

TDX Group Limited
Annual report and financial statements

for the year ended 31 December 2023

Registered number: 05059906



TDX Group Limited

Registered No: 05059906

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TDX Group Limited

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Company Information

Directors

P Remon

J Lewis

H Windle

S Bennison

Secretary

J Atkin

Auditor

Ernst & Young LLP

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Bankers

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TDX Group Limited

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Strategic report

The Directors present their strategic report for the year ended 31 December 2023.

Review of the business

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

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

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

The Company provides Collection Managed Services and Advisory Services to the public sector on the government's Debt Resolution Services ('DRS') framework. The DRS framework is designed to bring together a range of debt collection and data services into a single commercial agreement. It is aligned with the cross-government debt management strategy, which aims to provide a more consistent and integrated approach to public sector debt collection.

Key performance indicators

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

Key performance indicators	2023	2022	Growth
Revenue	£63.2m	£29.9m	111.3%
Operating profit / (loss)	£3.7m	(£2.0m)	279.2%
Capital expenditure (intangible and tangible)	£3.9m	£1.7m	131.1%
Average number of employees	244	245	-0.4%

The Directors are delighted to report a year of growth with revenue increasing by 111% to £63.2m compared to prior year (2022: £29.9m). The increase in revenue was driven by several significant client contracts, signed in prior periods, coming to fruition including those that fall under the DRS Framework. The substantial growth in revenue led to the Company generating an operating profit of £3.7m during the year (2022: £2.0m operating loss), an increase of 279%.

The profit on ordinary activities before taxation was £14.2m (2022: £9.9m) of which £18.1m (2022: £12.0m) relates to dividend income from its subsidiary, Integrated Debt Services Limited.

The Company invested £3.9m in tangible and intangible assets in the year (2022: £1.7m) as it continues to transform and enhance its operation through cloud-based technologies.

At 31 December 2023, the Company had a positive cash balance of £6.0m (2022: £5.8m). Shareholder's funds decreased to £11.1m (2022: £16.4m) and net current assets increased to £8.3m (2022: £7.5m). The increase was driven by the total comprehensive income for the year, partly offset by dividend paid of £19.5m during the year.

The total average number of employees decreased by 0.4% as the Company continues to manage its resources in the most efficient way to help deliver profitable growth.

During the year the Company declared and paid a dividend of £19.5m to its parent company (2022: £12.0m).

TDX Group Limited

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Strategic report (continued)

Principal risks and uncertainties

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

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

Management and the Board regularly review risks facing the Company.

The Company's principal risks are:

- We and our customers are subject to various laws and regulations, and could be affected by new and evolving consumer privacy, cybersecurity or other data-related laws or regulations; compliance with which may cause us to incur significant expenses and change our business practices or reduce the availability or effectiveness of our products. If we fail to maintain satisfactory compliance with certain laws and regulations, we could be subject to civil or criminal penalties.
- Failure to achieve and maintain key industry or technical certifications (e.g. PCI DSS, ISO 27001) may adversely impact our business.
- Despite robust security measures, we may be unable to adequately anticipate, prevent or mitigate damage resulting from increasingly sophisticated methods of illegal or fraudulent activities committed against us, including cyberattacks and security breaches, which could harm our business, operations and reputation and compromise Company, consumer and customer information.
- We help our customers make more informed decisions with higher levels of confidence by leveraging a broad array of data assets. If our access to credit, employment, financial and other data from external sources is constrained, or if we fail to maintain the integrity, accuracy and reliability of the data assets, it could harm our ability to provide our products and services, cause loss of customer trust and contribute to non-compliance with certain laws and regulations.
- Investigations and litigation have the potential to adversely impact our business.
- If our relationships with key customers or partners are materially diminished or terminated, or our outside service providers and key vendors are not able to fulfil their service obligations, our business could suffer.
- Our business may be negatively impacted by health epidemics, pandemics, disease outbreaks and other public health crises.
- Dependence on our supply partners and outsourcing certain portions of our operations, including information technology and administrative functions, may adversely affect our ability to deliver products and services to market and impair our ability to operate effectively.
- We may not be able to attract and retain the skilled employees that we need to support our business.
- Sub-optimal data management and governance and operational processes could impair our ability to maximise opportunities for consumer and customer service, product development and client engagement.
- We are making investments in our Environmental, Social and Governance (ESG) responsible business priorities, aligned to our corporate strategy and positioning our company for long-term sustainability. Our reputation and/or business could be exposed to risks arising from developments and trends associated with climate change and ESG, including our own reporting.
- Changes in the geopolitical and macroeconomic environment, including interest rates, the level of inflation, unemployment rates, income, home prices, geopolitical instability, investment values and consumer confidence, could adversely affect us.
- The failure to realise the benefits of our technology transformation strategy, including our transition to cloud-based technologies, could adversely impact our business, operational effectiveness and financial performance; impairing our ability to optimise delivery of our products and services to consumers and clients, potentially reducing market share.
- If we fail to maintain and improve existing or successfully introduce new products, services and analytical capabilities in line with market demands in a timely manner, or if the market does not adopt our new offerings, our competitiveness and operating results will suffer. Increasing availability of free or relatively inexpensive consumer information could also decrease our sales and market share.

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Strategic report (continued)

Principal risks and uncertainties (continued)

- If we are unable to acquire, effectively integrate or divest components of our business or successfully develop and maintain joint ventures and other alliances, our growth may be adversely impacted.
- Whilst emerging technology offers significant opportunities, we may face risks associated with our use of certain artificial intelligence and machine learning models.
- If our government contracts are terminated, if we are suspended from government work, or if our ability to compete for new contracts is adversely affected, our business could suffer.
- If our systems and processes do not meet customer requirements for response time, availability or resiliency, or our customers do not migrate to the cloud or modify and/or upgrade their systems to accept new releases of our products and services, our services to our customers could be delayed or interrupted, which could harm our business and reputation.

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

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Strategic report (continued)

SECTION 172(1) STATEMENT

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

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

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

During the year, the Board was comprised of:

Patricio Remon – European President

Phillip McGilvray – Managing Director (resigned 14 March 2024)

Helen Windle – Chief Financial Officer

Jeremy Lewis – Chief Technology Officer

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

Our stakeholders

Consumers and Businesses (C&B)

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

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

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

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

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

Suppliers (S)

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

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

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

Industry Regulators (IR)

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

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Strategic report (continued)

SECTION 172(1) STATEMENT (continued)

Shareholders (SH)

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

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

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

Colleagues (CLG)

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

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

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

Key Decisions / Outcomes

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

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

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

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

Clients (CL)

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

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

Community and Environment (C&E)

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

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

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

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

The Board is proud to highlight our office move to EastWest in 2023 in demonstrating how we are being a responsible corporate citizen. The work space was not only designed with wellbeing in mind, but the resulting energy efficiencies for our new office space has resulted in a 67% reduction in energy consumption.

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Strategic report (continued)

SECTION 172(1) STATEMENT (continued)

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

The Board is pleased to report that our colleagues have supported a number of initiatives aligned to our purpose of helping people live their financial best. In 2023, we partnered with staff-nominated Juno Women's Aid to raise awareness of financial abuse.

This year more than 489 hours have been donated to support local projects - an uplift of 287% on 2022.

We have created value with strategic partners such as the debt collection agencies we work with to help them embed social value in their business. In 2023, we established a quarterly forum to drive social impact and better outcomes for consumers and front line teams through sharing best practice and peer-to-peer learning. 156 hours have been dedicated to collaboration and improving delivery of social impact in these businesses.

We have also worked with strategic partners such as the Centre of Social Justice (CSJ) on our first Financial Health Report, Making Ends Meet, to join insights from cross-industry and drive reform for policy change.

Since partnering with the Money and Pensions Service in 2022 we have made more than 8 million referrals to their MoneyHelper tool to help consumers in debt. In 2023, we have also partnered with Policy in Practice to reunify consumers eligible for social tariffs and benefits and look forward to reporting progress on this project in 2024.

Dividend Policy (SH)

During the year the Company declared a dividend of £19.5m to its parent company (2022: £12.0m).

Electric car program (CLG, C&E)

The Company has teamed up with Tusker, a car leasing company with an opportunity for employees to lease electric cars at a discounted rate through salary sacrifice, providing our colleagues with the opportunity to be part of the move toward electric cars and greener travel.

The Board are supportive of all initiatives that contribute to a more sustainable society. The Board were pleased to be able to offer our colleagues the opportunity to contribute towards a more sustainable future.

Cost of Living Allowance (CLG, C&E)

The Company introduced the "Cost of Living Allowance" in 2022 in recognition of the challenges that increased inflationary pressure and economic conditions were creating for some of our colleagues. The allowance was a monthly payment made to colleagues under a certain threshold within the Company. This was extended until March 2024 and from April 2024, the Company moved to permanently add the allowance to employees' salaries.

Consumer Duty (C&B, IR, C, CL, CE)

2023 saw the introduction of the FCA's new Consumer Duty objective for authorised firms. As well as the creation of a new FCA principle and cross-cutting rules, it also introduced four outcomes that firms must deliver against.

Acknowledging the symbiosis between the objectives of the Consumer Duty and TDX Group's strategic goals, a programme of work started in 2022 to prepare the Group for the implementation of the Duty. The Board received regular updates on the progress of the programme up to and beyond the go live date of 31 July 2023. These updates covered business changes being implemented to comply with the Duty, regulatory engagement as well as guidance on resourcing and prioritisation of key activities.

The Board understood the scale of the regulatory change represented by the Consumer Duty and took steps to ensure risks were mitigated appropriately. Overall, the Board was pleased with progress the business had made during 2023. Focus towards the end of 2023 turned to the second phase of Consumer duty implementation which culminated in the preparation of the first Annual Consumer duty report in July 2024. The Board was happy that key stakeholders understood what was required to implement this activity and that it was receiving sufficient attention at Board and sub-committees.

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Strategic report (continued)

SECTION 172(1) STATEMENT (continued)

Office Move (CLG)

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

The extent of the effect of the new building can be seen in the SECR report provided by the directors in the directors report.

Strategy (CL) (SH) (S)

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

- To make the debt industry better for everyone and support helping people live their financial best;
- To be recognised as the market leading experts and delivering value for all our stakeholders;
- Belief that the recovery of debt could be infinitely more efficient, effective and fair through the use of more data and insights; and
- Create better, sustainable consumer outcomes and deliver measurable value for our clients, consumers, corporate partners and communities through our products and services.

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

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

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

Decision making and principal decisions

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

- Approval of the 2022 Annual Accounts and Financial Statements;
- Approval of the 2024 Business Strategy;
- Cash management policy and approval of a global cash pool framework;
- Dividend policy and distribution;
- Review and approval of Consumer Duty implementation plans; and
- Business restructuring.

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Strategic report (continued)

Future developments

The Company has a well-balanced portfolio of customers and products which was further enhanced when the Company secured a place on the government's DRS Framework. The level of activity in the forthcoming year is expected to be above levels in 2023 and the Directors remain confident in the long-term prospects of the Company.

By order of the Board

DocuSigned by:

Helen Windle

H Windle

Director

27 September 2024

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Directors' report

The Directors present their report for the year ended 31 December 2023.

Directors of the company

The current directors are shown on page 3.

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

P Remon

P-McGilvray (resigned 14 March 2024)

H Windle

S Bennison (appointed 11 September 2024)

J Lewis

Dividends

During the year the Company declared and paid a dividend of £19.5m to its parent company (2022: £12.0m).

Future developments

Details of future developments can be found in the Strategic Report on pages 4 to 11.

Going concern

The Company's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 11. At 31 December 2023, the Company had £6.0m (2022: £5.8m) of cash at bank and in hand. The Company had no external long-term or short-term borrowings in 2023 or 2022.

During the year, the Company generated a profit after tax of £14.2m (2022: £9.8m), including a dividend of £18.1m received from subsidiaries and impairment charge of £7.4m. At 31 December 2023, the Company's balance sheet had net assets of £11.1m (2022 £16.4m) and net current assets of £8.3m (2022 £7.5m).

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

The Directors have prepared cash flow forecasts for a period to 30 September 2025 supporting their conclusions. These forecasts reflect and consider:

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

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

In order to facilitate the additional funding the Company has obtained a letter of parental support from Equifax Inc. The letter confirms that Equifax Inc. will provide financial support for a period from the approval of the financial statements to 30 September 2025. The Directors have considered the ability of Equifax Inc. to provide support and are satisfied that Equifax Inc. is able to provide that support given that Equifax Inc. generates cash from its operations, has significant cash reserves and an available credit facility maturing in August 2026.

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Director's report (continued)

Going concern (continued)

Accordingly, the Directors have concluded that despite the uncertain economic conditions and outlook the Company has adequate resources to continue to meet its liabilities as they fall due for a period to 30 September 2025. Therefore, the Directors are satisfied they have a reasonable basis upon which to conclude that it remains appropriate to prepare the financial statements on a going concern basis.

Credit risk

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

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

Liquidity risk

At 31 December 2023, the Company had a cash balance of £6.0m (2022: £5.8m). The Company has no long-term or short-term debt from non-group sources. The Company continues to have positive cash flows and the Directors are confident that it has the resources to meet its obligations for the period to 30 September 2025.

Political contributions

During the year the Company made no political donations (2022: nil).

Research and development

Development costs incurred during the year were all capitalised according to the Company's policy. The Company incurred no research costs during the year ended 31 December 2023 (2022: £nil).

Disabled employees

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

Employee consultation

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

Statement as to the disclosure of information to the auditors

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

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

Auditor

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

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Director's report (continued)

Equifax Limited and TDX Group Limited SECR Annual Report

Introduction

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

Purpose of this report

In accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) policy implemented 1 April 2019, Equifax and TDX Group will be including the required information as part of the annual Directors Report in their Financial Statements.

The following information details what areas we are required to report on and the statistics and methods used to reach these figures.

Report Date Range: **January 2023 - December 2023**

UK energy use for the current financial year

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

Data Point	2023 Totals	2022 Totals
Electricity (kWh)	440,752	576,919
Gas (kWh)	123,072	59,411
Company Car Mileage (km)	112,714	165,554
Grey Fleet Mileage (km)	78,152	117,977
Short Haul Flights (km)	230,297	425,051
Long Haul Flights (km)	892,815	1,185,931
Train Mileage (km)	195,481	319,488

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Director's report (continued)

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

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

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

Data Point	Totals	Conversion (Carbon Trust)	2023 GHG (CO2) Kilograms	2022 GHG (CO2) Kilograms
Electricity (kWh)	440,752	0.20707	91,267	111,565
Gas (kWh)	123,072	0.18293	22,514	10,845
Company Car Mileage (km)	112,714	0.30692	34,594	28,224
Grey Fleet Mileage (km)	78,152	0.26380	20,616	20,153
Short Haul Flights (km)	230,297	0.18592	42,817	65,258
Long Haul Flights (km)	892,815	0.26128	233,275	228,991
Train Mileage (km)	195,481	0.03216	6,286	11,323

Emissions data Intensity Ratio

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

Data Point	Totals	Conversion (Carbon Trust)	GHG (CO2) Kilograms	Intensity Ratio (Sq. Ft)	2023 GHG (CO2) Kilograms per SQ. Ft. of UK office space	2022 GHG (CO2) Kilograms per SQ. Ft. of UK office space
Electricity (kWh)	440,752	0.20707	91,267	54282 (47529)	1.68	2.06
Gas (kWh)	123,072	0.18293	22,514	54282 (47529)	0.41	0.20
Company Car Mileage (km)	112,714	0.30692	34,594	54282 (47529)	0.64	1.53
Grey Fleet Mileage (km)	78,152	0.26380	20,616	54282 (47529)	0.38	0.37
Short Haul Flights (km)	230,297	0.18592	42,817	54282 (47529)	0.79	1.20
Long Haul Flights (km)	892,815	0.26128	233,275	54282 (47529)	4.30	4.22
Train Mileage (km)	195,481	0.03216	6,286	54282 (47529)	0.11	0.21

Energy efficiency actions taken during the financial year

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

Reduced Floorplate: In August 2023 the company significantly reduced the office space in Nottingham by 6,753 SqFt (reducing total space from 54,282 to 47,529) - commensurately reducing its environmental impact as a result.

Company Cars: We continued to implement our 2021 objective that all fleet car users now utilise hybrid or full electric vehicles.

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Director's report (continued)

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

Salary Sacrifice: During 2023 Equifax and TDX Group introduced a salary sacrifice employee benefit scheme to acquire either hybrid or full electric vehicles.

Environmental Management: Both Equifax and TDX Group are still certified to ISO 14001:2015. During the course of 2023 both of these certifications have been through a full external audit by an accredited auditing body (BSI).

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

Alternative Office Space: The company location strategy seeks to find space in LEED or BREEAM certified buildings.

Office Improvements: In 2023 TDX Group introduced highly efficient LED fittings with a DALI control system, allowing presence and day light dimming control. Additionally, introduced a new air conditioning system that uses highly efficient variable refrigerant flow condensers. These essentially provide six times the heat or cooling than the electricity they consume.

Information about the methodologies used to calculate disclosures

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

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

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

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

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

ISO 14001:2015 Management System: Equifax Limited (London, and Leeds) and TDX Group Limited (Nottingham) are certified to ISO 14001:2015. The respective certificate numbers are as follows:

Equifax Limited - EMS 718851

TDX Group Limited - EMS 632836

By order of the board

DocuSigned by:
Helen Windle
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H Windle

Director

27 September 2024

TDX Group Limited

Registered No: 05059906

Statement of Director's Responsibilities

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

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

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

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

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report, that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Independent auditor's report

to the members of TDX Group Limited

Opinion

We have audited the financial statements of TDX Group Limited for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period from when the financial statements are authorised for issue to 30 September 2025.

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 TDX Group 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 16, 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 TDX Group Limited (continued)

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

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

DocuSigned by:
Ernst & Young LLP

Date:

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27 September 2024

TDX Group Limited

Registered No: 05059906

Statement of Comprehensive Income

for the year ended 31 December 2023

	<i>Notes</i>	2023 £'000	2022 £'000
Turnover	3	63,219	29,914
Cost of sales		(49,452)	(22,451)
Gross profit		13,767	7,463
Administrative expenses		(10,106)	(9,506)
Operating profit/(loss)	4	3,661	(2,043)
Investment income	9	18,065	12,000
Impairment of fixed asset investment	9	(7,428)	-
Interest payable and similar charges		(107)	(99)
Profit on ordinary activities before taxation		14,191	9,858
Tax on profit on ordinary activities	6	(15)	(22)
Comprehensive Income for the financial year		14,176	9,836

All the results arose from continuing operations.

The Company has no other comprehensive income or losses for the years ended 31 December 2023 and 31 December 2022.

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

TDX Group Limited

Registered No: 05059906

Statement of Changes in Equity

for the year ended 31 December 2023

	<i>Share capital</i>	<i>Share premium</i>	<i>Share-based payment reserve</i>	<i>Profit and loss account</i>	<i>Total shareholder's funds</i>
	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	-	8,466	-	10,091	18,557
Profit for the year	-	-	-	9,836	9,836
Share-based payment charge	-	-	(90)	-	(90)
Share based payments reimbursed to Equifax Inc	-	-	90	-	90
Dividends Paid (Note 18)	-	-	-	(12,000)	(12,000)
At 31 December 2022	-	8,466	-	7,927	16,393
Profit for the year	-	-	-	14,176	14,176
Share-based payment charge	-	-	(94)	-	(94)
Share based payments reimbursed to Equifax Inc	-	-	94	-	94
Dividends Paid (Note 18)	-	-	-	(19,500)	(19,500)
At 31 December 2023	-	8,466	-	2,603	11,069

TDX Group Limited

Registered No: 05059906

Statement of Financial Position

as at 31 December 2023

	<i>Notes</i>	<i>2023</i> £'000	<i>2022</i> £'000
Fixed Assets			
Intangible assets	7	5,429	3,298
Tangible assets	8	812	566
Investments	9	1,100	9,758
		<u>7,341</u>	<u>13,622</u>
Current assets			
Debtors: amounts falling due within one year	10	13,749	11,731
Cash at bank and in hand		6,038	5,768
		<u>19,787</u>	<u>17,499</u>
Creditors: amounts falling due within one year	11	<u>(11,457)</u>	<u>(9,976)</u>
Net current assets		<u>8,330</u>	<u>7,523</u>
Total assets less current liabilities		<u>15,671</u>	<u>21,145</u>
Creditors: amounts falling due after more than one year	11	(4,500)	(4,500)
Provision for liabilities	15	(102)	(252)
Other provisions			
Net assets		<u><u>11,069</u></u>	<u><u>16,393</u></u>
Capital and reserves			
Called up share capital	12	-	-
Share premium		8,466	8,466
Profit and loss account		2,603	7,927
Shareholder's funds		<u><u>11,069</u></u>	<u><u>16,393</u></u>

The financial statements were approved for issue by the Board on 26 September 2024 and were signed on its behalf by:

DocuSigned by:

Helen Windle

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H Windle
Director

TDX Group Limited

Registered No: 05059906

Notes to the financial statements

as at 31 December 2023

1 Accounting policies

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

a. General information and basis of accounting

TDX Group Limited (“the Company”) is incorporated in England and Wales under the Companies Act and is a privately-owned company limited by shares. The address of the registered office is given on page 1. The nature of the Company’s operations and its principal activities are set out in the Strategic Report on pages 4 to 11.

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 2023.

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 FRS 102 and has taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to:

- Exemption from FRS102.3 17(d) and Section 7 from requirement 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;
- Exemption from the requirements of Section 26 Share-based payments paragraphs 26.18(b), 26.19 to 26.21 and 26.23;

b. Going concern

The Company’s activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 11. At 31 December 2023, the Company had £6.0m (2022: £5.8m) of cash at bank and in hand. The Company had no external long-term or short-term borrowings in 2023 or 2022.

During the year, the Company generated a profit after tax of £14.2m (2022: £9.8m), including a dividend of £18.1m received from subsidiaries and impairment charge of £7.4m. At 31 December 2023, the Company’s balance sheet had net assets of £11.1m (2022 £16.4m) and net current assets of £8.3m (2022 £7.5m).

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

The Directors have prepared cash flow forecasts for a period to 30 September 2025 supporting their conclusions. These forecasts reflect and consider:

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

TDX Group Limited

Registered No: 05059906

Notes to the financial statements

as at 31 December 2023 (continued)

1 Accounting policies (continued)

b. Going concern (continued)

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

In order to facilitate the additional funding the Company has obtained a letter of parental support from Equifax Inc. The letter confirms that Equifax Inc. will provide financial support for a period from the approval of the financial statements to 30 September 2025. The Directors have considered the ability of Equifax Inc. to provide support and are satisfied that Equifax Inc. is able to provide that support given that Equifax Inc. generates cash from its operations, has significant cash reserves and an available credit facility maturing in August 2026.

Accordingly, the Directors have concluded that despite the uncertain economic conditions and outlook, the Company has adequate resources to continue to meet its liabilities as they fall due for a period to 30 September 2025. Therefore, the Directors are satisfied they have a reasonable basis upon which to conclude that it remains appropriate to prepare the financial statements on a going concern basis.

c. Intangible fixed assets - research and development

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

d. Intangible fixed assets - licenses & purchased databases

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

e. Tangible fixed assets

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

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

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

TDX Group Limited

Registered No: 05059906

Notes to the financial statements

as at 31 December 2023 (continued)

1 Accounting policies (continued)

f. Impairment of assets

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

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

g. 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.

h. Turnover

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

i. Employee benefits

The Company provides a defined contribution pension scheme. The amounts charged to the Statement of Comprehensive Income are the contributions payable in the year. The pension charge for the year was £676,000 (2022: £596,000). The amount of employer contributions payable at the year-end was £nil (2022: £nil).

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

TDX Group Limited

Registered No: 05059906

Notes to the financial statements

as at 31 December 2023 (continued)

Accounting policies (continued)

j. Foreign currency

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

k. Leases

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

l. Borrowing costs

Interest is expensed as incurred.

m. Share-based payments

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

n. Basis of consolidation

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

p. Investment income and dividend accounting policy

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

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

TDX Group Limited

Registered No: 05059906

Notes to the financial statements

as at 31 December 2023 (continued)

3 Turnover

The whole of the company's turnover relates to its principal activity and derives from continuing operations. The origins and destination of turnover is predominantly within the UK. Sales are recognised as services are provided and are stated net of value added tax.

	2023	2022
	£'000	£'000
Provision of services	63,219	29,914

4 Operating Profit / (Loss)

Operating Profit / (Loss) is stated after charging:

	2023	2022
	£'000	£'000
Depreciation of tangible assets	317	346
Amortisation of intangible assets	1,217	892
Operating lease rentals - property	473	297
Auditor's remuneration	88	88

5 Staff number and costs

a) Staff costs and numbers

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

	2023	2022
	Number	Number
Operations	194	195
Administration	50	50
	244	245

Their aggregate remuneration comprised:

	2023	2022
	£'000	£'000
Wages and salaries	14,638	14,904
Social security costs	1,422	1,347
Other pension costs (note 1(i))	676	596
Redundancy costs	491	122
	17,227	16,969

Included in wages and salaries is a charge of £94,000 (2022: £90,000 credit) in respect of share-based payments, which arises from transactions accounted for as equity-settled share-based payment transactions.

TDX Group Limited

Registered No: 05059906

Notes to the financial statements

as at 31 December 2023 (continued)

5 Staff costs (continued)

b) Directors' remuneration

The total amount for Directors' remuneration and other benefits borne by the Company were as follows:

	2023	2022
	£'000	£'000
Emoluments	533	731
Company contributions to a defined contribution pension scheme	32	33
	565	764

The number of directors for whom retirement benefits are accruing under defined contribution schemes borne by the Company amounted to 2 (2022: 2).

The number of directors for whom retirement benefits are accruing under defined contribution schemes borne by Equifax Limited amounted to 2 (2022: 2).

The number of directors who exercised share options during the period amounted to 1 (2022: nil).

The number of directors who received shares under the group's long-term incentive scheme amounted to 4 (2022: 4).

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

The Directors total remuneration borne by Equifax Limited was £0.9m (2022: £0.8m).

Highest paid director borne by the Company

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

	2023	2022
	£'000	£'000
Emoluments	361	464
Company contributions to a defined contribution pension scheme	17	17
	378	481

The total remuneration for the highest paid director paid by Equifax Limited was £0.6m (2022: £0.5m).

The highest paid director value disclosed relates to highest paid director borne by the Company.

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

The highest paid director received shares under the group's long-term incentive scheme during the year and in 2022.

TDX Group Limited

Registered No: 05059906

Notes to the financial statements

as at 31 December 2023 (continued)

6 Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2023 £'000	2022 £'000
<i>Current tax:</i>		
Overseas tax	15	22
Total current tax	15	22
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Effect of rate changes	-	-
Total deferred tax (note 6(c))	-	-
Tax on profit on ordinary activities	15	22

(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 23.5% (2022: 19%).

	2023 £'000	2022 £'000
Profit on ordinary activities before tax	14,191	9,858
Profit on ordinary activities multiplied by the rate of tax at 23.5% (2022: 19%)	3,335	1,873
<i>Effects of:</i>		
<i>Non-taxable income</i>	(4,230)	(2,280)
Expenses not deductible for tax purposes	1,773	9
Group relief obtained for no consideration	(842)	-
Group relief surrendered for no consideration	-	685
Movement in deferred tax not recognised	4	(348)
Overseas tax	15	22
Changes in tax laws and rates	(40)	61
Tax on profit on ordinary activities (note 6(a))	15	22

(c) Deferred tax

The Company has losses carried forward of £14.7m (2022: £14.7m), accelerated capital allowance of £2.5m (2022: £2.9m) and other timing differences of £0.3m (2022: £0.6m) for which a deferred tax asset has not been recognised in the financial statements on the basis that there is uncertainty as to the timing and extent of the use of these losses and allowances.

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Notes to the financial statements

as at 31 December 2023 (continued)

6 Tax on profit on ordinary activities (continued)

(d) Factors affecting future tax charges

On 17 November 2022, the UK Government confirmed its intention to implement the G20-OECD Inclusive Framework Pillar 2 rules in the UK, including a Qualified Domestic Minimum Top-Up Tax rule and this legislation was enacted on 11 July 2023 in the UK and is effective from 1 January 2024. The Group are within the scope of these rules as the Company's ultimate parent company, Equifax Inc, has global revenues exceeding €750m. The legislation will seek to ensure that UK headquartered multinational enterprises pay a minimum tax rate of 15 per cent on UK and overseas profits arising after 31 December 2023.

Based on the assessment, the Pillar Two simplified effective tax rates for all entities within the Group in which the Company operates are above 15%. Therefore, the Group does not expect a potential exposure to Pillar Two top up taxes as it passes at least one of the transitional safe harbor tests.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to GMT taxes. As the GMT legislation was not effective as at 31 December 2023, the Group has no related current tax exposure.

7 Intangible fixed assets

	<i>Software licence fees</i>	<i>Deferred programming costs</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cost:			
At 1 January 2023	21	5,530	5,551
Additions	-	3,365	3,365
Retirements	(21)	(946)	(967)
At 31 December 2023	-	7,949	7,949
Amortisation:			
At 1 January 2023	4	2,249	2,253
Charge for the year	1	1,216	1,217
Retirements	(5)	(945)	(950)
At 31 December 2023	-	2,520	2,520
Net book value:			
At 31 December 2023	-	5,429	5,429
At 31 December 2022	17	3,281	3,298

Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

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Notes to the financial statements

as at 31 December 2023 (continued)

8 Tangible fixed assets

	<i>Leashold improvements</i>	<i>Office equipment, fixtures and fittings</i>	<i>Computers</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
Cost:				
At 1 January 2023	875	3,139	731	4,745
Additions	83	399	81	563
Retirements	(761)	(191)	(201)	(1,153)
At 31 December 2023	197	3,347	611	4,155
Depreciation				
At 1 January 2023	764	2,896	519	4,179
Charge for the year	17	130	170	317
Retirements	(761)	(191)	(201)	(1,153)
At 31 December 2023	20	2,835	488	3,343
Net book value:				
At 31 December 2023	177	512	123	812
At 31 December 2022	111	243	212	566

Depreciation is charged to administrative expenses in the Statement of Comprehensive Income.

9 Fixed asset investments

	<i>Subsidiary undertakings</i>
	£'000
Cost:	
At 31 December 2022	9,758
Return on Capital	(1,230)
Impairment of investment in Integrated Debt Services	(7,428)
At 31 December 2023	1,100

The reduction in fixed asset investments relates to an impairment in the carrying value of the investment in Integrated Debt Services Limited during the year, as well as the return of capital from TDX Indigo Iberia SL. In May 2023 the share premium was received back from TDX Indigo Iberia SL and only the share capital amount remained.

During the year, the Company received £18.1m (2022: £12.0m) in dividends from Integrated Debt Services Limited. This is treated as investment income in the Statement of Comprehensive Income.

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Notes to the financial statements

as at 31 December 2023 (continued)

9 Fixed asset investments (continued)

The Company has investments in the following subsidiary undertakings:

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

Registered address:

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

(b) 1 Angel Court
London
EC2R 7HJ

10 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	5,132	4,384
Amounts owed by group undertakings	1,637	3,627
Prepayments and accrued income	6,976	3,720
Other debtors	4	-
	<u>13,749</u>	<u>11,731</u>

11 Creditors

	2023 £'000	2022 £'000
Amount falling due within one year:		
Trade creditors	337	362
Amounts owed to group undertakings	1,376	942
Other taxation and social security	1,830	1,062
Other creditors	1	1
Accruals and deferred income	7,913	7,609
	<u>11,457</u>	<u>9,976</u>

Amounts falling due after more than one year:

Amounts owed to group undertakings	4,500	4,500
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Amounts owed to group undertakings falling due after more than one year includes an un-secured interest-bearing loan with interest due monthly and a redemption date of 15 September 2026.

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Notes to the financial statements

as at 31 December 2023 (continued)

12 Called-up share capital and reserves

	No.	Allotted, called up and fully paid	
		2023 £'000	2022 £'000
Ordinary shares of £0.0000125 each	16,666,868	-	16,666,868
B ordinary shares of £0.0000125 each	419,440	-	419,440

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

The Company's other reserves are as follows:

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

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

13 Financial commitments

(a) Lease commitments

At 31 December 2023, the Company has future minimum rentals payable under non-cancellable operating leases as set out below:

Property	2023		2022	
	Property £'000	Other £'000	Property £'000	Other £'000
Operating lease amount payable:				
Within one year	565	-	405	-
Within 2 to 5 years	2,210	-	2,261	-
After more than 5 years	2,100	-	-	-
	4,875	-	2,666	-

(b) Financial commitments

The Company entered into a cancellable contract with a data supplier which has a contractual obligation payment of £50,000 upon termination. The minimum annual amount payable under this agreement is £50,000 (2022: £50,000).

The Company has entered into a cancellable contract with an outsourcing supplier which has a contractual obligation payment of £15,000 upon termination. The minimum annual amount payable under this agreement is £15,000 (2022: £15,000).

14 Share-based payments

(a) Equity-settled share option scheme

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

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Notes to the financial statements

as at 31 December 2023 (continued)

14 Share-based payments (continued)

(b) Non-vested Stock

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

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

15 Provision for liabilities

	<i>Dilapidations provision</i>
	<i>£'000</i>
At 1 January 2022	252
Paid during the year	(303)
Additions	153
At 31 December 2023	<u>102</u>

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

16 Related party transactions

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

	Amounts owed by related party	Amounts owed to related party
	<i>£'000</i>	<i>£'000</i>
Entities with significant influence over the Company		
2023	-	156
2022	-	54
Other related party entities		
2023	1,637	5,720
2022	3,627	5,388

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Notes to the financial statements

as at 31 December 2023 (continued)

16 Related party transactions (continued)

Terms and conditions of transactions with related parties

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

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

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

17 Ultimate parent undertaking

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

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

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

18 Dividends

During the year the Company declared and paid a dividend of £19.5m to its parent company (2022: £12.0m).

19 Post balance sheet events

In June 2024, the Company declared and paid a dividend of £4.5m to its parent company.