 |
|---|---|---|
| **Land and Buildings** | **£'000s** | **£'000s** |
| *On leases expiring* | | |
| *Within one year* | 1,840 | 1,615 |
| *Within two to five years* | 7,239 | 7,658 |
| *Later than 5 years* | 1,259 | - |
| | **10,338** | **9,273** |

| | Year ended 31 December 2014 | Year ended 31 December 2013 |
|---|---|---|
| **Other** | **£'000s** | **£'000s** |
| *On leases expiring* | | |
| *Within one year* | 164 | 163 |
| *Within two to five years* | 173 | 337 |
| | **337** | **500** |

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

**22. Ultimate Parent Undertaking**

The ultimate parent undertaking is Crown Acquisition Topco Limited, which is registered in the United Kingdom.

This is the highest copmany for which financial statements will be prepared. The immediate parent company is DMWSL 617 Limited.

Crown Acquisition Topco Limited is currently the largest group for which consolidated accounts are available and copies can be obtained from the address below.

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