

**Equifax plc**

Annual report and financial statements  
for the year ended 31 December 2002

Registered number: 2425920



## Directors' report

For the year ended 31 December 2002

The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 31 December 2002.

### Principal activity and business review

The group provides database services for industry and commerce, including credit rating facilities.

### Results and dividends

The profit and loss account for the year is set out on page 6. The profit for the year, after taxation, amounted to £5,716,000 (2001: loss after taxation of £9,563,000).

The directors do not recommend the payment of a dividend (2001: Dividend in specie - £39,809,000).

### Directors and their interests

The directors who served during the year and up to the date of this report are as shown below:

K. Coyne	(resigned 1 May 2002)
P. Wall	(resigned 11 January 2002)
M. Shannon	
R. Allan	(appointed 11 January 2002)

### Directors and their interests

There are no directors' interests which are required to be disclosed under Section 234 of the Companies Act 1985.

## Directors' report (continued)

### **Employee consultation and disabled employees**

The group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on various factors affecting the performance of the group. Employees are consulted on a wide range of matters affecting their current and future interests.

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

### **Supplier payment policy**

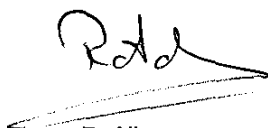
The company's policy, which is also applied by the group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the company at 31 December 2002 were equivalent to 9 days purchases (2001: 13 days).

### **Auditors**

Arthur Andersen resigned during the year and Ernst and Young LLP were appointed to fill the casual vacancy. A resolution to re-appoint Ernst and Young LLP will be proposed at the Annual General Meeting.

Capital House  
25 Chapel Street  
London  
NW1 5DS

By order of the Board,



R. Allan  
Director

25 July 2003

## Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group, and of the profit or loss of the group for that period. In preparing those 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 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 group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent auditors' report

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUIFAX PLC**

We have audited the group's financial statements for the year ended 31 December 2002 which comprise Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Total Recognised Gains and Losses, Statement of Accounting Policies and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose*. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding *directors' remuneration and transactions with the group is not disclosed*.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

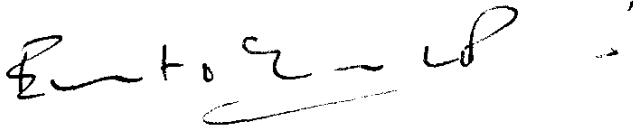
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements *are free from material misstatement, whether caused by fraud or other irregularity or error*. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Independent auditors' report

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 December 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Leeds

Date 29 July 2003

## Consolidated profit and loss account

For the year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
<b>Turnover</b>			
Continuing operations		64,661	67,612
Discontinued operations		-	25,275
		<hr/>	<hr/>
	1	64,661	92,887
Cost of sales	2	(33,257)	(54,518)
		<hr/>	<hr/>
<b>Gross profit</b>	2	31,404	38,369
<i>Administrative expenses</i>			
- other	2	(25,745)	(36,306)
- exceptional	2	-	(6,874)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	1	5,659	(4,811)
Continuing operations		5,659	(4,224)
Discontinued operations		-	(587)
		<hr/>	<hr/>
		5,659	(4,811)
Loss on disposal of businesses	3	-	(2,661)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before finance charges</b>		5,659	(7,472)
Investment income	4	300	1,009
Interest payable and similar charges	5	(2,085)	(3,002)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>	6	3,874	(9,465)
Tax on profit/(loss) on ordinary activities	8	1,842	(98)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities after taxation</b>		5,716	(9,563)
Dividends in specie		-	(39,809)
		<hr/>	<hr/>
<b>Retained profit/(loss) for the financial year</b>	17	5,716	(49,372)

A movement on reserves is shown in note 17.

The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated statement of total recognised gains and losses  
For the year ended 31 December 2002

	2002 £'000	2001 £'000
Profit/(loss) for the financial year	5,716	(49,372)
Profit/(loss) on retranslation of foreign currency for the year	-	(311)
<b>Total recognised gain/(loss) relating to the year</b>	<u>5,716</u>	<u>(49,683)</u>


The accompany notes are an integral part of this consolidated statement of total recognised gains and losses.

## Consolidated balance sheet

31 December 2002

	Notes	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Intangible assets	9	40,224	45,401
Tangible assets	10	2,190	1,562
		<u>42,414</u>	<u>46,963</u>
<b>Current assets</b>			
Debtors	12	36,145	40,428
Cash at bank and in hand		2,872	3,678
		<u>39,017</u>	<u>44,106</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(34,788)</u>	<u>(40,326)</u>
<b>Net current assets</b>		<u>4,229</u>	<u>3,780</u>
<b>Total assets less current liabilities</b>		46,643	50,743
<b>Creditors: Amounts falling due after more than one year</b>	14	(24,000)	(31,643)
<b>Provisions for liabilities and charges</b>	15	<u>(2,000)</u>	<u>(4,173)</u>
		<u>20,643</u>	<u>14,927</u>
<b>Capital and reserves</b>			
Called-up share capital	16	3,035	3,035
Foreign currency translation reserve	17	-	(14)
Profit and loss account	17	17,608	11,906
<b>Equity shareholders' funds</b>	18	<u>20,643</u>	<u>14,927</u>

The financial statements on pages 6 to 26 were approved by the board of directors on 25 July 2003 and signed on its behalf by:



R. Allan

Director

The accompanying notes are an integral part of this consolidated balance sheet.

# Company balance sheet

31 December 2002

	Notes	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Intangible assets	9	35,085	39,908
Tangible assets	10	2,188	1,435
Investments	11	7,755	7,755
		<u>45,028</u>	<u>49,098</u>
<b>Current assets</b>			
Debtors	12	35,470	38,719
Cash at bank and in hand		2,882	3,680
		<u>38,352</u>	<u>42,399</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(32,818)</u>	<u>(34,729)</u>
<b>Net current assets</b>		<u>5,534</u>	<u>7,670</u>
<b>Total assets less current liabilities</b>		50,562	56,768
<b>Creditors: Amounts falling due after more than one year</b>	14	(24,000)	(31,643)
<b>Provisions for liabilities and charges</b>	15	<u>(2,000)</u>	<u>(4,173)</u>
<b>Net assets</b>		<u>24,562</u>	<u>20,952</u>
<b>Capital and reserves</b>			
Called-up share capital	16	3,035	3,035
Profit and loss account	17	21,527	17,917
<b>Equity shareholders' funds</b>		<u>24,562</u>	<u>20,952</u>

The financial statements on pages 6 to 26 were approved by the board of directors on 25 July 2003 and signed on its behalf by:



R. Affan

Director

The accompanying notes are an integral part of this company balance sheet.

## Statement of accounting policies

31 December 2002

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

### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

### **Cash flow statement**

As permitted by Financial Reporting Standard Number 1 (Revised 1996), a cash flow statement has not been prepared as the company is a wholly owned subsidiary of Equifax Inc. whose consolidated financial statements include the results of the company and are publicly available.

### **Basis of consolidation**

The group financial statements consolidate the financial statements of Equifax plc and its subsidiary undertakings as at 31 December 2002.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is amortised over a period of 20 years. The directors regard 20 years as a reasonable maximum for estimated useful life of goodwill. In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

No profit and loss account is presented for Equifax plc, as provided by Section 230 of the Companies Act 1985. The company's profit for the financial year, determined in accordance with the Act, was £3,610,000 (2001: loss of £41,332,000)

### **Intangible fixed assets**

Intangible fixed assets comprise goodwill, purchased databases, software licence fees, software development costs and deferred programming costs.

Purchased databases are stated at cost. Programming costs are deferred when these are incurred in the development of commercially exploitable systems. All intangible fixed assets are amortised in equal instalments over the periods in which the benefits of these assets are expected to accrue, as follows:

Purchased databases	8 to 15 years
Software licence fees	3 to 5 years
Deferred programming costs	5 years

Additional amortisation is charged where the directors believe that this results in a book value which more fairly reflects the amount recoverable through the future use of the asset.

## Statement of accounting policies (continued)

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	period of lease
Equipment and software	3 to 10 years

### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

### **Turnover**

Group turnover comprises the value of sales (excluding VAT and trade discounts) of services in the normal course of business. All turnover arises in the UK.

### **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 substantially 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. 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.

### **Pension costs**

The group provides pensions to its employees through two defined contribution pension schemes. The assets of funded schemes are held independently of the group by trustees and insurance companies. The amounts charged to the profit and loss account are the contributions payable in the year.

### **Leases**

The group enters into operating leases.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

### **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.

## Notes to the financial statements

31 December 2002

### 1 Segmental analysis

Class of business

	2002			Total £'000
	Continuing	Discontinued		
	Database services £'000	Cheque guarantee £'000	Store card services £'000	
Turnover	64,661	-	-	64,661
Operating profit	5,659	-	-	5,659

	2001			Total £'000
	Continuing	Discontinued		
	Database Services £'000	Cheque guarantee £'000	Store card services £'000	
Turnover	67,612	15,400	9,875	92,887
Operating (loss)/profit	(4,224)	2,155	(2,742)	(4,811)

Turnover by geographic area:

	2002 £'000	2001 £'000
UK	64,661	87,132
Europe	-	3,352
Australasia	-	2,403
	<u>64,661</u>	<u>92,887</u>

Net assets by geographic area and class of business:

	2002 £'000	2001 £'000
UK – Database Services	<u>20,643</u>	<u>14,927</u>

## Notes to the financial statements (continued)

### 2 Cost of sales and other operating expenses (net)

	2002			2001		
	Continuing £'000	Discontinued £'000	Total £'000	Continuing £'000	Discontinued £'000	Total £'000
Cost of sales	33,257	-	33,257	37,985	16,533	54,518
Gross profit	31,404	-	31,404	29,627	8,742	38,369
Administrative expenses						
- other	25,745	-	25,745	26,977	9,329	36,306
- exceptional	-	-	-	6,874	-	6,874
	25,745	-	25,745	33,851	9,329	43,180

Included within administrative expenses are exceptional restructuring costs relating to:

	2002 £'000	2001 £'000
<i>Restructuring</i>		
- severance pay	-	1,074
- costs payable on termination of leases	-	3,294
- write off of tangible assets	-	506
Goodwill impairment	-	2,000
	-	6,874

### 3 Loss on disposal of businesses

The loss incurred on disposal of businesses comprise:

	2002 £'000	2001 £'000
<b>Payment Services Division</b>		
Cost of software licences necessary for transfer of companies as going concern	-	2,356
Provision for information technology transition costs	-	109
	-	2,465
Costs incurred on the disposal of Ultimate Business Services plc	-	119
Costs incurred on the disposal of assets of Rexora	-	77
	-	196
	-	2,661

Notes to the financial statements (continued)

**4 Investment income**

	2002 £'000	2001 £'000
<i>Interest receivable and similar income</i>	300	1,009

**5 Interest payable and similar charges**

	2002 £'000	2001 £'000
Loans from group undertakings	2,064	2,375
Bank loans and overdrafts	-	620
Finance leases and hire purchase contracts	-	7
Other	21	-
	<u>2,085</u>	<u>3,002</u>

**6 Profit/(loss) on ordinary activities before taxation**

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	2002 £'000	2001 £'000
Depreciation of tangible fixed assets:		
- owned	1,346	1,231
- held under finance leases	-	76
Amortisation of intangible fixed assets (excluding goodwill)	3,757	5,555
Impairment of goodwill	-	2,000
Amortisation of goodwill	2,615	3,240
Profit on disposal of tangible fixed assets	(2)	-
Other operating lease rentals		
- plant and machinery	590	1,073
- property rentals	1,630	1,564
- rent receivable	(514)	(347)
- other	28	231
Amounts paid to auditors		
- audit services	82	174
- non-audit services	-	137

## Notes to the financial statements (continued)

### 7 Staff costs

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

	2002 Number	2001 Number
Operations	477	1,077
Administration	61	117
	<u>538</u>	<u>1,194</u>

Their aggregate remuneration comprised:

	2002 £'000	2001 £'000
Wages and salaries	24,039	34,523
Social security costs	2,084	2,915
Other pension costs (see note 20)	838	1,354
	<u>26,961</u>	<u>38,792</u>

### *Directors' remuneration*

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

	2002 £'000	2001 £'000
<i>Emoluments</i>	535	803
Company contributions to money purchase pension schemes	21	27
Compensation for loss of office	152	-
	<u>708</u>	<u>830</u>

## Notes to the financial statements (continued)

### Share Options

Number of directors who exercised share options in the year	<u>3</u>	<u>2</u>
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### Pensions

The number of directors who were members of pension schemes was as follows:

	2002 Number	2001 Number
Money purchase schemes	<u>4</u>	<u>4</u>

### Highest paid director

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

	2002 £'000	2001 £'000
Emoluments	335	385
Company contributions to money purchase pension schemes	<u>4</u>	<u>12</u>
	<u>339</u>	<u>397</u>

The highest paid director exercised share options during the year.

## 8 Tax on profit/(loss) on ordinary activities

The tax (credit)/charge comprises:

	2002 £'000	2001 £'000
Current UK Corporation tax	189	98
Deferred taxation	<u>(2,031)</u>	<u>-</u>
<b>Total tax on profit/(loss) on ordinary activities</b>	<u>(1,842)</u>	<u>98</u>

## Notes to the financial statements (continued)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK Corporation tax to the profit before tax is as follows:

	2002	2001
	£'000	£'000
<b>Profit/(loss) on ordinary activities before tax</b>	<u>3,874</u>	<u>(9,465)</u>
Tax at 30% thereon:	1,162	(2,839)
Effects of:		
Expenses not deductible for tax purposes	1,309	2,649
Capital allowances in excess of depreciation	122	2
Utilisation of tax losses	(2,369)	403
Movement in short term timing differences	<u>(35)</u>	<u>(117)</u>
<b>Current tax charge for year</b>	<u>189</u>	<u>98</u>

The Group has tax losses of £3,522,939 (2001: £11,422,925) that are available for potential offset against future taxable trading profits. In 2001 the deferred tax asset arising was not recognised. The recoverability of the previously unrecognised deferred tax asset has been reappraised, and it is assessed that the losses will be recovered against profits arising in the next two financial periods.

### *Deferred Tax*

The deferred tax included in the balance sheet is as follows:

	2002	2001
	£'000	£'000
Included in debtors	<u>2,031</u>	<u>-</u>
	2002	2001
	£'000	£'000
Accelerated capital allowances	792	-
Short term timing differences	182	-
Tax losses carried forward	<u>1,057</u>	<u>-</u>
	<u>2,031</u>	<u>-</u>

## Notes to the financial statements (continued)

### 9 Intangible fixed assets

#### Group

The movement in the year was as follows:

	Goodwill £'000	Purchased database £'000	Software license fees £'000	Deferred programming costs £'000	Total £'000
<b>Cost</b>					
At 1 January 2002	51,140	6,501	3,301	25,786	86,728
Reclassification	-	-	572	(1,585)	(1,013)
Additions	-	-	687	1,175	1,862
Disposals	-	(267)	(1,537)	(10,323)	(12,127)
At 31 December 2002	<u>51,140</u>	<u>6,234</u>	<u>3,023</u>	<u>15,053</u>	<u>75,450</u>
<b>Amortisation</b>					
At 1 January 2002	17,478	4,914	3,031	15,904	41,327
Reclassification	-	-	154	(500)	(346)
Charge for the year	2,615	442	466	2,849	6,372
Disposals	-	(267)	(1,537)	(10,323)	(12,127)
At 31 December 2002	<u>20,093</u>	<u>5,089</u>	<u>2,114</u>	<u>7,930</u>	<u>35,226</u>
<b>Net book value</b>					
At 31 December 2002	<u>31,047</u>	<u>1,145</u>	<u>909</u>	<u>7,123</u>	<u>40,224</u>
At 31 December 2001	<u>33,662</u>	<u>1,587</u>	<u>270</u>	<u>9,882</u>	<u>45,401</u>

Notes to the financial statements (continued)

**9 Intangible fixed assets (continued)**

**Company**

	Goodwill £'000	Purchased databases £'000	Software license fees £'000	Deferred programming costs £'000	Total £'000
<b>Cost</b>					
At 1 January 2002	40,530	5,500	3,300	25,850	75,180
Reclassification	-	-	572	(1,585)	(1,013)
Additions	-	-	687	1,163	1,850
Disposals	(2,000)	(267)	(1,537)	(10,321)	(14,125)
<b>At 31 December 2002</b>	<b>38,530</b>	<b>5,233</b>	<b>3,022</b>	<b>15,107</b>	<b>61,892</b>
<b>Amortisation</b>					
At 1 January 2002	12,489	3,795	3,030	15,958	35,272
Reclassification	-	-	154	(500)	(346)
Charge for the year	2,199	494	466	2,847	6,006
Disposals	(2,000)	(267)	(1,537)	(10,321)	(14,125)
<b>At 31 December 2002</b>	<b>12,688</b>	<b>4,022</b>	<b>2,113</b>	<b>7,984</b>	<b>26,807</b>
<b>Net book value</b>					
At 31 December 2002	25,842	1,211	909	7,123	35,085
At 31 December 2001	28,041	1,705	270	9,892	39,908

## Notes to the financial statements (continued)

### 10 Tangible fixed assets

#### Group

The movement in the year was as follows:

	Equipment and software £'000	Leasehold improvements £'000	Total £'000
<b>Cost</b>			
At 1 January 2002	4,175	2,024	6,199
Reclassification	1,013	-	1,013
Additions	1,246	61	1,307
Disposals	(3,057)	(497)	(3,554)
At 31 December 2002	<u>3,377</u>	<u>1,588</u>	<u>4,965</u>
<b>Depreciation</b>			
At 1 January 2002	3,350	1,287	4,637
Reclassification	346	-	346
Charge for the year	991	355	1,346
Disposals	(3,057)	(497)	(3,554)
At 31 December 2002	<u>1,630</u>	<u>1,145</u>	<u>2,775</u>
<b>Net book value</b>			
At 31 December 2002	<u>1,747</u>	<u>443</u>	<u>2,190</u>
At 31 December 2001	<u>825</u>	<u>737</u>	<u>1,562</u>

Notes to the financial statements (continued)

**10 Tangible fixed assets (continued)**

**Company**

	Equipment and software £'000	Leasehold improvements £'000	Total £'000
<b>Cost</b>			
At 1 January 2002	3,605	2,023	5,628
Reclassification	1,013	-	1,013
Additions	1,236	61	1,297
Disposals	(2,474)	(497)	(2,971)
At 31 January 2002	<u>3,380</u>	<u>1,587</u>	<u>4,967</u>
<b>Depreciation</b>			
At 1 January 2002	2,906	1,287	4,193
Reclassification	346	-	346
Charge for the year	857	354	1,211
Disposals	(2,474)	(497)	(2,971)
At 31 January 2002	<u>1,635</u>	<u>1,144</u>	<u>2,779</u>
<b>Net book value</b>			
At 31 January 2002	<u>1,745</u>	<u>443</u>	<u>2,188</u>
At 31 December 2001	<u>699</u>	<u>736</u>	<u>1,435</u>

**11 Fixed asset investments**

The following are included in the net book value of fixed asset investments:

**Company**

	2002 £'000	2001 £'000
Subsidiary undertakings	<u>7,755</u>	<u>7,755</u>

## Notes to the financial statements (continued)

### 11 Fixed asset investments (continued)

The company has investments in the following principal subsidiary undertakings, all of which are registered in England and Wales, except as indicated below. To avoid a statement of excessive length, details concerning investments which are not significant have been omitted.

Subsidiary undertaking	Principal activity	Percentage of ordinary share capital held	
		2002	2001
UAPT - Infolink plc	Holding company	100	100
The Infocheck Group Limited	Database services	100	100
			£'000
<b>Cost</b>			
Beginning and end of year			31,022
<b>Provision for diminution in value</b>			
Beginning and end of year			(23,267)
<b>Net book value beginning and end of year</b>			<u>7,755</u>

### 12 Debtors

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Trade debtors	10,282	14,106	7,651	11,429
Amounts owed by group undertakings	20,740	22,201	24,717	23,393
Other debtors	1,085	2,861	1,083	3,197
Deferred tax	1,250	-	468	-
Prepayments and accrued income	2,007	1,260	1,551	700
	<u>35,364</u>	<u>40,428</u>	<u>35,470</u>	<u>38,719</u>
Amounts falling due after more than one year:				
Deferred Tax	781	-	-	-
	<u>36,145</u>	<u>40,428</u>	<u>35,470</u>	<u>38,719</u>

## Notes to the financial statements (continued)

### 13 Creditors: Amounts falling due within one year

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Bank loans and overdrafts	-	4,500	-	4,500
Trade creditors	797	1,247	777	1,227
Amounts owed to group undertakings	19,747	22,579	18,570	17,767
Corporation tax	660	471	587	398
Other taxation and social security	2,098	2,680	1,880	2,341
Accruals and deferred income	11,486	8,849	11,004	8,496
	<u>34,788</u>	<u>40,326</u>	<u>32,818</u>	<u>34,729</u>

### 14 Creditors: Amounts falling due after more than one year (all due within 5 years)

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Amounts owed to group undertakings – loan	24,000	31,643	24,000	31,643

The loan bears interest at 7%. Group undertakings have confirmed that amounts included above will not be recalled within one year.

### 15 Provisions for liabilities and charges

	Group		Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Provisions on acquisition	-	341	-	341
Restructuring provision	1,809	3,832	1,809	3,832
Provision for NI on stock options	191	-	191	-
	<u>2,000</u>	<u>4,173</u>	<u>2,000</u>	<u>4,173</u>

## Notes to the financial statements (continued)

### 15 Provisions for liabilities and charges (continued)

The movement in the year was as follows:

	Provision for NI on stock options £'000	Provision on acquisition £'000	Restructuring provision £'000	Total £'000
<b>Group and company</b>				
At 1 January 2002	-	341	3,832	4,173
Charged/(Released) to profit and loss account	191	(341)	-	(150)
Utilised in year	-	-	(2,023)	(2,023)
At 31 December 2002	<u>191</u>	<u>-</u>	<u>1,809</u>	<u>2,000</u>

### 16 Called-up share capital

	Group and Company	
	2002 £'000	2001 £'000
<i>Authorised:</i>		
50,000,000 £1 ordinary shares	<u>50,000</u>	<u>50,000</u>
<i>Allotted, called-up and fully-paid:</i>		
3,035,002 £1 ordinary shares	<u>3,035</u>	<u>3,035</u>

### 17 Reserves

Group	Foreign currency translation reserve £'000	Profit and loss account £'000	Total £'000
	Beginning of year	(14)	11,906
Retained profit for the financial year	-	5,716	5,716
Transferred to reserves	14	(14)	-
End of year	<u>-</u>	<u>17,608</u>	<u>17,608</u>
Company		Profit and loss account £'000	Total £'000
Beginning of year		17,917	17,917
Profit for the financial year		3,610	3,610
End of year		<u>21,527</u>	<u>21,527</u>

## Notes to the financial statements (continued)

### 18 Movement in group equity shareholders' funds

The movement in group equity shareholders' funds for the year was as follows:

	Group	
	2002 £'000	2001 £'000
Profit/(loss) for the financial year	5,716	(49,372)
Loss on re-translation of foreign currency	-	(311)
Net increase/(decrease) in equity shareholders' funds	5,716	(49,683)
Opening equity shareholders' funds	14,927	64,610
Closing equity shareholders' funds	20,643	14,927

### 19 Guarantees and other financial commitments

#### a. Lease commitments

The minimum annual rentals under the foregoing leases are as follows:

	2002		2001	
	Property £'000	Plant and machinery £'000	Property £'000	Plant and machinery £'000
Operating leases which expire:				
- within 1 year	82	111	102	215
- within 2-5 years	440	298	336	302
- after more than 5 years	986	-	1,122	-
	1,508	409	1,560	517

#### b. Financial commitments

The group has entered into a non-cancellable trading agreement with a supplier of computer processing and other services, the payments for which extend over a period of up to 10 years. The total minimum annual rental payable under this agreement is £6,577,650 (2001: £6,369,000).

The group has entered into a cancellable contract during 2001 with PricewaterhouseCoopers for accounting services, the payments for which extend over a 10 year period. The minimum annual amount payable under this agreement is £1,176,026. (2001: £1,450,000)

The group has entered into a contract with a data supplier that expires on 31 December 2003 and has a minimum annual amount payable of £250,000. In addition the group has entered into a contract for software maintenance that expires on 31 December 2008 and has a minimum annual amount payable of £300,000.

## Notes to the financial statements (continued)

### **20 Pension arrangements**

The group operated two pension schemes during the year. One is a non-contributory defined contribution scheme, where only the employer contributes 4% of basic pay. Another defined contribution scheme, which represents the main scheme of the group, is funded by contributions from the employer and employee, for the benefit of individual members.

The pension charge for the year was £838,404 (2001: £1,354,000).

The amount of contributions outstanding at the year end was £123,145 (2001: £144,291).

### **21 Ultimate parent company and related party disclosures**

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.

As a subsidiary undertaking of Equifax Inc., the company has taken advantage of the exemption in FRS8 "Related party disclosures" not to disclose transactions with other members of the group headed by Equifax Inc.