

Equifax EUA Limited

Annual Report and Financial Statements

for the year ended 31 December 2020

Registered number: 07171199



Equifax EUA Limited

Registered No: 07171199

Company Information

Directors

P Remon

S Brown

Auditors

Ernst & Young LLP

1 Bridgewater Place

Water Lane

Leeds

LS11 5QR

Bankers

National Westminster Bank

Bradford City Centre Branch

7 Hustlergate

Bradford

BD1 1PP

Registered office

1 Angel Court

London

EC2R 7HJ

Equifax EUA Limited

Registered No: 07171199

Strategic Report

The directors present their strategic report for the year ended 31 December 2020.

Review of the business

The principal activity of the company is a holding company. During the year, the company raised £7.8m from the issue of 100 new ordinary shares in order to support working capital requirements.

The outbreak of Covid-19 has and continues to create huge social and economic uncertainty across the UK putting many citizens and businesses at financial risk.

Equifax EUA's subsidiary Equifax Limited has also been impacted by the outbreak and reduction in economic activity. Many of their clients have seen reduced activity as a result of government restrictions on economic activity which has impacted on their use of Equifax Limited services.

Key performance indicators

The key financial indicators during the year were as follows:

<i>Key Performance Indicators</i>	<i>2020</i>	<i>2019</i>
Loss before tax	(£5.6m)	(£5.7m)

The audited financial statements for the year ended 31 December 2020 are set out on pages 12 to 20. The loss for the year, after taxation, amounted to £5.6m (2019: £5.7m). This loss was driven by interest payable on intercompany loan balances. During the year the company did not distribute any dividends to the parent company (2019: £71.6m).

The balance sheet of the company shows net current assets of £3.0m (2019: £0.5m) and long term liabilities to £136.2m (2019: £136.2m). Shareholder's funds increased to £23.2m as a result of the capital contribution (2019: £20.7m).

Principal risks and uncertainties

The directors consider that the principal risk factors that could materially and adversely affect the company's future operating profits or financial position are the performance of Equifax Limited (a related company), changes in the regulatory environment, data protection, consumer outcomes, business continuity, new entrants and the uncertainty within the United Kingdom (UK) following the decision to exit the European Union (EU).

Management and the Board regularly review risks facing the company.

The principal risks of Equifax EUA Limited are the principal risks of Equifax Limited (a related company). Their principal risks are listed in their financial statements which are available to the public and can be obtained from the registered address on page 1.

Equifax EUA's subsidiary Equifax Limited has been impacted by the COVID-19 outbreak and reduction in economic activity. Many of their clients have seen reduced activity which has impacted on their use of Equifax Limited services. Equifax Limited has also invested substantial amounts of funds in a transformation and security program thus impacting on their ability to repatriate a dividend.

The board has strategies to manage these risks and remains confident of the continued success of the company.

Equifax EUA Limited

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Strategic Report (continued)

Section 172(1) Statement

The following sections serve as our section 172 statement. Section 172 of the Companies Act 2006 recognises that whilst companies are run for the benefit of the shareholders, a business's long-term success and reputation are dependent upon maintaining relationships with stakeholders and an appreciation of the external impact of its activities.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006 and are keen to ensure proper reflection on stakeholder engagement and issues at Board level and promote continuous reflection on opportunities for development. As a holding and financing company with no employees, third party suppliers or customers, the directors do not consider the factors listed in sections 172(1)(b), interests of employees, 172(1)(c), relationships with suppliers and customers, or 172(1)(d), impact of operations on the community and environment, as relevant to the proper discharge of their duties pursuant to section 172 of the CA 2006. The directors did not consider the factor listed in section 172(1)(f), regarding the need to act fairly as between members, as relevant to the proper discharge of their duties because the Company is a wholly-owned subsidiary.

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

The Board is comprised of:

Patrico Remon – General Manager Equifax Europe

Suzanne Brown – Senior Finance Officer - UK&I

The key stakeholders of the company during the year along with details of the forms of engagement undertaken are detailed below:

Subsidiaries: Our group companies depend on us to facilitate their growth and provide them access to capital as and when required		
Why?	How we engage? What they tell us?	Our response / outcomes of engagement
Our subsidiaries Equifax Ltd and Equifax Commercial Services rely on us to provide capital funding to support specific strategic investment opportunities.	Members of the board of Equifax EUA are also present on the board of Equifax Ltd. Their interest and concerns are directly communicated to the board during monthly board meetings.	The directors work closely with the board of Equifax Ltd to identify working capital requirements. During the year, no further contributions were made to support subsidiary working capital requirement. The board also made a strategic acquisition to further enhance our group product offerings by acquiring AccountScore Holdings group of companies.

Equifax EUA Limited

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Strategic Report (continued)**Section 172(1) Statement (continued)**

Group Shareholders: We aim to provide long term shareholder value		
Why?	How we engage? What they tell us?	Our response / outcomes of engagement
Our shareholders are our owners and thus have a significant interest in the company's operations to ensure their investment is safeguarded and continues to produce sustainable long term growth.	Our shareholders immediate and ultimate parent companies engage with the board and directors on a regular basis. The directors of Equifax EUA are also represented on the board of Equifax Limited our subsidiary. The parent companies require EUA to safeguard their investment and return dividend payments when repatriation from Equifax Ltd allows. They want growth and return on capital from the Equifax EUA group.	<p>Board members regularly communicate with board and management executive members of the ultimate parent company, share results on a monthly basis and agreeing on growth strategy and capital investment opportunities.</p> <p>During the year the company received a contribution in exchange for share issues in order to support the companies working capital requirements.</p> <p>The board worked closely with the shareholders in the matter of a dividend overpayment and sought to rectify the position with appropriate legal advice in a timely manner.</p>

Long-Term Creditors (Intercompany): Our creditors rely on us to make timely payments and safeguard their interests in the company.		
Why?	How we engage? What they tell us?	Our response / outcomes of engagement
Our creditors provide us with capital to enable the company to invest.	The board ensure interest payments are made to creditors as and when they are due. However the board also will work with our creditors if any issues arise that may prevent that.	The board continue to manage the loan interest repayments, and will work with our creditors if there is an opportunity to secure further funding.

Equifax EUA Limited

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Strategic Report (continued)

Decision making and principal decisions

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

- Approval of the 2018 Annual Accounts and Financial Statements.
- Approval of the UK Tax Strategy Statement.
- Acquisition of AccountScore Holdings group of companies
- Rectification of unlawful dividend distribution.


Future developments

It is the intention of the directors to continue to develop the current activities of the company.

Since the balance sheet date COVID-19 continues to impact business and economies around the globe. Equifax EUA's subsidiary Equifax Limited has also been impacted by the outbreak as new lockdown measures were announced at the end of 2020. Many of Equifax clients continue to operate at an activity level below that of pre-COVID, and the lockdown in the first few months of 2021.

On the 8th of February 2021 Equifax EUA acquired Account Score Holdings group of companies.

On behalf of the Board

DocuSigned by:

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S Brown

Director

August 11, 2021

Equifax EUA Limited

Registered No: 07171199

Directors' Report (continued)

The directors present their report for the year ended 31 December 2020.

Directors of the company

The current directors are shown on page 1.

P Remon
S Brown

Dividends

During the year the company did not declare a dividend (2019: £71.6m).

During the year upon further work by the Company's finance team an inconsistency had been identified in the amount of distributable reserves recorded in the relevant accounts. The board considered the inconsistency and acknowledged that the December 2019 Distribution was unlawful up to an amount of £294,077. Following this the board convened to consider and, approve the steps required in connection with the December Resolutions to rectify the resulting position to the extent permitted by applicable law including the repayment of the unlawful amount. The unlawful amount was confirmed to the parent company and subsequently refunded during 2020.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 5 and form part of this report by cross-reference.

COVID-19

The outbreak of Covid-19 has created huge social and economic uncertainty across the UK putting many citizens and businesses at financial risk.

Equifax EUA's subsidiary Equifax Limited has also been impacted by the outbreak as new lockdown measures were announced at the end of 2020. Many of Equifax clients continue to operate at an activity level below that of pre-COVID, and the lockdown in the first few months of 2021 resulted in a slower than expected recovery from the impact we saw in 2020. As restrictions are lifted in the UK in Q3 2021 expectation is activity will slowly increase back to pre-COVID levels.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. The balance sheet of the company shows net current assets of £3.0m (2019: £0.5m), and long term liabilities to £136.2m (2019: £136.2m). Shareholder's funds increased to £23.2m (2019: £20.7m).

The Company, as a non-trading intermediate holding company, only has one income stream and that is by way of discretionary dividend receipts from Equifax Limited, one of the company's subsidiary undertakings, the timing of which is uncertain. The Company relies on dividend receipts from Equifax Limited to enable the company to settle its interest payments on the current loan balances held. In lieu of dividend receipts from Equifax Limited, the Company is reliant on parent company support from Equifax Inc to meet its interest liabilities as they become due over the period to 31 August 2022. The directors are satisfied that the parent company is able to provide that support given that Equifax Inc has largely been unaffected by the Covid-19 pandemic, generates cash from its operations, has significant cash reserves and an available credit facility maturing in September 2023 against which there are currently no borrowings.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence and to meet its liabilities as and when they fall due for a period to 31 August 2022. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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Directors' Report (continued)

Credit risk

The company has no significant concentration of credit risk.

Political contributions

During the year the company made no political donations (2019: nil).

Statement as to the disclosure of information to the auditors

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


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

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

Auditors

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

By order of the Board

DocuSigned by:

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S Brown
Director

August 11, 2021

Equifax EUA Limited

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Statement of Directors' Responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report

to the members of Equifax EUA Limited

Opinion

We have audited the financial statements of Equifax EUA Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period from when the financial statements are authorised for issue to 31 August 2022.

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

Other Information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report **to the members of Equifax EUA Limited (continued)**

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report

to the members of Equifax EUA Limited (continued)

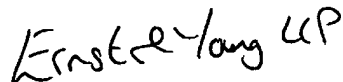
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax laws and regulations in the UK.
- We understood how Equifax EUA Limited is complying with those frameworks by making enquiries of management, including those responsible for legal and compliance procedures, to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes and papers provided to the Board, and made inquiries of management to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the company, as well as consideration of the results of our audit procedures across the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was a susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements are free from fraud and error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation

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

Use of our report

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



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

11 August 2021

Equifax EUA Limited

Registered No: 07171199

Statement of Comprehensive Income

for the year ended 31 December 2020

	Notes	2020 £000	2019 £000
Administrative expenses		-	1
Profit on ordinary activities before finance charges		-	1
Gain/(Loss) on foreign currency		-	(4,049)
Interest receivable and similar income	5	-	5,305
Interest payable and similar charges	5	(5,584)	(8,693)
Dividends received		-	1,760
Loss on ordinary activities before taxation	3	(5,584)	(5,676)
Tax on loss on ordinary activities	6	-	-
Comprehensive loss for the financial year		<u>(5,584)</u>	<u>(5,676)</u>

All the results arose from continuing operations.

The company has no other comprehensive income or losses for the years ended 31 December 2020 and 31 December 2019.

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

Statement of Changes in Equity

for the year ended 31 December 2020

	Share capital £000	Share premium £000	Profit and loss account £000	Total shareholder's funds £000
At 1 January 2019	16,263	42,589	26,083	84,935
Issue of shares (note 12)	-	12,950	-	12,950
Cancellation of shares (note 12)	(4,263)	(46,589)	50,852	-
Dividend paid (note 8)	-	-	(71,553)	(71,553)
Loss for the year	-	-	(5,676)	(5,676)
At 31 December 2019	12,000	8,950	(294)	20,656
Issue of shares (note 12)	-	7,798	-	7,798
Dividend re-paid (note 8)	-	-	294	294
Loss for the year	-	-	(5,584)	(5,584)
At 31 December 2020	<u>12,000</u>	<u>16,748</u>	<u>(5,584)</u>	<u>23,164</u>

Equifax EUA Limited

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Statement of Financial Position

at 31 December 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Investments	7	156,401	156,401
Current assets			
Debtors: amounts falling due within one year	9	457	23
Cash at bank and in hand		2,763	445
		3,220	468
Creditors: amounts falling due within one year	10	(259)	(15)
Net current assets		2,961	453
Total assets less current liabilities		159,362	156,854
Creditors: amounts falling due after more than one year	11	(136,198)	(136,198)
Net assets		23,164	20,656
Capital and reserves			
Called up share capital	12	12,000	12,000
Share premium		16,748	8,950
Profit and loss account		(5,584)	(294)
Shareholder's funds		23,164	20,656

The financial statements were approved for issue by the board on August 11, 2021 and
were signed on its behalf by:

DocuSigned by:

Suzanne Brown

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S Brown
Director

Equifax EUA Limited

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Notes to the Financial Statements

at 31 December 2020

1. Accounting policies

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

a. General information and basis of accounting

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

The financial statements are prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) with reduced disclosures as it applies to the financial statements of the company for the year ended 31 December 2020.

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

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

- Exemption from FRS102 17(d) of Section 7 from disclosure to prepare a cash flow statement.
- Exemption from FRS102 33.7 from disclosure of transactions with key personnel.
- Exemption from FRS102 33 (1A) from disclosure of transactions entered into between two or more members of a group provided that any subsidiary which is part to the transaction is wholly owned by such a member.

b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. The balance sheet of the company shows net current assets of £3.0m (2019: £0.5m), and long term liabilities to £136.2m (2019: £136.2m). Shareholder's funds increased to £23.2m (2019: £20.7m).

The Company, as a non-trading intermediate holding company, only has one income stream and that is by way of discretionary dividend receipts from Equifax Limited, one of the company's subsidiary undertakings, the timing of which is uncertain. The Company relies on dividend receipts from Equifax Limited to enable the company to settle its interest payments on the current loan balances held. In lieu of dividend receipts from Equifax Limited, the Company is reliant on parent company support from Equifax Inc to meet its interest liabilities as they become due over the period to 31 August 2022. The directors are satisfied that the parent company is able to provide that support given that Equifax Inc has largely been unaffected by the Covid-19 pandemic, generates cash from its operations, has significant cash reserves and an available credit facility maturing in September 2023 against which there are currently no borrowings.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence and to meet its liabilities as and when they fall due for a period to 31 August 2022. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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Notes to the Financial Statements

at 31 December 2020

1. Accounting policies (continued)

c. Basis of consolidation

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

d. Taxation

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

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

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

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

e. Foreign currency

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

f. Borrowing costs

Interest is expensed as incurred.

g. Investments

Investments are stated at cost less provisions for any impairment.

h. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit or loss as described below.

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

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Notes to the Financial Statements (continued) at 31 December 2020

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

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

The following critical judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Impairment of Investments

Where there are indicators of impairment, management performs impairment tests based on a value in use calculation.

3. Loss on ordinary activities before taxation

Auditor's remuneration has been borne by Equifax Limited.

4. Staff costs

a) Staff costs and numbers

There were no employees directly employed by the company during the year.

All staff costs are borne by Equifax Ltd, another group company.

b) Directors' remuneration

No director received emoluments from the company during the year. The directors do not believe that it is practicable to apportion their total remuneration borne by Equifax Ltd, between their services as directors of the company and their services of fellow subsidiary companies.

The total amount for directors' remuneration and other benefits were as follows:

	2020 £000	2019 £000
Emoluments	692	1,212
Company contributions to a defined contribution pension scheme	15	15
	<u>707</u>	<u>1,227</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 – 1).

The number of directors who exercised share options during the year amounted to 1 (2019 – 1).

The number of directors who received shares under the group's long term incentive scheme amounted to 2 (2019 – 1).

Highest paid director

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

	2020 £000	2019 £000
Emoluments	<u>503</u>	<u>1,050</u>

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4. Staff costs (continued)

The highest paid director exercised share options during the year and in 2019.

The highest paid director received shares under the group's long term incentive scheme during the year and in 2019.

5. Finance costs

Interest receivable and similar income

	2020 £000	2019 £000
Interest receivable on loans to group undertakings	-	5,305

Interest payable and similar charges

	2020 £000	2019 £000
Interest payable on loans from group undertakings	5,584	8,693

6. Taxation on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2020 £000	2019 £000
<i>Current tax:</i>		
UK corporation tax on the loss for the year	-	-
Total tax	-	-

(b) Factors affecting current tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	(5,584)	(5,676)
Loss on ordinary activities multiplied by the rate of tax	(1,061)	(1,078)
Effects of:		
Non-taxable income	-	(334)
Deferred tax not recognised	(292)	232
Group relief surrendered for no consideration	1,353	1,180
Total tax (note 6(a))	-	-

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at 31 December 2020

6. Taxation on loss on ordinary activities (continued)

(c) Deferred tax

The company has losses carried forward of £0.4m (2019 - £1.9m) for which a deferred tax asset has not been recognised in the financial statements on the basis that there is uncertainty as to the timing and extent of the use of these losses by the company. Utilisation in the year was related to group relief surrendered for no consideration.

7. Fixed asset investments

	2020 £000	2019 £000
Cost:		
At 1 January	156,401	145,511
Additions	-	10,890
At 31 December	<u>156,401</u>	<u>156,401</u>

The additions in the prior year were a result of further investment in Equifax Limited in return for an allocation of shares.

The company has investments in the following subsidiary undertakings, associates and other investments which principally affected the net assets of the company.

Name	Country of incorporation	Principal activity	Holding	%
Equifax Limited	England & Wales	Information Services	Ordinary shares	100
Equifax Commercial Services Limited	Ireland	Information Services	Ordinary shares	100

The registered address of each subsidiary undertaking is as follows:

Equifax Limited: Capital House, 1 Angel Court, London, EC2R 7HJ

Equifax Commercial Services Limited: IDA Business & Technology Park, Drinagh, County Wexford

8. Dividends

	2020 £000	2019 £000
Ordinary: paid on the ordinary shares	<u>(294)</u>	<u>71,553</u>

During the year the company received a refund of prior distributions of £294,077 from the parent company. (2019: distributed £71,552,609 to the parent company).

Following distribution of the dividend in 2019 further work by the Company's finance team identified an inconsistency in the amount of distributable reserves recorded in the relevant accounts. The board considered the inconsistency and acknowledged that the December 2019 distribution was unlawful up to an amount of £294,077. Following this the board convened to consider and approve certain steps required in connection with the December Resolutions to rectify the resulting position to the extent permitted by applicable law including the request for repayment of the unlawful amount. The dividend overpayment was amended during 2020 and repayment received by the company.

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at 31 December 2020

9. Debtors

	2020 £000	2019 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>457</u>	<u>23</u>

10. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	<u>259</u>	<u>15</u>

11. Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Amounts owed to group undertakings repayable within 10 years	<u>136,198</u>	<u>136,198</u>

The loan is an interest bearing loan, with interest due annually and a redemption date of 15 December 2026

12. Called-up share capital and reserves

	No.	<i>Allotted, called up and fully paid</i> 2020 £	No.	2019 £
Ordinary shares of £1 each	12,000,200	<u>12,000,200</u>	12,000,100	<u>12,000,100</u>

On 13 June 2019 the company issued 100 ordinary shares with a nominal value of £1 per share to Equifax Luxembourg (No. 7) S.A.R.L. for a consideration of £4,000,000. This gave rise to an increase in the share premium account of £3,999,900.

On 9 December 2019 the company issued 100 ordinary shares with a nominal value of £1 per share to Equifax Luxembourg (No. 7) S.A.R.L. for a consideration of £8,950,000. This gave rise to an increase in the share premium account of £8,949,900.

On 20 December 2019 the company carried out steps to enable a capital reduction. The company cancelled 4,263,012 ordinary shares of £1 each and reduced the share premium account by £46,588,680. This facilitated an increase in the profit and loss reserve of £50,851,692.

On 31 August 2020 the company issued 100 ordinary shares with a nominal value of £1 per share to Equifax Luxembourg (No. 7) S.A.R.L. for a consideration of £7,798,165. This gave rise to an increase in the share premium account of £7,798,065.

The company has one class of ordinary shares which carry no right to fixed income.

The company's other reserves are as follows:

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

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

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Notes to the Financial Statements (continued) at 31 December 2020

13. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Under the exemption detailed in Note 1 the entity is not required to disclose the transactions with other group entities, however it is required to detail outstanding balances under the categories below:

	Amounts owed by related party £000	Amounts owed to related party £000
Other group entities		
2020	-	136,457
2019	23	136,213

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding trade balances are unsecured, interest free and cash settlement is expected within 30 days of invoice.

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

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

14. Ultimate parent undertaking

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

The immediate parent undertaking and controlling party is Equifax Luxembourg (No. 7) S.a.r.l., a company incorporated in Luxembourg.

15. Post balance sheet events

Since the balance sheet date COVID-19 continues to impact business and economies around the globe. Equifax EUA's subsidiary Equifax Limited has also been impacted by the outbreak as new lockdown measures were announced at the end of 2020. Many of Equifax clients continue to operate at an activity level below that of pre-COVID, and the lockdown in the first few months of 2021.

On the 8th of February 2021 Equifax EUA acquired Account Score Holdings group of companies. Which included Account Score Limited, Account Score U.S, Consents Online, Account Score India, Lead Score Limited and Clear Account Technologies. This acquisition was funded by an intercompany loan.